

**COPPELL INDEPENDENT
SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 2020

RUTHERFORD, TAYLOR & COMPANY, P.C.
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COPPELL INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2020

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibits</u>
INTRODUCTORY SECTION		
Certificate of Board.....	3	
FINANCIAL SECTION		
<u>Independent Auditor's Reports:</u>		
Report on Basic Financial Statements	5	
Report on Compliance and Internal Controls (<i>Government Auditing Standards</i>)	7	
Report on Internal Control over Compliance in Accordance with Uniform Guidance.....	9	
Schedule of Findings and Questioned Costs.....	11	
Management's Discussion and Analysis (Required Supplementary Information)	16	
<u>Basic Financial Statements:</u>		
Government-wide Financial Statements:		
Statement of Net Position	26	A-1
Statement of Activities	27	B-1
Fund Financial Statements:		
Balance Sheet – Governmental Funds.....	28	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position	29	C-2
Statement of Revenues, Expenditures and Changes in		
Fund Balances of Governmental Funds	30	C-3
Reconciliation of the Statement of Revenues, Expenditures and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities	31	C-4
Statement of Fund Net Position – Proprietary Funds.....	32	D-1
Statement of Revenues, Expenses and Changes in		
Fund Net Position – Proprietary Funds.....	33	D-2
Statement of Cash Flows – Proprietary Funds	34	D-3
Statement of Fiduciary Net Position – Fiduciary Funds.....	35	E-1
Notes to the Basic Financial Statements.....	36	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedule – General Fund	61	G-1
Schedule of District's Proportionate Share of the Net Pension Liability	62	G-2
Schedule of District Contributions	63	G-3
Notes to Required Supplementary Information.....	64	G-4
Schedule of District's Proportionate Share of the Net Pension Liability	65	G-5
Schedule of District Contributions	66	
<u>Other Supplementary Information Section:</u>		
Schedule of Delinquent Taxes Receivable	69	J-1
Budgetary Comparison Schedules Required by the Texas Education Agency:		
School Breakfast and National School Lunch Program.....	70	J-3
Debt Service Fund.....	71	J-4
Schedule of Required Responses to Selected Schools FIRST Indicators	72	J-5
FEDERAL AWARDS SECTION		
Schedule of Expenditures of Federal Awards.....	74	K-1
Notes to Schedule of Expenditures of Federal Awards.....	75	K-2

CERTIFICATE OF BOARD

Coppell Independent School District
Name of School District

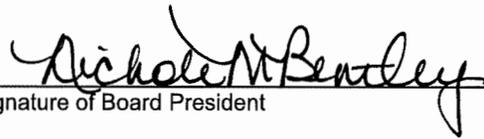
Dallas
County

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, 2020, at a meeting of the board of school trustees of such
school district on January 11, 2021.



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, 2020, 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, 2020, 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.

Independent Auditor's Report – Continued

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 January 6, 2021, 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.

Rutherford, Taylor & Company, PC

January 6, 2021
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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 6, 2021.

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, P.C.

January 6, 2021
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, 2020. 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, 2020.

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.

Rutherford, Taylor & Company PC

January 6, 2021
Greenville, Texas

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2020

Summary of Auditor's Results (Section I)

Financial Statements –

Type of auditor's report issued	Unmodified Opinion
Internal Control over Financial Reporting: Material Weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Noncompliance material to the financial statements noted	None

Federal Awards –

Internal control over major programs: Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Type of Auditor's report issued on compliance for major programs	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	No
Identification of major programs	Special Education Cluster: IDEA-B, Formula (84.027) IDEA-B, Preschool (84.173)
Dollar threshold used to distinguish between Type A and Type B programs	\$ 750,000
Entity qualified as a low risk auditee	Yes
Pass-through Entity	Texas Education Agency

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2020

Financial Statement Findings (Section II)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2020

Federal Award Findings and Questioned Costs (Section III)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2020

Prior Year Findings (Section IV)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2020

Corrective Action Plans (Section V)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2020

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, 2020. Please read it in conjunction with the District's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The two major factors contributing to the District's increase in the General Fund balance from the prior year, were the higher than budgeted revenue due to higher than expected enrollment and the district's reduction in operating expenditures during the Covid-19 Pandemic.
- The General Fund reported an ending fund balance of \$ 73,940,576. This was an increase in the fund balance from the prior year in the amount of \$ 3,936,474. The unassigned general fund balance increased \$ 3,914,374 from the prior year, while other committed fund balance increased \$ 22,100.
- The District's implementation of GASB Statement 68 and statement 75 requires the recording of the District's proportionate share of the TRS-retirement plan liability. The current year increases totaling \$ 510,992 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 \$ 57,895,928 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 \$ 48,623,184 in the governmental activities.
- General revenues accounted for \$ 182,068,753, or 88.15% of all fiscal year 2020 revenue. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$ 18,966,311 or 9.18% of total fiscal year 2020 revenues.
- The District had approximately \$ 221,239,952 in expenses related to governmental activities; of which \$ 5,505,163 of these expenses were offset by program-specific charges for services. General revenues of \$ 182,068,753 provided for the remaining cost of these programs, resulting in a \$ 14,699,725 decrease in net position for the year's activity.
- The District issued bonds during the year totaling \$ 6,433,559 to provide financing to refund outstanding maturities of outstanding bonded debt to achieve reduced interest payments over the life of the debt.
- The District experienced disruption in traditional educational services due to the state and national responses to the COVID-19 pandemic during the year.

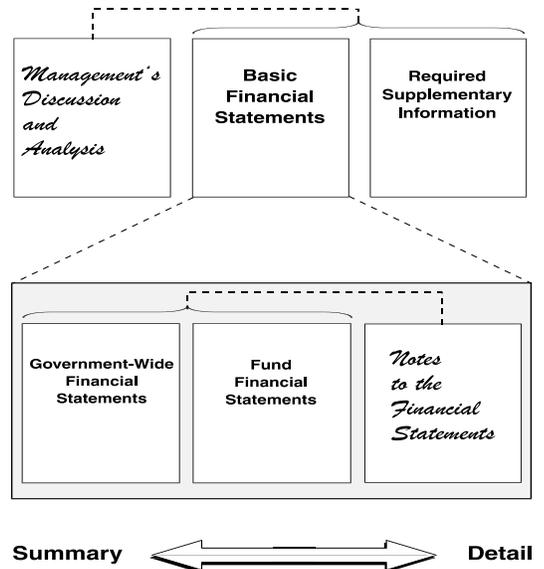
COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2020

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	Government-wide		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, 2020

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, 2020

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$ (37,721,028) at August 31, 2020.

Coppell Independent School District's Net Position			Table A-1
	Governmental Activities		Percent Change
	2020	2019	2019-2020
Assets:			
Cash and Investments	\$ 138,726,262	\$ 164,850,066	-15.85%
Other Assets	3,364,942	3,353,688	0.34%
Capital Assets less Accumulated Depreciation	<u>371,458,020</u>	<u>367,595,105</u>	1.05%
Total Assets	<u>\$ 513,549,224</u>	<u>\$ 535,798,859</u>	-4.15%
Total Deferred Outflows of Resources	<u>\$ 30,788,618</u>	<u>\$ 29,509,937</u>	4.33%
Liabilities:			
Current Liabilities	\$ 14,902,293	\$ 18,494,285	-19.42%
Long-term Liabilities	<u>543,600,459</u>	<u>554,872,308</u>	-2.03%
Total Liabilities	<u>\$ 558,502,752</u>	<u>\$ 573,366,593</u>	-2.59%
Total Deferred Inflows of Resources	<u>\$ 23,556,118</u>	<u>\$ 14,963,506</u>	57.42%
Net Position:			
Net Investment In Capital Assets	\$ 1,643,465	\$ 8,543,878	-80.76%
Restricted	9,258,691	11,202,544	-17.35%
Unrestricted	<u>(48,623,184)</u>	<u>(42,767,725)</u>	-13.69%
Total Net Position	<u>\$ (37,721,028)</u>	<u>\$ (23,021,303)</u>	-63.85%

Approximately \$ 8,783,551 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 \$ 206,540,227. 84% of the District's revenue comes from local property taxes (See Table A-2). 12% comes from state aid and federal grants, while only 4% relates to charges for services and investment earnings.

The total cost of all programs and services was \$ 221,239,952. 46% 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 \$ 33,286,577 or 15.05%.

The District's base tax collections (current and delinquent) percentage for FY 2020 is 102.12%. The total tax collections (base tax plus penalty and interest) percentage for FY 2020 was 102.37%.

