

**COPPELL INDEPENDENT  
SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED AUGUST 31, 2015**

**RUTHERFORD, TAYLOR & COMPANY, P.C.**  
*Certified Public Accountants*  
2802 Washington Street  
Greenville, Texas 75401  
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COPPELL INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2015

**TABLE OF CONTENTS**

	<u>Page</u>	<u>Exhibits</u>
<b>INTRODUCTORY SECTION</b>		
Certificate of Board .....	3	
<b>FINANCIAL SECTION</b>		
<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 OMB Circular A-133..	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 .....	25	A-1
Statement of Activities .....	26	B-1
Fund Financial Statements:		
Balance Sheet – Governmental Funds .....	27	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	28	C-2
Statement of Revenues, Expenditures and Changes in		
Fund Balances of Governmental Funds .....	29	C-3
Reconciliation of the Statement of Revenues, Expenditures and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities .....	30	C-4
Statement of Fund Net Position – Proprietary Funds .....	31	D-1
Statement of Revenues, Expenses and Changes in		
Fund Net Position – Proprietary Funds.....	32	D-2
Statement of Cash Flows – Proprietary Funds .....	33	D-3
Statement of Fiduciary Net Position – Fiduciary Funds.....	34	E-1
Notes to the Basic Financial Statements .....	35	F-1
<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
<u>Other Supplementary Information Section:</u>		
Schedule of Delinquent Taxes Receivable .....	66	J-1
Budgetary Comparison Schedules Required by the Texas Education Agency:		
School Breakfast and National School Lunch Program .....	67	J-3
Debt Service Fund.....	68	J-4
Schedule of Required Responses to Selected Schools FIRST Indicators .....	69	J-5
<b>FEDERAL AWARDS SECTION</b>		
Schedule of Expenditures of Federal Awards.....	71	K-1
Notes to Schedule of Expenditures of Federal Awards .....	72	K-2

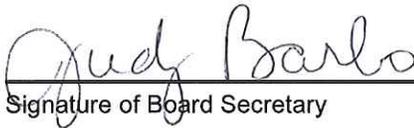
**CERTIFICATE OF BOARD**

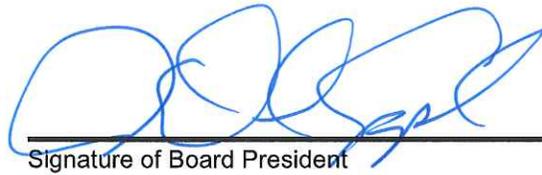
Coppell Independent School District  
Name of School District

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  **approved**/  **disapproved** for the year ended August 31, 2015, at a meeting of the board of school trustees of such school district on December 14, 2015.

  
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**

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

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We 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, 2015, 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.

**Change in Accounting Principle**

As discussed in Note P to the financial statements, in 2015 the District adopted various accounting pronouncements issued by the Governmental Accounting Standards Board. Our opinions are not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements.

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. In our opinion, the other supplementary information schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

December 3, 2015  
Greenville, Texas

RUTHERFORD,  
TAYLOR &  
COMPANY, P.C.  
*Certified Public Accountants*

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Greenville, Texas 75401

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

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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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2015.

**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.

December 3, 2015  
Greenville, Texas

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

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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 Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***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, 2015.

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of

## Internal Control over Compliance with A-133 – Continued

expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMC circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

December 3, 2015  
Greenville, Texas

COPPELL INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED AUGUST 31, 2015

**Summary of Auditor's Results (Section I)**

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*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
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133	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	\$ 300,000
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, 2015

**Financial Statement Findings (Section II)**

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NONE

COPPELL INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2015

**Federal Award Findings and Questioned Costs (Section III)**

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NONE

COPPELL INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2015

**Prior Year Findings (Section IV)**

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NONE

COPPELL INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2015

**Corrective Action Plans (Section V)**

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NONE

COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

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, 2015. Please read it in conjunction with the District's basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

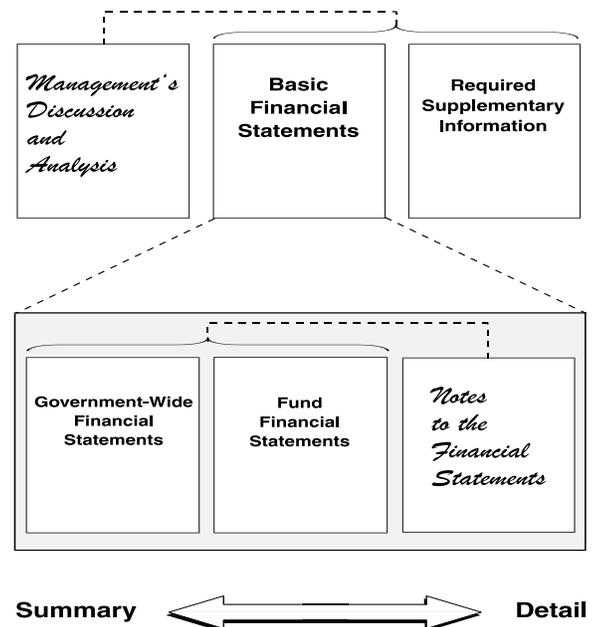
- The General Fund reported an ending fund balance of \$ 51,197,162. This was an increase in the fund balance from the prior year in the amount of \$ 1,401,582. The unassigned general fund balance increased \$ 1,301,460 from the prior year, while other committed fund balance increased by \$ 100,122.
- 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 refundings. 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 \$ 64,623,048 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 \$ 22,580,094 in the governmental activities.
- General revenues accounted for \$ 129,909,981, or 89.92% of all fiscal year 2015 revenue. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$ 14,567,261, or 10.08% of total fiscal year 2015 revenues.
- The District had approximately \$ 142,193,835 in expenses related to governmental activities; of which \$ 14,567,261 of these expenses were offset by program-specific charges for services or grants and contributions. General revenues of \$ 129,909,981 provided for the remaining cost of these programs, resulting in a \$ 2,283,407 increase in net position.

**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**



**COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015**

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.

**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.

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

<i>Type of Statements</i>	<b>Fund Statements</b>			
	<b>Government-wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	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
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

- 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.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District's combined net position was \$ (7,954,104) at August 31, 2015.

<b>Coppell Independent School District's Net Position</b>			<b>Table A-1</b>
	Governmental Activities		Percent Change
	2015	2014	2014-2015
<b>Assets:</b>			
Cash and Investments	\$ 81,428,910	\$ 110,023,768	-25.99%
Other Assets	3,017,671	2,971,094	1.57%
Capital Assets less Accumulated Depreciation	210,134,573	190,210,915	10.47%
<b>Total Assets</b>	<b>\$ 294,581,154</b>	<b>\$ 303,205,777</b>	<b>-2.84%</b>
<b>Total Deferred Outflows of Resources</b>	<b>\$ 4,556,683</b>	<b>\$ 1,846,652</b>	<b>146.75%</b>
<b>Liabilities:</b>			
Current Liabilities	\$ 9,863,081	\$ 9,790,262	0.74%
Long-term Liabilities	293,531,964	291,807,110	0.59%
<b>Total Liabilities</b>	<b>\$ 303,395,045</b>	<b>\$ 301,597,372</b>	<b>0.60%</b>
<b>Total Deferred Inflows of Resources</b>	<b>\$ 3,696,896</b>	<b>\$ -</b>	<b>100.00%</b>
<b>Net Position:</b>			
Net Investment In Capital Assets	\$ 10,468,142	\$ 14,262,729	-26.60%
Restricted	4,157,848	3,977,031	4.55%
Unrestricted	(22,580,094)	(14,784,703)	-52.73%
<b>Total Net Position</b>	<b>\$ (7,954,104)</b>	<b>\$ 3,455,057</b>	<b>330.22%</b>

Approximately \$ 2,952,519 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 \$ 144,477,242. 86% of the District's revenue comes from local property taxes (See Table A-2). 10% 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 \$142,193,835. 45% of these expenses were for instruction and instructional related support services.

The District's base tax collections (current and delinquent) percentage for FY 2015 is 100.54%. The total tax collections (base tax plus penalty and interest) percentage for FY 2015 was 100.82%.