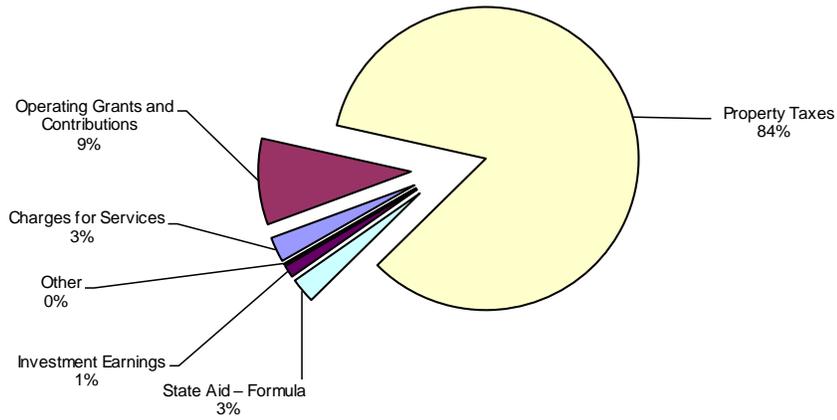
COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2020

GOVERNMENTAL ACTIVITIES

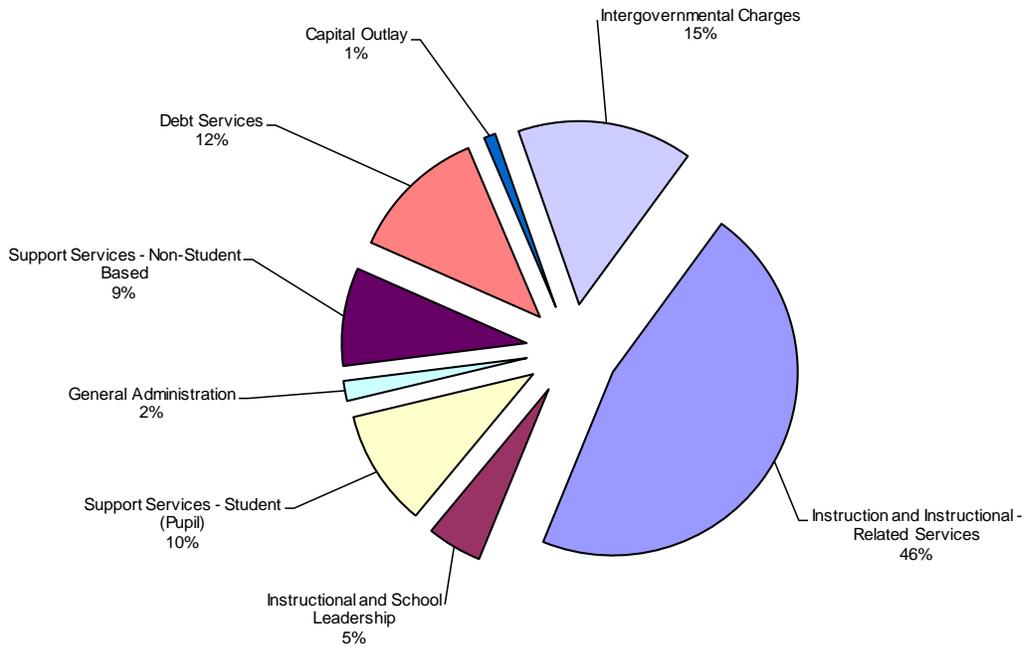
Changes in Coppell Independent School District's Net Position			Table A-2
	Governmental Activities		Percent Change
	2020	2019	2019-2020
Program Revenues:			
Charges for Services	\$ 5,505,163	\$ 9,184,548	-40.06%
Operating Grants and Contributions	18,966,311	15,078,624	25.78%
General Revenues:			
Property Taxes	173,605,774	174,263,694	-0.38%
State Aid – Formula	5,528,891	10,650,681	-48.09%
Investment Earnings	2,706,969	4,555,664	-40.58%
Other	227,119	970,760	-76.60%
Total Revenues	<u>\$ 206,540,227</u>	<u>\$ 214,703,971</u>	-3.80%
Expenses:			
Instruction	\$ 96,651,346	\$ 88,294,353	9.46%
Instructional Resources and Media Services	2,225,926	2,232,861	-0.31%
Curriculum and Staff Development	3,216,661	3,040,624	5.79%
Instructional Leadership	2,917,860	2,599,985	12.23%
School Leadership	7,734,090	6,975,567	10.87%
Guidance, Counseling and Evaluation Services	6,915,384	5,967,574	15.88%
Social Work Services	255,917	367,633	-30.39%
Health Services	1,689,350	1,321,895	27.80%
Student (Pupil) Transportation	6,135,094	4,461,406	37.51%
Food Services	4,787,620	5,401,919	-11.37%
Co-curricular/Extracurricular Activities	2,942,600	4,247,258	-30.72%
General Administration	3,920,244	3,533,235	10.95%
Plant Maintenance and Operations	10,510,352	12,501,765	-15.93%
Security and Monitoring Services	1,101,478	575,066	91.54%
Data Processing Services	7,385,140	7,820,888	-5.57%
Community Services	140,653	166,047	-15.29%
Debt Service	26,561,522	17,737,455	49.75%
Capital Outlay	2,255,032	3,312,461	-100.00%
Contracted Instructional Services between Schools	33,286,577	43,794,260	-23.99%
Payments for Shared Service Arrangements	21,860	250	8644.00%
Payments to Juvenile Justice Alternative Ed. Prgm.	18,084	3,000	502.80%
Other Intergovernmental Charges	567,162	581,277	-2.43%
Total Expenses	<u>\$ 221,239,952</u>	<u>\$ 214,936,779</u>	2.93%
Increase (Decrease) in Net Position	\$ (14,699,725)	\$ (232,808)	6214.10%
Net Position - Beginning (September 1)	<u>(23,021,303)</u>	<u>(22,788,495)</u>	-1.02%
Net Position - Ending (August 31)	<u>\$ (37,721,028)</u>	<u>\$ (23,021,303)</u>	63.85%

COPPELL INDEPENDENT SCHOOL DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED AUGUST 31, 2020

Government-wide Revenue for Fiscal Year 2020 - See Table A-2



Government-wide Expenses for Fiscal Year 2020 - See Table A-2



COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2020

- 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 \$ 221,239,952.
- However, the amount that our taxpayers paid for these activities through local property taxes was \$ 173,605,774.
- Some of the cost was paid by those who directly benefited from the programs 5,505,163, or
- By grants and contributions \$ 18,966,311.

Coppell Independent School District's Net Cost of Selected District Functions Governmental Activities							Table A-3
	Total Cost of Services			%	Net Cost of Services		
	2020	2019	Change		2020	2019	Change
Instruction	\$ 96,651,346	\$ 88,294,353	9.46%	\$ 82,331,925	\$ 76,573,150	7.52%	
School Leadership	7,734,090	6,975,567	10.87%	7,096,107	6,441,634	10.16%	
General Administration	3,920,244	3,533,235	10.95%	3,648,550	3,308,478	10.28%	
Plant Maintenance and Operations	10,510,352	12,501,765	-15.93%	10,103,193	10,144,505	-0.41%	
Debt Service	26,561,522	17,737,455	49.75%	26,130,422	17,084,057	52.95%	
Contracted Instructional Services	33,286,577	43,794,260	-23.99%	33,286,577	43,794,260	-23.99%	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues in the governmental funds totaled \$ 202,633,598. This represents a decrease of \$ 8,088,990 from the prior year revenues of \$ 210,722,588. The change represents a decrease in local property taxes collected due to changes in assessed property values and tax rates related to HB3 limitations. Additional decreases incurred related to the COVID pandemic closing school activities.

Expenditures in the governmental funds totaled \$ 225,923,139. This represents a decrease of \$ 45,177,957 from the prior year expenditures of \$ 271,101,096. The majority of this change is a result of decreased capital outlay expenditures related to construction projects completed in the District and reduced recapture costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Trustees adopted an original General Fund Budget deficit of \$ 2,465,049. Due to current State funding formulas, revised by the 86th Legislature under House Bill 3, the district estimated its funding entitlement at the time of adoption though many of the variables for funding were being defined and communicated by the Texas Education Agency throughout the year. As part of the House Bill 3, the district was required to increase teacher compensation.

During the year, the District was impacted by the Covid-19 pandemic. In March, school buildings were closed and students transitioned to a remote learning environment. The District realized operational expenditure savings as well as a loss of revenue during that time. The savings, mainly in reduced transportation, extra-curricular, travel, maintenance and operations expenditures, contributed to the increase in the District's General Fund fund balance.

In addition to operational savings due to Covid-19, the District realized higher than anticipated revenue entitlement due to increased enrollment.

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At year end, the District had invested \$ 485,487,481 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 2019-2020
	2020	2019	
Land	\$ 46,880,011	\$ 46,880,011	0.00%
Construction in Progress	27,463,409	154,827,723	-82.26%
Buildings and Improvements	370,114,010	229,708,182	61.12%
Equipment	34,902,350	34,216,782	2.00%
Vehicles	6,127,701	6,355,864	-3.59%
Totals at historical cost	\$ 485,487,481	\$ 471,988,562	2.86%
Less accumulated depreciation	(114,029,461)	(104,393,457)	9.23%
Net Capital Assets	<u>\$ 371,458,020</u>	<u>\$ 367,595,105</u>	1.05%

DEBT

At year-end, the District had \$ 463,690,420 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 2019-2020
	2020	2019	
Bonds Payable	\$ 367,080,981	\$ 382,497,377	-4.03%
Other Debt Payable	99,089,144	94,433,605	4.93%
Total Debt Payable	<u>\$ 466,170,125</u>	<u>\$ 476,930,982</u>	-2.26%

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2020

ECONOMIC FACTORS

The District continues to experience growth of assessed property tax values. The 2020 assessed taxable values grew by 2.87% from the 2019 Certified Tax Roll to the 2020 Certified Tax Roll. The District's certified taxable values from 2019 were \$ 12,878,169,423 which was up \$ 840,618,368 from the 2018 certified taxable values of \$ 12,037,551,055. Approximately 54% 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 albeit at a slower growth rate than in recent 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 13,218 students in 2019-2020, which was an increase of 293 new students, or approximately a 2.27% increase in enrollment.