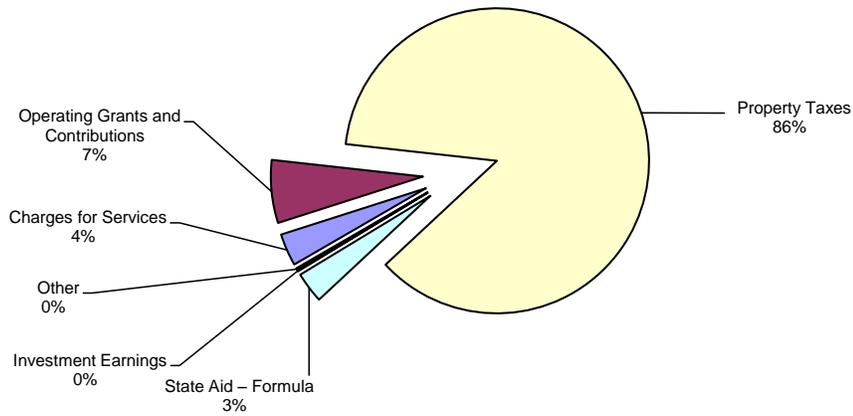
COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

**GOVERNMENTAL ACTIVITIES**

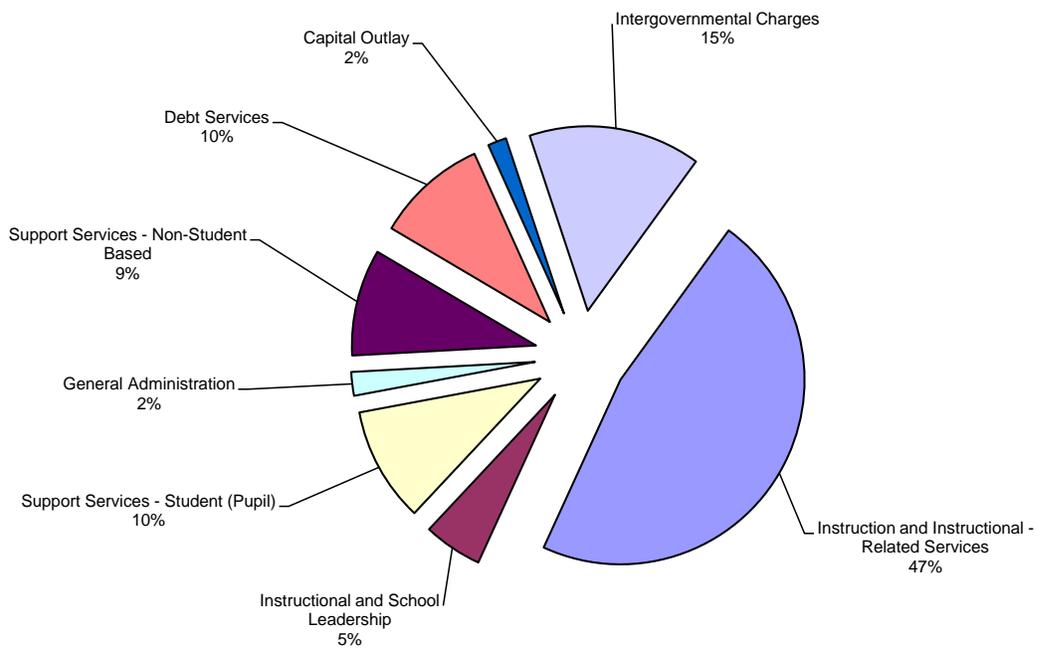
<b>Changes in Coppell Independent School District's Net Position</b>			<b>Table A-2</b>
	Governmental Activities		Percent Change
	2015	2014	2014-2015
Program Revenues:			
Charges for Services	\$ 4,936,490	\$ 4,849,937	1.78%
Operating Grants and Contributions	9,630,771	9,095,813	5.88%
General Revenues:			
Property Taxes	124,723,047	111,943,865	11.42%
State Aid – Formula	4,722,259	4,037,705	16.95%
Investment Earnings	150,821	113,932	32.38%
Other	313,854	302,193	3.86%
<b>Total Revenues</b>	<b>\$ 144,477,242</b>	<b>\$ 130,343,445</b>	<b>10.84%</b>
Expenses:			
Instruction	\$ 64,222,040	\$ 61,140,909	5.04%
Instructional Resources and Media Services	1,778,717	1,669,197	6.56%
Curriculum and Staff Development	610,852	657,818	-7.14%
Instructional Leadership	2,013,653	1,906,959	5.59%
School Leadership	5,311,292	5,017,827	5.85%
Guidance, Counseling and Evaluation Services	4,040,969	3,770,169	7.18%
Social Work Services	675	225	200.00%
Health Services	955,697	798,446	19.69%
Student (Pupil) Transportation	1,813,405	1,759,811	3.05%
Food Services	4,299,489	4,118,272	4.40%
Co-curricular/Extracurricular Activities	3,196,645	2,670,188	19.72%
General Administration	2,949,367	2,944,941	0.15%
Plant Maintenance and Operations	7,752,391	7,211,957	7.49%
Security and Monitoring Services	245,111	254,681	-3.76%
Data Processing Services	5,113,652	3,392,670	50.73%
Community Services	173,223	171,863	0.79%
Debt Service	13,918,086	12,650,513	10.02%
Capital Outlay	2,316,377	1,924,517	20.36%
Contracted Instructional Services between Schools	20,977,714	17,451,759	20.20%
Payments for Shared Service Arrangements	50,143	51,625	-2.87%
Payments to Juvenile Justice Alternative Ed. Prgm.	3,000	33,174	-90.96%
Other Intergovernmental Charges	451,337	421,971	6.96%
<b>Total Expenses</b>	<b>\$ 142,193,835</b>	<b>\$ 130,019,492</b>	<b>9.36%</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 2,283,407</b>	<b>\$ 323,953</b>	<b>-604.86%</b>
Net Position - Beginning (September 1)	\$ 3,455,057	\$ 3,131,104	-10.35%
Prior Period Adjustment	(13,692,568)	-	100.00%
Net Position - Beginning (September 1)	<u>\$ (10,237,511)</u>	<u>\$ 3,131,104</u>	<u>426.96%</u>
Net Position - Ending (August 31)	<u><u>\$ (7,954,104)</u></u>	<u><u>\$ 3,455,057</u></u>	<u><u>-330.22%</u></u>