In 2019 the District opened Canyon Ranch Elementary School, located in the southern section of the district, to address the growing enrollment in that area. This 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. The District has annually received additional revenue that ranges from \$ 700,000 to \$ 1M from the open enrollment program.

The 86th Texas Legislative Session was held during 2019 and produced new funding formulas for public schools. Tax rates were compressed providing tax relief for property owners. After years of increasing amounts of local property tax revenue being recaptured by the state, the state contributed a greater portion of overall funding under the new funding formula, specifically through tax compression and the reduction of the amounts recaptured. While Coppell ISD did see a reduction in recapture expenditure of approximately \$12 million, the overall funding entitlement for the district only increased \$2.5 million. As part of the legislation a portion of the increased funding was designated to be spent on compensation increases for teachers, librarians, nurses, and counselors. Of the increased funding received by Coppell ISD nearly \$2 million was spent for compensation increases for classroom teachers, librarians, nurses, and counselors.

The global outbreak of coronavirus disease 2019 ("COVID-19") presents various global risks. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management of the District is actively monitoring the global situation on its financial condition, liquidity, operations, supplies, vendors, and industry. Given the evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects, if any, of the COVID-19 outbreak on its results of operations and financial condition.

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, 2020

Data Control Codes	1	Governmental Activities
ASSETS		
1110	Cash and Investments	\$ 138,726,262
1225	Property Taxes Receivable, Net	1,594,381
1240	Due from Other Governments	1,610,865
1250	Accrued Interest	31,272
1290	Other Receivables	44,624
1300	Inventories	83,800
	Capital Assets:	
1510	Land	46,880,011
1520	Buildings and Improvements, Net	279,244,562
1530	Furniture and Equipment, Net	17,870,038
1580	Construction in Progress	27,463,409
1000	Total Assets	<u>\$ 513,549,224</u>
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Outflows - Refunding	\$ 2,477,954
1705	Deferred Outflows - Pensions	18,288,783
1706	Deferred Outflows - OPEB	10,021,881
1700	Total Deferred Outflows of Resources	<u>\$ 30,788,618</u>
LIABILITIES		
2110	Accounts Payable	\$ 3,083,431
2140	Interest Payable	1,361,817
2165	Accrued Liabilities	7,523,186
2180	Due to Other Governments	2,427,732
2300	Unearned Revenues	506,127
	Noncurrent Liabilities:	
2501	Due within one year	15,035,382
2502	Due in more than one year	451,134,743
2540	Net Pension Liability	37,026,811
2545	Net OPEB Liability	40,403,523
2000	Total Liabilities	<u>\$ 558,502,752</u>
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflows - Pensions	\$ 6,076,954
2606	Deferred Inflows - OPEB	17,479,164
2600	Total Deferred Inflows of Resources	<u>\$ 23,556,118</u>
NET POSITION		
3200	Net Investment in Capital Assets	\$ 1,643,465
	Restricted For:	
3820	Federal and State Programs	354,467
3850	Debt Service	8,783,551
3890	Other Purposes	120,673
3900	Unrestricted	(48,623,184)
3000	Total Net Position	<u>\$ (37,721,028)</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2020

Data	1	3	4	6
Control	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Codes Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
11 Instruction	\$ 96,651,346	\$ 1,686,527	\$ 12,632,894	\$ (82,331,925)
12 Instructional Resources and Media Services	2,225,926		159,944	(2,065,982)
13 Curriculum and Staff Development	3,216,661		505,011	(2,711,650)
21 Instructional Leadership	2,917,860		324,294	(2,593,566)
23 School Leadership	7,734,090		637,983	(7,096,107)
31 Guidance, Counseling and Evaluation Services	6,915,384	89,294	1,927,237	(4,898,853)
32 Social Work Services	255,917		17,184	(238,733)
33 Health Services	1,689,350		137,211	(1,552,139)
34 Student (Pupil) Transportation	6,135,094	51,295	8,066	(6,075,733)
35 Food Services	4,787,620	2,935,523	849,582	(1,002,515)
36 Co-curricular/Extracurricular Activities	2,942,600	307,276	280,868	(2,354,456)
41 General Administration	3,920,244	10,115	261,579	(3,648,550)
51 Plant Maintenance and Operations	10,510,352	208,787	198,372	(10,103,193)
52 Security and Monitoring Services	1,101,478		358,885	(742,593)
53 Data Processing Services	7,385,140	216,346	221,784	(6,947,010)
61 Community Services	140,653		14,317	(126,336)
72 Interest on Long-term Debt	26,388,980		431,100	(25,957,880)
73 Debt Issuance Costs and Fees	172,542			(172,542)
81 Capital Outlay	2,255,032			(2,255,032)
91 Contracted Instructional Services between Schools	33,286,577			(33,286,577)
93 Payments for Shared Services Arrangements	21,860			(21,860)
95 Payments to Juvenile Justice Alternative Ed. Prgm.	18,084			(18,084)
99 Other Intergovernmental Charges	567,162			(567,162)
TG Total Governmental Activities	<u>\$ 221,239,952</u>	<u>\$ 5,505,163</u>	<u>\$ 18,966,311</u>	<u>\$ (196,768,478)</u>
TP Total Primary Government	<u>\$ 221,239,952</u>	<u>\$ 5,505,163</u>	<u>\$ 18,966,311</u>	<u>\$ (196,768,478)</u>
General Revenues:				
MT Property Taxes, Levied for General Purpose				\$ 139,349,965
DT Property Taxes, Levied for Debt Service				34,255,809
IE Investment Earnings				2,706,969
GC Grants and Contributions Not Restricted to Specific Programs				5,528,891
MI Miscellaneous				227,119
TR Total General Revenues				<u>\$ 182,068,753</u>
CN Change in Net Position				\$ (14,699,725)
NB Net Position - Beginning (September 1)				<u>(23,021,303)</u>
NE Net Position - Ending (August 31)				<u>\$ (37,721,028)</u>

The accompanying notes are an integral part of this statement.

COPELL INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2020

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	\$ 83,993,378	\$ 9,833,832	\$ 42,066,841	\$ 2,832,211	\$ 138,726,262
1225	Property Taxes Receivable, Net	1,278,877	315,504	-	-	1,594,381
1240	Due from Other Governments	606,282	13,682	-	990,901	1,610,865
1260	Accrued Interest	31,272	-	-	-	31,272
1290	Other Receivables	2,421	400	-	41,803	44,624
1300	Inventories	-	-	-	83,800	83,800
1000	Total Assets	<u>\$ 85,912,230</u>	<u>\$ 10,163,418</u>	<u>\$ 42,066,841</u>	<u>\$ 3,948,715</u>	<u>\$ 142,091,204</u>
LIABILITIES						
Current Liabilities:						
2110	Accounts Payable	\$ 649,533	\$ -	\$ 1,127,494	\$ 1,306,404	\$ 3,083,431
2150	Payroll Deductions and Withholdings	35,704	-	-	-	35,704
2160	Accrued Wages Payable	7,487,482	-	-	-	7,487,482
2180	Due to Other Governments	2,427,732	-	-	-	2,427,732
2300	Unearned Revenue	92,326	18,050	-	395,751	506,127
2000	Total Liabilities	<u>\$ 10,692,777</u>	<u>\$ 18,050</u>	<u>\$ 1,127,494</u>	<u>\$ 1,702,155</u>	<u>\$ 13,540,476</u>
DEFERRED INFLOWS OF RESOURCES						
2610	Deferred Property Tax Revenue	\$ 1,278,877	\$ 315,504	\$ -	\$ -	\$ 1,594,381
2600	Total Deferred Inflows of Resources	<u>\$ 1,278,877</u>	<u>\$ 315,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,594,381</u>
FUND BALANCES						
Nonspendable Fund Balances:						
3410	Inventories	\$ -	\$ -	\$ -	\$ 83,800	\$ 83,800
Restricted Fund Balances:						
3450	Federal/State Funds Grants	-	-	-	354,467	354,467
3480	Retirement of Long-Term Debt	-	9,829,864	-	-	9,829,864
3490	Other Restrictions of Fund Balance	-	-	40,939,347	119,034	41,058,381
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	459,700	-	-	1,689,259	2,148,959
3600	Unassigned	70,730,876	-	-	-	70,730,876
3000	Total Fund Balances	<u>\$ 73,940,576</u>	<u>\$ 9,829,864</u>	<u>\$ 40,939,347</u>	<u>\$ 2,246,560</u>	<u>\$ 126,956,347</u>
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 85,912,230</u>	<u>\$ 10,163,418</u>	<u>\$ 42,066,841</u>	<u>\$ 3,948,715</u>	<u>\$ 142,091,204</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, 2020

Total fund balances - Balance Sheet (governmental funds)	\$ 126,956,347
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.	371,458,020
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,594,381
Payables for bond principal which are not due in the current period are not reported in the funds.	(367,080,981)
Payables for debt interest which are not due in the current period are not reported in the funds.	(1,361,817)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	1,340,009
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.	(37,026,811)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(6,076,954)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	18,288,783
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(40,403,523)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(17,479,164)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	10,021,881
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(57,895,928)
Bond premiums are amortized in the SNA but not in the funds.	<u>(43,276,350)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ (37,721,028)</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, 2020

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	\$ 141,758,229	\$ 34,691,381	\$ 782,865	\$ 4,963,798	\$ 182,196,273
5800 State Program Revenues	11,561,695	223,296	-	4,077,792	15,862,783
5900 Federal Program Revenues	952,993	207,804	-	3,413,745	4,574,542
5020 Total Revenues	\$ 154,272,917	\$ 35,122,481	\$ 782,865	\$ 12,455,335	\$ 202,633,598
EXPENDITURES					
Current:					
0011 Instruction	\$ 73,348,177	\$ -	\$ 4,894,429	\$ 5,659,926	\$ 83,902,532
0012 Instructional Resources and Media Services	1,685,045	-	198,490	53,147	1,936,682
0013 Curriculum and Staff Development	2,580,194	-	-	231,904	2,812,098
0021 Instructional Leadership	2,412,694	-	303	87,848	2,500,845
0023 School Leadership	6,560,553	-	6,632	81,795	6,648,980
0031 Guidance, Counseling and Evaluation Services	4,035,414	-	-	1,848,980	5,884,394
0032 Social Work Services	223,379	-	-	-	223,379
0033 Health Services	1,444,605	-	1,182,398	218	2,627,221
0034 Student (Pupil) Transportation	4,661,746	-	191,694	5,191	4,858,631
0035 Food Services	-	-	51,083	4,280,414	4,331,497
0036 Co-curricular/Extracurricular Activities	2,242,687	-	9,278	344,329	2,596,294
0041 General Administration	3,410,411	-	117,254	1,000	3,528,665
0051 Plant Maintenance and Operations	9,652,772	-	112,206	8,745	9,773,723
0052 Security and Monitoring Services	690,032	-	3,070,426	209,139	3,969,597
0053 Data Processing Services	3,657,958	-	-	-	3,657,958
0061 Community Services	109,843	-	-	17,046	126,889
0071 Principal on Long-term Debt	-	15,415,801	-	-	15,415,801
0072 Interest on Long-term Debt	-	21,299,832	-	-	21,299,832
0073 Debt Issuance Cost and Fees	-	172,542	-	-	172,542
0081 Capital Outlay	-	-	15,761,896	-	15,761,896
0091 Contracted Instructional Services between Schools	33,286,577	-	-	-	33,286,577
0093 Payments for Shared Service Arrangements	21,860	-	-	-	21,860
0095 Payments to Juvenile Justice Alternative Ed. Prgm	18,084	-	-	-	18,084
0099 Other Intergovernmental Charges	567,162	-	-	-	567,162
6030 Total Expenditures	\$ 150,609,193	\$ 36,888,175	\$ 25,596,089	\$ 12,829,682	\$ 225,923,139
1100 Excess (Deficiency) of Revenues Over Expenditures	\$ 3,663,724	\$ (1,765,694)	\$ (24,813,224)	\$ (374,347)	\$ (23,289,541)
OTHER FINANCING SOURCES (USES)					
7911 Capital-Related Debt Issued	\$ -	\$ 6,433,559	\$ -	\$ -	\$ 6,433,559
7912 Sale of Capital Assets	272,750	-	-	12,800	285,550
7916 Premium or Discount on Issuance of Bonds	-	3,776,449	-	-	3,776,449
8949 Other Uses	-	(10,040,024)	-	-	(10,040,024)
7080 Net Other Financing Sources (Uses)	\$ 272,750	\$ 169,984	\$ -	\$ 12,800	\$ 455,534
1200 Net Changes in Fund Balances	\$ 3,936,474	\$ (1,595,710)	\$ (24,813,224)	\$ (361,547)	\$ (22,834,007)
1000 Fund Balance - Beginning (September 1)	70,004,102	11,425,574	65,752,571	2,608,107	149,790,354
3000 Fund Balance - Ending (August 31)	\$ 73,940,576	\$ 9,829,864	\$ 40,939,347	\$ 2,246,560	\$ 126,956,347

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, 2020

Net change in fund balances - total governmental funds	\$ (22,834,007)
<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.	15,009,763
The depreciation of capital assets used in governmental activities is not reported in the funds.	(9,804,960)
The gain or loss on the sale of capital assets is not reported in the funds.	(1,056,338)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(285,550)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	174,511
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	11,708,123
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	15,415,801
The accretion of interest on capital appreciation bonds is not reported in the funds.	(6,896,185)
(Increase) decrease in accrued interest from beginning of period to end of period.	138,938
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(6,433,559)
Bond premiums are reported in the funds but not in the SOA.	(3,776,448)
GASB 75 requires certain expenditures to be de-expended and recorded as deferred resource outflow.	653,633
Pension contributions deferred in the prior year were expended in the current year	(606,331)
Pension expense relating to GASB 75 is recorded in the SOA but not in the funds.	(1,178,328)
GASB 68 requires certain expenditures to be de-expended and recorded as deferred resource outflow.	2,733,895
Pension contributions deferred in the prior year were expended in the current year	(2,492,978)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	<u>(5,169,705)</u>
Change in net position of governmental activities - statement of activities	<u>\$ (14,699,725)</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
 AUGUST 31, 2020

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

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, 2020

Data Control Codes		Internal Service Fund
<u> </u>		<u>Print Shop Fund</u>
	OPERATING REVENUES	
5700	Local and Intermediate Sources	\$ 4,285
5020	Total Revenues	\$ 4,285
	OPERATING EXPENSES	
6100	Payroll Costs	\$ 229
6200	Professional and Contracted Services	3,832
6300	Supplies and Materials	224
6030	Total Expenses	\$ 4,285
1300	Change in Net Position	\$ -
0100	Total Net Position - Beginning (September 1)	-
3000	Total Net Position - Ending (August 31)	\$ -

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2020

		Internal Service Fund	Print Shop Fund
Cash Flows from Operating Activities:			
Operating Transactions with Other Funds	\$	4,285	
Cash Payments to Other Suppliers for Goods and Services			(4,285)
			-
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			-
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, 2020

<u>Data Control Codes</u>		<u>Agency Funds</u>
ASSETS		
1110	Cash and Investments	<u>\$ 273,607</u>
1000	Total Assets	<u>\$ 273,607</u>
LIABILITIES		
Current Liabilities:		
2110	Accounts Payable	\$ 7,581
2190	Due to Student Groups	<u>266,026</u>
2000	Total Liabilities	<u>\$ 273,607</u>
NET POSITION		
3000	Total Net Position	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

A. Summary of Significant Accounting Policies

The basic financial statements of the Coppel 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 (SNA) 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.

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 the accumulation of resources for, and the payment of general long-term Debt principal, interest and related costs.

Capital Projects Fund – The District accounts for capital improvements resulting from the issuance of tax supported general obligation bonds in this fund. Any excess proceeds remaining will be used to retire the debt issued.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

A. Summary of Significant Accounting Policies (Continued)

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 years. 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 uses internal service funds for self insured workers compensation and self insured technology repair activities.

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.

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 measurable until 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.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2020

A. Summary of Significant Accounting Policies (Continued)

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.

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-
Debt Service Fund		-0-
Total	\$	-0-

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 cash equivalents 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.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2020

A. Summary of Significant Accounting Policies (Continued)

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.

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

	General	Debt Service	Capital Projects	Other Governmental	Total
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ 83,800	\$ 83,800
Restricted					
Child Nutrition Program	-	-	-	354,467	354,467
Education Foundation Grants	-	-	-	30,726	30,726
College Prep Testing	-	-	-	89,947	89,947
Retirement of Long Term Debt	-	9,829,864	-	-	9,829,864
Capital Projects	-	-	40,939,347	-	40,939,347
Other Programs	-	-	-	(1,639)	(1,639)
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	459,700	-	-	-	459,700
Athletic Activity Funds	-	-	-	136,083	136,083
Campus Activity Funds	-	-	-	1,553,176	1,553,176
Unassigned	70,730,876	-	-	-	70,730,876
Totals	<u>\$ 73,940,576</u>	<u>\$ 9,829,864</u>	<u>\$ 40,939,347</u>	<u>\$ 2,246,560</u>	<u>\$ 126,956,347</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 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.

Prepaid Items

Certain payments to vendors reflect cost applicable to future accounting years and are recorded as prepaid items. Prepaid items are recorded as expenditures when the items are consumed or occur.

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	15-50
Vehicles	5-10
Other Equipment	3-15

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

A. Summary of Significant Accounting Policies (Continued)

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.

Unearned Revenues

Unearned revenues include state funds received but have not been earned in the year. The balance will be earned in the future year and not returned as liabilities.

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 year 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 year 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.

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 resource 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 year 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, accumulated and is recorded as an expense as it incurs.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

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 (OPEB)

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 OPEB, 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 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 District (FDIC) insurance. At year end all District cash deposits appear to have been adequately covered by FDIC insurance or by pledged collateral held by the District or the depository in the District's name. The District's deposits appear to have been properly secured throughout the year.