COPPELL INDEPENDENT SCHOOL DISTRICT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 YEAR ENDED AUGUST 31, 2015

**Government-wide Revenue for Fiscal Year 2015 - See Table A-2**



**Government-wide Expenses for Fiscal Year 2015 - See Table A-2**



COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

- 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 \$ 142,193,835.
- However, the amount that our taxpayers paid for these activities through local property taxes was \$ 124,723,047.
- Some of the cost was paid by those who directly benefited from the programs \$ 4,936,490, or
- By grants and contributions \$ 9,630,771.

<b>Coppell Independent School District's Net Cost of Selected District Functions Governmental Activities</b>							<b>Table A-3</b>
	<u>Total Cost of Services</u>		<u>% Change</u>	<u>Net Cost of Services</u>		<u>% Change</u>	
	2015	2014		2015	2014		
Instruction	\$ 64,222,040	\$ 61,140,909	5.04%	\$ 57,855,609	\$ 55,780,063	3.72%	
School Leadership	5,311,292	5,017,827	5.85%	5,040,762	4,804,540	4.92%	
General Administration	2,949,367	2,944,941	0.15%	2,843,191	2,839,690	0.12%	
Plant Maintenance and Operations	7,752,391	7,211,957	7.49%	7,335,404	6,654,649	10.23%	
Debt Service	16,227,892	12,650,513	28.28%	15,857,324	12,293,972	28.98%	
Contracted Instructional Services	20,977,714	17,451,759	20.20%	20,977,714	16,818,286	24.73%	

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

Revenues in the governmental funds totaled \$ 144,547,059. This represents an increase of \$ 14,120,928 from the prior year revenues of \$ 130,426,131. The change represents an increase in local property taxes collected due to growth in assessed property values and increased state aid due to increased attendance.

Expenditures in the governmental funds totaled \$ 173,064,254. This represents an increase of \$ 8,954,207 from the prior year expenditures of \$ 164,110,047. The change represents an increase in recapture payments due to increased property wealth as well.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised its budget to reflect activities in the District. With these adjustments, actual expenditures were \$ 3,562,639 below final General Fund budgeted amounts. The most significant positive variances in the District's budget occurred in the instruction which relates to classroom activities and plant maintenance.

Resources available were \$ 1,055,350 above the final budgeted amount. The favorable variance was due to unanticipated collection of property rollback taxes of approximately \$ 1,500,000.

COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

At year end, the District had invested \$ 288,665,672 in a broad range of capital assets, including land, equipment, buildings and vehicles (See Table A-4).

<b>Coppell Independent School District's Capital Assets</b>			<b>Table A-4</b>
	Governmental Activities		Total Percentage Change 2014-2015
	2015	2014	
Land	\$ 46,103,675	\$ 44,471,671	3.67%
Buildings and Improvements	216,617,349	192,828,302	12.34%
Equipment	25,121,349	24,335,107	3.23%
Vehicles	823,299	787,467	4.55%
Totals at historical cost	\$ 288,665,672	\$ 262,422,547	10.00%
Less accumulated depreciation	(78,531,099)	(72,211,632)	8.75%
Net Capital Assets	<u>\$ 210,134,573</u>	<u>\$ 190,210,915</u>	10.47%

**DEBT**

At year-end, the District had \$ 281,446,773 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.