The District's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The Act requires specific training reporting and establishment of local policies. The District appears to be in compliance with all the requirements of the Act.

The PFIA (Government Code Chapter 256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement and publicize an investment policy. That policy must address the following areas (1) safety of principal and liquidity, (2) portfolio diversifications, (3) allowable investments, (4) acceptable risk level, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the state maturity date of portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preference for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The PFIA governs the District's investment policies and types of investments.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2020

B. Deposits, Securities and Investments (Continued)

The District's management believes that it complies with the requirements of the PFIA and the District's investment policies.

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, TexasTERM and Texas CLASS accounts are reported at share price (fair value) and are presented as cash and investments.

The following table lists the District's investments at year end:

	Credit Rating	Fair Value
TexPool	AAAm	\$ 50,203
Lone Star Investment Pool	AAAm	62,392,220
LOGIC	AAA	58,553,638
TexasCLASS	AAAm	9,318,761
TexSTAR	AAAm	108,285
TexasTERM	AAAf	4,729,224
Certificate of Deposit (TexasTERM)	n/a	3,194,000
Total		\$ 138,346,331

Lone Star Investment Pool

The Lone Star Investment Pool (Lone Star) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the PFIA, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASB), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated AAAm by Standard and Poor's. Lone Star has no limitations or restrictions on withdrawals. The District is invested in the Corporate Overnight Plus Fund of Lone Star. Lone Star has 3 different funds: Government Overnight, Corporate Overnight and Corporate Overnight Plus. Government and Corporate Overnight maintain a net asset value of one dollar and the Corporate Overnight Plus maintains a net Asset value of 50 cents. The Government Overnight and Corporate Overnight Funds value all investments at amortized cost and are operated in accordance with GASB 79. The Corporate Overnight Plus Fund values all investments at fair value and is operated in accordance with GASB 72.

Texas Local Government Investment Pool

The District invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the PFIA, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to Texpool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAm by Standard and Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which approximates market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

B. Deposits, Securities and Investments (Continued)

LOGIC

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 Asset Management, 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 a 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.

Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS)

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS), was created as an investment pool for it participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. The Texas CLASS 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 (the "Participants"), MBIA Municipal Investors Service Corporation as Program Administrator (the "Program Administrator"), and Wells Fargo Bank Texas, NA as Custodian (the "Custodian").

Texas CLASS 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 Texas CLASS, 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 Short Term Asset Reserve Program (TexSTAR)

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.

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.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

B. Deposits, Securities and Investments (Continued)

Texas TERM

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.

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 AAAs by Standard and Poor's Corporation rating agency.

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.

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 Districts' name. At year end, the District was not exposed to custodial credit risk.

The largest combined balances of cash, saving and time deposit accounts amounted to \$ 4,291,655 and occurred in June 2020. The amount of bond or market value of securities pledged as of the date of the highest combine balance on deposit was \$ 4,068,141. The total amount of FDIC coverage at the time of the highest combined balance was \$ 254,833. J.P. Morgan Chase Bank of Coppel, Texas is the District's depository.

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. District investments are limited to short term maturities to limit any potential interest rate risk. At year end, the District was not exposed to interest rate risk.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2020

B. Deposits, Securities and Investments (Continued)

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. State statutes do not allow for foreign investments this eliminating foreign currency rate risk. The District was not exposed to foreign currency risk.

f. Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements require judgement and considers factors specific to each asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Investments by Fair Value Level	Fair Value	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Government Investment Pools:				
TexPool	\$ 50,203	\$ -	\$ 50,203	\$ -
Lone Star Investment Pool	62,392,220	-	62,392,220	-
LOGIC	58,553,638	-	58,553,638	-
TexasCLASS	9,318,761	-	9,318,761	-
TexSTAR	108,285	-	108,285	-
Texas Term	4,729,224	-	4,729,224	-
Certificates of Deposit (Texas Term)	3,194,000	-	3,194,000	-

The Districts investments in the various local government investment pools is not required to be measured at fair value but is measured at amortized cost.

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 year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

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 \$ 1.0683 to fund general operations and \$ 0.2626 for the payment of principal and interest on long term debt. The rates were levied on property assessed totaling \$ 12,729,014,309. The District contracts with a tax attorney for the collection of all delinquent taxes. Delinquent taxes are subject to both penalty and interest plus a 25% delinquent tax attorney collection fee.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

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	154,827,723	11,705,203	139,069,517	27,463,409
Total Capital Assets not being Depreciated	<u>\$ 201,707,734</u>	<u>\$ 11,705,203</u>	<u>\$ 139,069,517</u>	<u>\$ 74,343,420</u>
Capital Assets being Depreciated:				
Building and Improvements	\$ 229,708,182	\$ 140,405,828	\$ -	\$ 370,114,010
Equipment	34,216,782	729,280	43,712	34,902,350
Vehicles	6,355,864	1,238,969	1,467,132	6,127,701
Total Capital Assets being Depreciated	<u>\$ 270,280,828</u>	<u>\$ 142,374,077</u>	<u>\$ 1,510,844</u>	<u>\$ 411,144,061</u>
Less Accumulated Depreciation for :				
Buildings and Improvements	\$ 84,137,084	\$ 6,732,364	\$ -	\$ 90,869,448
Equipment	18,453,888	2,344,831	43,712	20,755,007
Vehicles	1,802,485	727,765	125,244	2,405,006
Total Accumulated Depreciation	<u>\$ 104,393,457</u>	<u>\$ 9,804,960</u>	<u>\$ 168,956</u>	<u>\$ 114,029,461</u>
Total Capital Assets being Depreciated, Net	<u>\$ 165,887,371</u>	<u>\$ 132,569,117</u>	<u>\$ 1,341,888</u>	<u>\$ 297,114,600</u>
Governmental Activities Capital Assets, Net	<u>\$ 367,595,105</u>	<u>\$ 144,274,320</u>	<u>\$ 140,411,405</u>	<u>\$ 371,458,020</u>

Depreciation was charged to governmental activities functions as follows:

Instruction	\$ 5,902,586
Instructional Resources and Media Services	136,289
Curriculum and Staff Development	198,060
Instructional Leadership	175,509
School Leadership	467,697
Guidance, Counseling and Evaluation Services	413,769
Social Services	15,688
Health Services	101,972
Student (Pupil) Transportation	411,808
Food Services	314,739
Co-curricular/Extracurricular Activities	185,314
General Administration	240,222
Plant Maintenance and Operations	688,308
Security Services	71,576
Data Processing Services	473,580
Community Services	7,843
Totals	<u>\$ 9,804,960</u>

E. Long Term Obligations

Long Term Obligation Activity

Long-term obligation 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	\$ 382,497,377	\$ 6,433,559	\$ 21,849,955	\$ 367,080,981	\$ 15,035,382
Accreted Interest Payable	52,127,185	11,240,346	5,471,603	57,895,928	-
Unamortized Premium (Discount)	42,306,421	1,296,743	2,409,948	41,193,216	-
Total Governmental Activities	<u>\$ 476,930,983</u>	<u>\$ 18,970,648</u>	<u>\$ 29,731,506</u>	<u>\$ 466,170,125</u>	<u>\$ 15,035,382</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

E. Long Term Obligations

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 an ad valorem tax annually to retire the current maturities. The District is required to make annual interest payments along with annual principal payments.

The Board approved the order authorizing the issuance of "Coppell Independent School District Unlimited Tax Refunding Bonds, Series 2020, totaling \$ 6,433,559. 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 \$ 6,434,154 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 \$ 3,589,794, a net present value debt services savings of \$ 2,972,634 and to achieve a restricting of the District's cash flow position.

The following bonded debt issues are outstanding at year end:

Description	Interest Rate	Outstanding Balance
Unlimited Tax Refunding Bonds, Series 1995	5.00% - 7.00%	\$ 4,750,212
Unlimited School Building & Refunding Bonds, Series 2001	5.25% - 5.67%	7,562,210
Unlimited Tax School Building Bonds, Series 2013A	3.99%	18,350,000
Unlimited Tax Qualified School Construction Bonds, Taxable Series 2013B	5.00%	7,465,000
Unlimited Tax School Building Bonds, Series 2014	3.74%	43,945,000
Unlimited Tax School Building Bonds, Series 2016A	2.38%	1,050,000
Unlimited Tax School Building Bonds, Series 2016B	3.06%	74,760,000
Unlimited Tax Refunding Bonds, Series 2016C	2.09%	13,490,000
Unlimited Tax Refunding Bonds, Series 2016D	1.42%	19,570,000
Unlimited Tax School Building & Refunding Bonds, Series 2018	3.52%	75,385,000
Unlimited Tax School Building Bonds, Series 2019	3.12%	75,660,000
Unlimited Tax Refunding Bonds, Series 2019A	2.35%	18,660,000
Unlimited Tax Refunding Bonds, Series 2020	1.92%	6,433,559
Total		<u>\$ 367,080,981</u>

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

Year Ending August 31	Principal	Interest	Total
2021	\$ 15,035,382	\$ 20,600,949	\$ 35,636,331
2022	15,805,937	20,077,538	35,883,475
2023	16,953,518	19,472,557	36,426,075
2024	17,720,784	19,254,341	36,975,125
2025	17,868,085	18,568,240	36,436,325
2026-2030	69,052,275	107,042,234	176,094,509
2031-2035	65,595,000	41,461,400	107,056,400
2036-2040	66,380,000	25,704,590	92,084,590
2041-2045	63,535,000	11,403,676	74,938,676
2046-2050	19,135,000	1,185,600	20,320,600
Totals	<u>\$ 367,080,981</u>	<u>\$ 284,771,125</u>	<u>\$ 651,852,106</u>

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 year end.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2020

F. Defined Benefits 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.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

2. *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 2019 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2019 and 2018.