<b>Coppell Independent School District's Debt</b>			<b>Table A-5</b>
	Governmental Activities		Total Percentage Change 2014-2015
	2015	2014	
Bonds Payable	\$ 212,350,849	\$ 218,772,322	-2.94%
Other Debt Payable	69,095,924	73,034,790	-5.39%
Total Debt Payable	<u>\$ 281,446,773</u>	<u>\$ 291,807,112</u>	-3.55%

COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

**ECONOMIC FACTORS**

The increase in 2014 property valuation was approximately 9% for a total certified taxable value of \$ 8,556,151,242. The economic outlook for the Coppell area is for property values to continue to increase. The growth was a result of the continued development of Cypress Waters (Northlake), residential and commercial development within the District's boundaries, and increases in current assessed values.

The District had continued student growth. In 2014-2015 enrollment increased by approximately 2.1%, or 239 students. 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 is limited to two of the District's lower enrollment elementary campuses. Thus, the District gained approximately \$750,000 in additional state aid for 2014-2015. The District has annually received additional revenue that ranges from \$700,000 to \$1M from the open enrollment program. During the 2014-2015 fiscal year, the District saw a net increase in revenue from the prior fiscal year of approximately \$8 million. The majority of this increase was from property tax revenues.

In 2014-2015 Richard J. Lee Elementary completed its first year of operations, and received the Gold LEED designation. During the fiscal year, the Board of Trustees elected to transfer approximately \$ 2,482,000 from Operating Fund Balance and \$ 300,000 from Food Service Fund Balance into a construction fund account to fund the Coppell High School kitchen additions and renovations and equipment purchases. The Coppell High School renovated kitchen and serving lines opened in August, 2015.

The District's new Coppell High School indoor athletic facility was completed during the fiscal year and the gymnasium is anticipated to be completed in early January 2016. Both of these major construction projects were funded from the July 2014 issuance of \$52,315,000 in General Obligation Bonds from the 2013 bond election.

The 84<sup>th</sup> Legislative Session did little to address public school system funding. The District did receive approximately \$ 1.7M in funding from Senate Bill 1. Coppell ISD joined numerous other districts across the state in legally challenging the funding formula used by the State to provide funding for the public school system. Judge Dietz declared the current school finance system unconstitutional. The State has appealed the case to the State Supreme Court and a decision is expected in early 2016.

Beginning April of 2015, the District transitioned its property tax collections to the Dallas County Tax Office. The transition period was planned after property taxes were due (January 31<sup>st</sup>) to allow several months of operations before the heavy tax collection period in December, 2015. The transition went very smoothly, ending the 2014 tax collection period.

**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 Kelly Penny, Chief Financial Officer for the District.

## BASIC FINANCIAL STATEMENTS

COPPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2015

Data Control Codes	1	Governmental Activities
<b>ASSETS</b>		
1110	Cash and Investments	\$ 81,428,910
1225	Property Taxes Receivable, Net	1,196,604
1240	Due from Other Governments	852,499
1267	Due from Fiduciary	882,898
1290	Other Receivables	27,019
1300	Inventories	55,651
1410	Unrealized Expenses	3,000
	Capital Assets:	
1510	Land	46,103,675
1520	Buildings and Improvements, Net	151,574,011
1530	Furniture and Equipment, Net	<u>12,456,887</u>
<b>1000</b>	<b>Total Assets</b>	<b><u>\$ 294,581,154</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
1705	Deferred Outflows - Pensions	\$ 2,958,045
1702	Deferred Outflows - Refunding	<u>1,598,638</u>
<b>1700</b>	<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 4,556,683</u></b>
<b>LIABILITIES</b>		
2110	Accounts Payable	\$ 4,872,661
2140	Interest Payable	347,154
2165	Accrued Liabilities	3,025,953
2180	Due to Other Governments	893,003
2300	Unearned Revenues	724,310
	Noncurrent Liabilities:	
2501	Due within one year	8,676,684
2502	Due in more than one year	272,770,089
2540	Net Pension Liability	<u>12,085,191</u>
<b>2000</b>	<b>Total Liabilities</b>	<b><u>\$ 303,395,045</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2605	Deferred Inflows - Pensions	<u>\$ 3,696,896</u>
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 3,696,896</u></b>
<b>NET POSITION</b>		
3200	Net Investment in Capital Assets	\$ 10,468,142
	Restricted For:	
3820	Federal and State Programs	1,137,507
3850	Debt Service	2,952,519
3890	Other Purposes	67,822
3900	Unrestricted	<u>(22,580,094)</u>
<b>3000</b>	<b>Total Net Position</b>	<b><u>\$ (7,954,104)</u></b>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2015