Net Pension Liability	2019	2018
Total Pension Liability	\$ 209,961,325,288	\$ 209,611,328,793
Less: Plan Fiduciary Net Position	(157,978,199,075)	(154,568,901,833)
Net Pension Liability	\$ 51,983,126,213	\$ 55,042,426,960
Net Position as percentage of Total Pension Liability	75.24%	73.74%

3. *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.

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.

In May, 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$ 2,000, whichever was less.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2020

F. Defined Benefits Pension Plan (Continued)

4. *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.

Employee contribution rates are set in state statute, Texas Government Code Section 825.402. The TRS Pension Reform Bill (SB12) of the 86th Texas Legislature amended Texas Government Code Section 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

		<u>Contribution Rates</u>	
		<u>2019</u>	<u>2020</u>
	Member	7.7%	7.7%
	Non-Employer Contributing Entity (State)	6.8%	7.5%
	Employers	6.8%	7.5%
Current Year	Employer Contributions	\$	2,733,895
Current Year	Member Contributions	\$	6,424,627
Measurement Period	NECE On-Behalf Contributions	\$	3,429,927

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education, 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 including public schools are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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.

A Public Education Employer contribution surcharge of 1.5% on all covered payroll.

5. *Actuarial Assumptions*

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

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate	7.25%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Payroll Growth Rate	2.50%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None
Municipal Bond Rate	2.63%
Ending Year in Projection Period	2116

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

F. Defined Benefits Pension Plan (Continued)

The actuarial assumptions used in this determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. A full description of the assumptions are included with the report dated November 9, 2018.

6. *Discount Rate*

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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 7.25%. The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as August 31, 2019 are summarized below

Asset Class	FY 2019 Target Allocation ¹ %	New Target Allocation ² %	Long -Term Expected Geometric Real Rate of Return ³
Global Equity			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
Stable Value			
U.S. Treasuries ⁴	11.0%	16.0%	3.1%
Absolute Return	0.0%	0.0%	0.0%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Real Return			
Global Inflation Linked Bonds ⁴	3.0%	-	-
Real Estate	14.0%	15.0%	8.5%
Energy, Natural Resources and Infrastructure	5.0%	6.0%	7.3%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	8.0%	5.8%/6.5% ⁵
Leverage			
Cash	1.0%	2.0%	2.50%
Asset Allocation Leverage	-	-6.0%	2.70%
Expected Return	<u>100%</u>	<u>100.0%</u>	<u>7.23%</u>

¹ Target allocations are based on the Strategic Asset Allocations as of FY2019

² New allocations are based on the Strategic Asset Allocations to be implemented FY2020

³ 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

⁴ New Target Allocation groups Government Bonds within the stable value allocation.

This includes global sovereign nominal and inflation-linked bonds

⁵ 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2020

F. Defined Benefits Pension Plan (Continued)

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 7.25% 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 (6.25%) or 1 – percentage point higher (7.25%) 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	\$ 56,915,587	\$ 37,026,811	\$ 20,913,063

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

At August 31, 2020, the District reported a liability of \$ 37,026,811 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	\$ 37,026,811
State's proportionate share that is associated with the District	50,942,773
 Total	 \$ 87,969,584

The net pension liability was measured as of August 31, 2018 and rolled to August 31, 2019 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 year September 1, 2018 thru August 31, 2019.

At August 31, 2019, the employer's proportion of the collective net pension liability 0.0712285187%, which was an increase of 0.0035191599% from its proportion measured as of August 31, 2018.

Changes Since the Prior Actuarial Valuation

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

- a. The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- b. With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$ 2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- c. The Texas Legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$ 2,000, whichever is less.

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

For the current year, the District recognized pension expense of \$ 15,665,075 and revenue of \$ 8,002,392 for support provided by the State.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

F. Defined Benefits Pension Plan (Continued)

At year end, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual actuarial experiences	\$ 155,546	\$ 1,285,630
Changes of actuarial assumptions	11,487,535	4,747,193
Differences between projected and actual investment earnings	371,792	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	<u>3,540,015</u>	<u>44,131</u>
Total as of August 31, 2018 measurement date	\$ 15,554,888	\$ 6,076,954
Contributions paid to TRS subsequent to the measurement date	<u>2,733,895</u>	<u>-</u>
Total as of fiscal year end	<u>\$ 18,288,783</u>	<u>\$ 6,076,954</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:

<u>Year Ending August 31</u>	<u>Amount</u>
2021	\$ 2,338,946
2022	1,911,767
2023	2,357,072
2024	2,262,571
2025	872,709
Thereafter	(265,131)

G. Other Post-Employment Benefit Plans

1. *Plan Description*

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

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.

The components of the Net OPEB Liability of the TRS-Care plan as of August 31, 2019 and 2018 are as follows:

<u>Description</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability	\$ 48,583,247,239	\$ 50,729,490,103
Less: Plan Fiduciary Net Position	<u>(1,292,022,349)</u>	<u>798,574,633</u>
Net OPEB Liability	<u>\$ 47,291,224,890</u>	<u>\$ 49,930,915,470</u>
Net Position as percentage of Total Pension Liability	2.66%	1.57%

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2020

G. Other Post-Employment Benefit Plans

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 non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are presented in the table below:

TRS-Care Monthly Premium Rates		
	<u>Medicare</u>	<u>Non Medicare</u>
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

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 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.75% 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		
	2019	2020
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%
Current Year Employer Contributions		\$ 653,633
Current Year Member Contributions		\$ 542,335
Measurement Period NECE On-Behalf Contributions		\$ 805,663

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, 2020

G. Other Post-Employment Benefit Plans

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, \$ 212 million in fiscal year 2018 and \$ 73.6 million in fiscal year 2019.

5. *Actuarial Assumptions*

The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, rates of retirement, termination, and disability including general inflation and salary increases are identical to those used in the respective TRS Pension valuation. These assumptions were developed in the experience study performed for TRS for the measurement period ended August 31, 2017.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females with full generational mortality using scale BB. The past retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Salary Increases
Rates of Disability	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
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.
Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

6. *Discount Rate*

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06% 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 years of projected benefit payments to determine the total OPEB liability.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2020

G. Other Post-Employment Benefit Plans

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 (2.63%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
District's proportionate share of the net OPEB liability	\$ 48,780,018	\$ 40,403,523	\$ 33,850,585

8. *Healthcare Cost Trend Rates Sensitivity Analysis*

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate (8.5%), 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.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 32,959,778	\$ 40,403,523	\$ 50,374,726

9. *OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB.*

At year end, the District reported a liability of \$ 40,403,523 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	\$ 40,403,523
State's proportionate share that is associated with the District	53,687,246
Total	\$ 94,090,769

The net OPEB liability was measured as of August 31, 2018 and rolled forward to August 31, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the year September 1, 2018 thru August 31, 2019.

At August 31, 2019, the District's proportion of the collective net OPEB liability 0.085435625%, which was an increase of 0.003978109% from its proportion measured as of August 31, 2018.

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 year:

- a. Discount rate decreased from 3.69% to 2.63%.
- b. The participation rate for pre-65 retirees was lowered from 70% to 65%. Post-65 retirees participation rate was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue coverage at age 65. This was not considered in previous calculations.
- c. Healthcare trend rates were reset.
- d. The percentage of retirees who are assumed to have two person coverage was lowered from 20% to 15%.
- e. Participation assumption for surviving spouses that die while actively employed was lowered from 20% to 10%.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement year.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

G. Other Post-Employment Benefit Plans (Continued)

For the current year, the District recognized OPEB expense of \$ 3,199,634 and revenue of \$ 1,414,975 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 1,982,136	\$ 6,611,608
Changes in actuarial assumptions	2,244,101	10,867,556
Differences between projected and actual investment earnings	4,359	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	5,137,652	-
Total as of August 31, 2019 measurement date	\$ 9,368,248	\$ 17,479,164
Contributions paid to TRS subsequent to the measurement date	653,633	-
Total at fiscal year end	\$ 10,021,881	\$ 17,479,164

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:

Year Ending August 31	Amount
2021	\$ (1,538,132)
2022	(1,538,132)
2023	(1,539,543)
2024	(1,540,350)
2025	(1,540,129)
Thereafter	(414,630)

H. Medicare Part D Coverage

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, 2020, 2019 and 2018, the subsidy payments received by TRS-Care on behalf of the District were \$ 400,856, \$ 275,411 and \$ 212,986, 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 \$ 325 per month per fulltime employee and] \$ 225 per month per part time employee and employees, at their opinion, authorized payroll withholdings to provide dependents coverage under the Plan. All premiums were paid to Texas 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 District and TRS (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, 2019 and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

I. Risk Management (Continued)

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, Charter 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.