Data Control Codes Functions/Programs	1 Expenses	3 Charges for Services	4 Operating Grants and Contributions	6 Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Program Revenues			
Governmental Activities:				
11 Instruction	\$ 64,222,040	\$ 257,943	\$ 6,108,488	\$ (57,855,609)
12 Instructional Resources and Media Services	1,778,717	-	66,901	(1,711,816)
13 Curriculum and Staff Development	610,852	-	157,458	(453,394)
21 Instructional Leadership	2,013,653	-	158,297	(1,855,356)
23 School Leadership	5,311,292	-	270,530	(5,040,762)
31 Guidance, Counseling and Evaluation Services	4,040,969	39,300	934,741	(3,066,928)
32 Social Work Services	675	-	-	(675)
33 Health Services	955,697	-	45,925	(909,772)
34 Student (Pupil) Transportation	1,813,405	45,230	-	(1,768,175)
35 Food Services	4,299,489	3,756,600	827,496	284,607
36 Co-curricular/Extracurricular Activities	3,196,645	537,855	370,677	(2,288,113)
41 General Administration	2,949,367	-	106,176	(2,843,191)
51 Plant Maintenance and Operations	7,752,391	299,562	117,425	(7,335,404)
52 Security and Monitoring Services	245,111	-	6,971	(238,140)
53 Data Processing Services	5,113,652	-	80,954	(5,032,698)
61 Community Services	173,223	-	8,164	(165,059)
72 Interest on Long-term Debt	13,911,515	-	370,568	(13,540,947)
73 Debt Issuance Costs and Fees	6,571	-	-	(6,571)
81 Capital Outlay	2,316,377	-	-	(2,316,377)
91 Contracted Instructional Services between Schools	20,977,714	-	-	(20,977,714)
93 Payments for Shared Services Arrangements	50,143	-	-	(50,143)
95 Payments to Juvenile Justice Alternative Ed. Prgm.	3,000	-	-	(3,000)
99 Other Intergovernmental Charges	451,337	-	-	(451,337)
TG Total Governmental Activities	<u>\$ 142,193,835</u>	<u>\$ 4,936,490</u>	<u>\$ 9,630,771</u>	<u>\$ (127,626,574)</u>
TP Total Primary Government	<u>\$ 142,193,835</u>	<u>\$ 4,936,490</u>	<u>\$ 9,630,771</u>	<u>\$ (127,626,574)</u>
General Revenues:				
MT Property Taxes, Levied for General Purpose				\$ 100,749,736
DT Property Taxes, Levied for Debt Service				23,973,311
IE Investment Earnings				150,821
GC Grants and Contributions Not Restricted to Specific Programs				4,722,259
MI Miscellaneous				313,854
TR Total General Revenues				<u>\$ 129,909,981</u>
CN Change in Net Position				<u>\$ 2,283,407</u>
NB Net Position - Beginning (September 1)				\$ 3,455,057
PA Prior Period Adjustment				(13,692,568)
				<u>\$ (10,237,511)</u>
NE Net Position - Ending (August 31)				<u>\$ (7,954,104)</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
AUGUST 31, 2015

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Project Fund	Other Governmental Funds	98 Total Governmental Funds	
<b>ASSETS</b>						
1110	Cash and Investments	\$ 54,948,986	\$ 3,086,152	\$ 21,822,540	\$ 1,567,535	\$ 81,425,213
1225	Property Taxes Receivable, Net	983,083	213,521	-	-	1,196,604
1240	Due from Other Governments	278,198	-	-	574,301	852,499
1260	Due from Other Funds	156,830	-	-	726,068	882,898
1290	Other Receivables	25,975	-	-	-	25,975
1300	Inventories, at cost	-	-	-	55,651	55,651
1410	Unrealized Expenditures	3,000	-	-	-	3,000
<b>1000</b>	<b>Total Assets</b>	<b><u>\$ 56,396,072</u></b>	<b><u>\$ 3,299,673</u></b>	<b><u>\$ 21,822,540</u></b>	<b><u>\$ 2,923,555</u></b>	<b><u>\$ 84,441,840</u></b>
<b>LIABILITIES</b>						
Current Liabilities:						
2110	Accounts Payable	\$ 66,503	\$ -	\$ 4,665,246	\$ 140,912	\$ 4,872,661
2150	Payroll Deductions and Withholdings	(302,978)	-	-	10,720	(292,258)
2160	Accrued Wages Payable	3,205,605	-	-	112,042	3,317,647
2180	Due to Other Governments	893,159	-	-	(157)	893,002
2300	Unearned Revenue	353,538	-	-	370,772	724,310
<b>2000</b>	<b>Total Liabilities</b>	<b><u>\$ 4,215,827</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,665,246</u></b>	<b><u>\$ 634,289</u></b>	<b><u>\$ 9,515,362</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
2640	Deferred Revenue	\$ 983,083	\$ 213,521	\$ -	\$ -	\$ 1,196,604
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 983,083</u></b>	<b><u>\$ 213,521</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,196,604</u></b>
<b>FUND BALANCES</b>						
Nonspendable Fund Balances:						
3410	Inventories	\$ -	\$ -	\$ -	\$ 55,651	\$ 55,651
3430	Prepays	3,000	-	-	-	3,000
Restricted Fund Balances:						
3450	Federal/State Funds Grants	-	-	-	1,085,696	1,085,696
3480	Retirement of Long-Term Debt	-	3,086,152	-	-	3,086,152
3490	Other Restrictions of Fund Balance	-	-	17,157,294	67,912	17,225,206
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	1,741,719	-	-	1,080,007	2,821,726
3600	Unassigned	46,702,443	-	-	-	46,702,443
<b>3000</b>	<b>Total Fund Balances</b>	<b><u>\$ 51,197,162</u></b>	<b><u>\$ 3,086,152</u></b>	<b><u>\$ 17,157,294</u></b>	<b><u>\$ 2,289,266</u></b>	<b><u>\$ 73,729,874</u></b>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 56,396,072</u></b>	<b><u>\$ 3,299,673</u></b>	<b><u>\$ 21,822,540</u></b>	<b><u>\$ 2,923,555</u></b>	<b><u>\$ 84,441,840</u></b>

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, 2015

Total fund balances - Balance Sheet (governmental funds)	\$	73,729,874
<p>Amounts reported for governmental activities in the statement  of net position are different because:</p>		
Capital assets used in governmental activities are not reported in the funds.		210,134,573
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		1,196,604
The assets and liabilities of internal service funds are included in governmental activities in the SNP.		4,176
Payables for bond principal which are not due in the current period are not reported in the funds.		(212,350,849)
Payables for bond interest which are not due in the current period are not reported in the funds.		(347,154)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.		(69,095,924)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.		1,598,638
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.		(12,085,191)
Deferred Resource Inflows related to TRS are not reported in the funds.		(3,696,896)
Deferred Resource Outflows related to TRS are not reported in the funds.		<u>2,958,045</u>
Net position of governmental activities - Statement of Net Position	\$	<u><u>(7,954,104)</u></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, 2015