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 that 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 Funds Board of Trustees in February of the following year. The Funds audited financial statements as of the fund year end, are available at the TASB offices and have been filled 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 as is operating under the provisions of the Interlocal Cooperation Act, Charter 751 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 that 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 Funds Board of Trustees in February of the following year. The Funds audited financial statements as of the fund year end, are available at the TASB offices and have been filled with the Texas Department of Insurance in Austin.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2020

I. Risk Management (Continued)

Unemployment Compensation Pool

During the current year, the District provided unemployment compensation coverage to its employees 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 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 each month 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 Unemployment Compensation pool.

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, 2019, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Other Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2020, the District purchased commercial insurance to cover these liabilities. There were not significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

J. Litigation

The District appears to have no pending litigation as of August 31, 2020.

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.

The global outbreak of coronavirus disease 2019 ("COVID-19") presents various global risks. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management of the District is actively monitoring the global situation on its financial condition, liquidity, operations, supplies, vendors, and industry. Given the evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects, if any, of the COVID-19 outbreak on its results of operations and financial condition.

L. Subsequent Events

Management has evaluated all events or transactions that occurred after August 31, 2020 up through January 6, 2021 the date the financial statements were issued.

M. Shared Service Arrangements

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, 2020

N. Revenue from Local and Intermediate Sources

During the year, the District received revenue from local and intermediate in the District's major funds and aggregate non major funds consisting of the following:

	General	Debt Service	Capital Projects	Other Governmental	Total
Property Tax Collections	\$ 139,208,671	\$ 34,222,594	\$ -	\$ -	\$ 173,431,265
Rent	80,971				80,971
Tuition and Fees				47,605	47,605
Investment Income	1,560,132	348,580	782,865	15,392	2,706,969
Food Service Income				2,921,352	2,921,352
Gifts and Bequests				197,544	197,544
Co-curricular/Extracurricular Activities	256,485			98,944	355,429
Enterprising Activities				1,640,947	1,640,947
Other	651,970	120,207		42,014	814,191
Totals	\$ 141,758,229	\$ 34,691,381	\$ 782,865	\$ 4,963,798	\$ 182,196,273

O. 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 Projects	Other Governmental	Total
Due from Other Governments	\$ 606,282	\$ 13,682	\$ -	\$ 1,032,703	\$ 1,652,667
Property Taxes	1,420,975	350,560	-	-	1,771,535
Less Allowance for Uncollectible					
Property Taxes	(142,098)	(35,056)	-	-	(177,154)
Other Receivables	33,693	400	-	-	34,093
Net Receivables	\$ 1,918,852	\$ 329,586	\$ -	\$ 1,032,703	\$ 3,281,141

P. Refund Bonds – Subsequent Status

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.

REQUIRED SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 142,106,157	\$ 142,129,182	\$ 141,758,229	\$ (370,953)
5800	State Program Revenues	9,176,495	10,940,003	11,561,695	621,692
5900	Federal Program Revenues	700,000	700,000	952,993	252,993
5020	Total Revenues	\$ 151,982,652	\$ 153,769,185	\$ 154,272,917	\$ 503,732
EXPENDITURES					
Instruction and Instructional Related Services:					
0011	Instruction	\$ 73,222,900	\$ 75,165,894	\$ 73,348,177	\$ 1,817,717
0012	Instructional Resources and Media Services	1,707,192	1,737,260	1,685,045	52,215
0013	Curriculum and Staff Development	3,292,322	2,912,475	2,580,194	332,281
	Total Instruction and Instr. Related Services	\$ 78,222,414	\$ 79,815,629	\$ 77,613,416	\$ 2,202,213
Instructional and School Leadership:					
0021	Instructional Leadership	\$ 2,544,470	\$ 2,519,715	\$ 2,412,694	\$ 107,021
0023	School Leadership	6,684,482	6,792,932	6,560,553	232,379
	Total Instructional and School Leadership	\$ 9,228,952	\$ 9,312,647	\$ 8,973,247	\$ 339,400
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	\$ 4,562,296	\$ 4,529,182	\$ 4,035,414	\$ 493,768
0032	Social Work Services	357,016	248,416	223,379	25,037
0033	Health Services	1,456,477	1,543,840	1,444,605	99,235
0034	Student (Pupil) Transportation	4,742,000	4,742,000	4,661,746	80,254
0036	Co-curricular/Extracurricular Activities	2,559,700	2,401,061	2,242,687	158,374
	Total Support Services - Student (Pupil)	\$ 13,677,489	\$ 13,464,499	\$ 12,607,831	\$ 856,668
Administrative Support Services:					
0041	General Administration	\$ 3,545,847	\$ 3,733,259	\$ 3,410,411	\$ 322,848
	Total Administrative Support Services	\$ 3,545,847	\$ 3,733,259	\$ 3,410,411	\$ 322,848
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	\$ 10,488,861	\$ 10,556,709	\$ 9,652,772	\$ 903,937
0052	Security and Monitoring Services	715,336	821,999	690,032	131,967
0053	Data Processing Services	3,894,532	4,131,795	3,657,958	473,837
	Total Support Services - Nonstudent Based	\$ 15,098,729	\$ 15,510,503	\$ 14,000,762	\$ 1,509,741
Ancillary Services:					
0061	Community Services	\$ 180,763	\$ 183,848	\$ 109,843	\$ 74,005
	Total Ancillary Services	\$ 180,763	\$ 183,848	\$ 109,843	\$ 74,005
Intergovernmental Charges:					
0091	Contracted Inst. Services betw een Public Schools	\$ 33,831,345	\$ 33,831,345	\$ 33,286,577	\$ 544,768
0093	Payments for Shared Service Agreements	60000	21,860	21,860	-
0095	Payments to Juvenile Justice AEP	35,000	35,000	18,084	16,916
0099	Other Intergovernmental Charges	567,162	567,162	567,162	-
	Total Intergovernmental Charges	\$ 34,493,507	\$ 34,455,367	\$ 33,893,683	\$ 561,684
6030	Total Expenditures	\$ 154,447,701	\$ 156,475,752	\$ 150,609,193	\$ 5,866,559
1100	Excess(Deficiency) of Revenues Over Expenditures	\$ (2,465,049)	\$ (2,706,567)	\$ 3,663,724	\$ 6,370,291
OTHER FINANCING SOURCES (USES)					
7912	Sale of Capital Assets	\$ -	\$ 241,518	\$ 272,750	\$ 31,232
7080	Net Other Financing Sources (Uses)	\$ -	\$ 241,518	\$ 272,750	\$ 31,232
1200	Net Change in Fund Balance	\$ (2,465,049)	\$ (2,465,049)	\$ 3,936,474	\$ 6,401,523
0100	Fund Balance - Beginning (September 1)	70,004,102	70,004,102	70,004,102	-
3000	Fund Balance - Ending (August 31)	\$ 67,539,053	\$ 67,539,053	\$ 73,940,576	\$ 6,401,523

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, 2020

	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
District's proportion of the net pension liability	0.07122851870%	0.06777093588%	0.00661081694%	0.0638784790%	0.0670572000%	0.0452436000%
District's proportionate share of the net pension liability	\$ 37,026,811	\$ 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>50,942,773</u>	<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>\$ 87,969,584</u>	<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)	\$ 76,423,915	\$ 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	48.45%	51.28%	31.05%	36.74%	37.35%	20.61%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: Only six 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 10 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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,733,895	\$ 2,492,978	\$ 2,281,357	\$ 2,165,747	\$ 2,028,934	\$ 1,985,593
Contributions in relations to the contractual required contributions	<u>(2,733,895)</u>	<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	\$ 83,436,629	\$ 76,423,915	\$ 72,675,274	\$ 68,070,692	\$ 65,701,421	\$ 63,457,253
Contributions as a percentage of covered employee payroll	3.28%	3.26%	3.14%	3.18%	3.09%	3.13%

Note: Only six 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, 2020

	<u>2019*</u>	<u>2018*</u>	<u>2017 *</u>
District's proportion of the Net OPEB Liability (Asset)	0.0854355625%	0.0814574534%	0.0753404806%
District's proportionate share of the Net OPEB Liability (Asset)	\$ 40,403,523	\$ 40,672,452	\$ 32,762,749
State's proportionate share of the Net OPEB Liability (Asset) associated with the District	<u>53,687,246</u>	<u>63,093,299</u>	<u>55,454,727</u>
Total	<u>\$ 94,090,769</u>	<u>\$ 103,765,751</u>	<u>\$ 88,217,476</u>
District's covered-employee payroll (for Measurement Year)	\$ 76,423,915	\$ 72,675,274	\$ 68,070,692
District's proportionate share of the Net OPEB Liability as a percentage of it's covered-employee payroll	52.87%	55.96%	48.13%
Plan fiduciary net position as a percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

Note: Only three 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 10 month delay for financial reporting in accordance with GASB 75

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICTS OPEB CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 YEAR ENDED AUGUST 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 653,633	\$ 606,331	\$ 558,774
Contributions in relations to the contractual required contributions	<u>(653,633)</u>	<u>(606,331)</u>	<u>(558,774)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 83,436,629	\$ 76,423,915	\$ 72,675,274
Contributions as a percentage of covered employee payroll	0.78%	0.79%	0.77%

Note: Only three 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, 2020

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 31 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 Since the Prior Measurement Date

The following changes occurred in the plan assumptions:

- a. The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- b. With the enactment of HB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$ 2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- c. The Texas Legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$ 2,000, whichever is less.

2. Changes of Benefit Terms Since the Prior Measurement Date

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period. However, the Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for increased contributions from the state, participating employers and active employees to ensure the pension fund is actuarially sound. Because of this legislation, the fund was declared actuarially sound and an additional benefit disbursement was made to all eligible members.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2020

C. OPEB Healthcare Plan

1. Changes of Assumptions Since the Prior Measurement Date

The following changes occurred in the plan assumptions.

- a. The discount rate changed from 3.69% to 2.63%.
- b. The participation rate for the pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation
- c. The trend rates were reset to better reflect the plan's anticipated experience.
- d. The percentage of retirees who are assumed to have two person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

2. Changes of Benefit Terms Since the Prior Measurement Date

There were no changes of benefit terms that affected measurement of the total OPEB liability since the prior measurement date.

OTHER SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 YEAR ENDED AUGUST 31, 2020

Tax Roll Year	Last Ten Years Ended August 31	1 Tax Rates		3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2019	20 Current Year's Total Levy	30 Maintenance Tax Collections	30a Debt Service Tax Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2020
		Maintenance	Debt Service							
XXXX	2011 and Prior Years	Various	Various	Various	\$ 87,798	\$ -	\$ 1,167	\$ 254	\$ (9,467)	\$ 76,910
2011	2012	1.170000	0.254200	7,073,590,226	22,253	-	1,820	396	-	20,037
2012	2013	1.170000	0.248800	7,338,482,661	33,278	-	2,000	425	-	30,853
2013	2014	1.170000	0.262400	7,777,220,748	65,835	-	5,160	1,157	-	59,518
2014	2015	1.170000	0.279000	8,544,108,516	102,958	-	13,726	3,273	(3,218)	82,741
2015	2016	1.170000	0.269000	9,151,485,306	154,857	-	15,535	3,572	(2,656)	133,094
2016	2017	1.170000	0.322700	10,301,841,696	201,067	-	28,766	7,934	4,103	168,470
2017	2018	1.170000	0.307700	10,877,707,180	248,076	-	25,251	6,641	15,189	231,373
2018	2019	1.170000	0.290500	11,883,985,279	661,513	-	5,626	1,397	(384,751)	269,739
2019	2020	1.068300	0.262600	12,729,014,309	-	169,410,451	138,765,882	34,110,175	4,164,406	698,800
1000 TOTALS					\$ 1,577,635	\$ 169,410,451	\$ 138,864,933	\$ 34,135,224	\$ 3,783,606	\$ 1,771,535

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHOOL BREAKFAST AND NATIONAL SCHOOL LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 4,398,313	\$ 4,398,313	\$ 2,950,916	\$ (1,447,397)
5800	State Program Revenues	119,183	197,663	171,635	(26,028)
5900	Federal Program Revenues	607,745	607,745	613,498	5,753
5020	Total Revenues	\$ 5,125,241	\$ 5,203,721	\$ 3,736,049	\$ (1,467,672)
EXPENDITURES					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	\$ 5,137,084	\$ 5,228,364	\$ 4,280,414	\$ 947,950
	Total Support Services - Student (Pupil)	\$ 5,137,084	\$ 5,228,364	\$ 4,280,414	\$ 947,950
6030	Total Expenditures	\$ 5,137,084	\$ 5,228,364	\$ 4,280,414	\$ 947,950
1100	Excess (Deficiency) of Revenues Over Expenditures	\$ (11,843)	\$ (24,643)	\$ (544,365)	\$ (519,722)
OTHER FINANCING SOURCES (USES)					
7912	Sale of Capital Assets	\$ -	\$ 12,800	\$ 12,800	\$ -
7080	Total Other Financing Sources (Uses)	\$ -	\$ 12,800	\$ 12,800	\$ -
1200	Net Change in Fund Balance	\$ (11,843)	\$ (11,843)	\$ (531,565)	\$ (519,722)
0100	Fund Balances - Beginning (September 1)	969,832	969,832	969,832	-
3000	Fund Balances - Ending (August 31)	\$ 957,989	\$ 957,989	\$ 438,267	\$ (519,722)

COPPELL INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 34,505,475	\$ 34,505,475	\$ 34,691,381	\$ 185,906
5800	State Program Revenues	244,971	244,971	223,296	(21,675)
5900	Federal Program Revenues	374,966	374,966	207,804	(167,162)
5020	Total Revenues	\$ 35,125,412	\$ 35,125,412	\$ 35,122,481	\$ (2,931)
EXPENDITURES					
Debt Service:					
0071	Principal on Long-term Debt	\$ 15,415,824	\$ 15,415,824	\$ 15,415,801	\$ 23
0072	Interest on Long-term Debt	21,299,845	21,299,845	21,299,832	13
0073	Debt Issuance Costs and Fees	13,000	178,952	172,542	6,410
	Total Debt Service	<u>\$ 36,728,669</u>	<u>\$ 36,894,621</u>	<u>\$ 36,888,175</u>	<u>\$ 6,446</u>
6030	Total Expenditures	\$ 36,728,669	\$ 36,894,621	\$ 36,888,175	\$ 6,446
1100	Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,603,257)</u>	<u>\$ (1,769,209)</u>	<u>\$ (1,765,694)</u>	<u>\$ 3,515</u>
OTHER FINANCING SOURCES (USES)					
7911	Capital-Related Debt Issued	\$ -	\$ 6,433,560	\$ 6,433,559	\$ (1)
7915	Premium or Discount on Issuance of Bonds	-	3,776,449	3,776,449	-
8949	Other Uses	-	(10,040,024)	(10,040,024)	-
7080	Net Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 169,985</u>	<u>\$ 169,984</u>	<u>\$ (1)</u>
1200	Net Change in Fund Balance	\$ (1,603,257)	\$ (1,599,224)	\$ (1,595,710)	\$ 3,514
0100	Fund Balance - Beginning (September 1)	<u>11,425,574</u>	<u>11,425,574</u>	<u>11,425,574</u>	<u>-</u>
3000	Fund Balance - Ending (August 31)	<u>\$ 9,822,317</u>	<u>\$ 9,826,350</u>	<u>\$ 9,829,864</u>	<u>\$ 3,514</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
 AS OF AUGUST 31, 2020

<u>Data Control Codes</u>		<u>Response</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and / other sources information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warranty hold was issued, the school district is considered to not have made timely payments). Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
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 post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school districts fiscal year-end?	Yes
SF8	Did the school board members discuss the school districts property value at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 57,895,928

FEDERAL AWARDS SECTION

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2020

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	20671001057950	\$ 382,848
Passed through the Texas Education Agency:			
Special Education Cluster:			
IDEA - B Formula *	84.027	206600010579226600	1,693,121
IDEA - B Formula *	84.027	196600010579226600	80,340
IDEA - B Formula *	84.027	186600010579226600	82,330
IDEA - B Preschool *	84.173	206610010579226610	29,016
IDEA - B Preschool *	84.173	196610010579226610	1,327
IDEA - B Preschool *	84.173	186610010579226610	2,767
<i>Total Special Education Cluster</i>			<u>1,888,901</u>
ESEA Title I Part A - Improving Basic Programs	84.010	20610101057922	242,361
ESEA Title I Part A - Improving Basic Programs	84.010	19610101057922	22,421
<i>Total CFDA 84.010</i>			<u>264,782</u>
ESEA Title II Part A - Teacher & Principal Training	84.367	20694501057922	81,627
ESEA Title II Part A - Teacher & Principal Training	84.367	19694501057922	6,648
<i>Total CFDA 84.367</i>			<u>88,275</u>
ESEA Title IV Part A Subpart I	84.424	20680101057922	52,523
ESEA Title IV Part A Subpart I	84.424	20680101057922	1,342
<i>Total CFDA 84.424</i>			<u>53,865</u>
Vocational Education - Basic Grant	84.048	20420006057922	47,752
Elementary and Secondary Schools Emergency Relief (ESSER)	84.425	20521001057922	231,503
Total passed through the Texas Education Agency			<u>2,575,078</u>
Total Department of Education			<u>2,957,926</u>
<u>U.S. TREASURY DEPARTMENT</u>			
Passed through the City of Coppell, Texas:			
Coronavirus Relief Fund	21.019	057-922	41,803
Total Treasury Department			<u>41,803</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Department of Agriculture:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	0600	85,407
National School Lunch Program	10.555	0600	394,890
<i>Total Child Nutrition Cluster</i>			<u>480,297</u>
Commodity Supplemental Food Program	10.565	057027A	133,201
Total Department of Agriculture			<u>613,498</u>
Total Expenditure of Federal Awards			<u>\$ 3,613,227</u>

* Denotes Major Program

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, 2020

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, 2020.

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)	\$ 3,613,227
Qualified School Construction Bonds Interest	2047,805
School Health and Related Services	<u>753,510</u>
Federal Revenue (Exhibit C-3)	<u>\$ 4,574,542</u>