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Project Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES</b>					
5700 Local and Intermediate Sources	\$ 102,319,599	\$ 24,004,806	\$ 79,082	\$ 5,103,095	\$ 131,506,582
5800 State Program Revenues	8,431,181	-	-	1,320,485	9,751,666
5900 Federal Program Revenues	168,212	370,568	-	2,750,031	3,288,811
<b>5020 Total Revenues</b>	<b>\$ 110,918,992</b>	<b>\$ 24,375,374</b>	<b>\$ 79,082</b>	<b>\$ 9,173,611</b>	<b>\$ 144,547,059</b>
<b>EXPENDITURES</b>					
Current:					
0011 Instruction	\$ 55,581,768	\$ -	\$ 2,816,450	\$ 2,968,489	\$ 61,366,707
0012 Instructional Resources and Media Services	1,306,714	-	326,479	15,079	1,648,272
0013 Curriculum and Staff Development	422,081	-	-	188,068	610,149
0021 Instructional Leadership	1,954,963	-	-	77,050	2,032,013
0023 School Leadership	5,270,599	-	12,501	21,306	5,304,406
0031 Guidance, Counseling and Evaluation Services	3,224,287	-	-	854,546	4,078,833
0032 Social Work Services	675	-	-	-	675
0033 Health Services	954,271	-	-	126	954,397
0034 Student (Pupil) Transportation	1,778,556	-	-	-	1,778,556
0035 Food Services	-	-	-	4,424,052	4,424,052
0036 Co-curricular/Extracurricular Activities	2,108,625	-	23,119	526,915	2,658,659
0041 General Administration	2,769,614	-	48,659	325	2,818,598
0051 Plant Maintenance and Operations	7,622,978	-	13,726	347	7,637,051
0052 Security and Monitoring Services	238,505	-	6,290	1,035	245,830
0053 Data Processing Services	2,175,341	-	1,423,597	-	3,598,938
0061 Community Services	173,189	-	-	-	173,189
0071 Principal on Long-term Debt	-	6,421,473	-	-	6,421,473
0072 Interest on Long-term Debt	-	17,580,059	-	-	17,580,059
0073 Debt Issuance Cost and Fees	-	6,571	-	-	6,571
0081 Capital Outlay	-	-	28,243,632	-	28,243,632
0091 Contracted Instructional Services between Schools	20,977,714	-	-	-	20,977,714
0093 Payments for Shared Service Arrangements	50,143	-	-	-	50,143
0095 Payments to Juvenile Justice Alternative Ed. Prgm.	3,000	-	-	-	3,000
0099 Other Intergovernmental Charges	451,337	-	-	-	451,337
<b>6030 Total Expenditures</b>	<b>\$ 107,064,360</b>	<b>\$ 24,008,103</b>	<b>\$ 32,914,453</b>	<b>\$ 9,077,338</b>	<b>\$ 173,064,254</b>
<b>1100 Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 3,854,632</b>	<b>\$ 367,271</b>	<b>\$(32,835,371)</b>	<b>\$ 96,273</b>	<b>\$(28,517,195)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
7912 Sale of Real or Personal Property	\$ 29,185	\$ -	\$ -	\$ -	\$ 29,185
7915 Transfers In	-	-	2,782,235	-	2,782,235
8911 Transfers Out	(2,482,235)	-	-	(300,000)	(2,782,235)
<b>7080 Net Other Financing Sources (Uses)</b>	<b>\$ (2,453,050)</b>	<b>\$ -</b>	<b>\$ 2,782,235</b>	<b>\$ (300,000)</b>	<b>\$ 29,185</b>
<b>1200 Net Changes in Fund Balances</b>	<b>\$ 1,401,582</b>	<b>\$ 367,271</b>	<b>\$(30,053,136)</b>	<b>\$ (203,727)</b>	<b>\$ (28,488,010)</b>
0100 Fund Balance - Beginning (September 1)	49,795,580	2,718,881	47,210,430	2,492,993	102,217,884
<b>3000 Fund Balance - Ending (August 31)</b>	<b>\$ 51,197,162</b>	<b>\$ 3,086,152</b>	<b>\$ 17,157,294</b>	<b>\$ 2,289,266</b>	<b>\$ 73,729,874</b>

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, 2015

Net change in fund balances - total governmental funds	\$ (28,488,010)
<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.	26,243,125
The depreciation of capital assets used in governmental activities is not reported in the funds.	(6,319,467)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(29,184)
The gain or loss on the sale of capital assets is not reported in the funds.	29,184
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(99,002)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(234,594)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	6,421,473
The accretion of interest on capital appreciation bonds is not reported in the funds.	3,925,444
(Increase) decrease in accrued interest from beginning of period to end of period.	(22,306)
The net revenue (expense) of internal service funds is reported with governmental activities.	(11,786)
Implementing GASB 68 required certain expenditures to be de-expended and recorded as deferred resource outflows.	(1,117,063)
Pension contributions made after the measurement date but in current FY were de-expended and reduced NPO.	<u>1,985,593</u>
Change in net position of governmental activities - statement of activities	<u>\$ 2,283,407</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS  
AUGUST 31, 2015

Data Control Codes	Internal Service Fund <hr/> Print Shop Fund <hr/>
<b>ASSETS</b>	
Current Assets:	
1110 Cash and Investments	\$ 3,697
Receivables	
1290 Other Receivables (net)	<u>1,044</u>
Total Current Assets	<u>\$ 4,741</u>
Noncurrent Assets:	
Capital Assets:	
1530 Furniture and Equipment	\$ 29,685
1570 Accumulated Depreciation	<u>(29,685)</u>
Total Noncurrent Assets	<u>\$ -</u>
<b>1000 Total Assets</b>	<b><u>\$ 4,741</u></b>
<b>LIABILITIES</b>	
Current Liabilities:	
2150 Payroll Deduction & Withholdings	\$ 26
2160 Accrued Wages Payable	538
2180 Due to Other Governments	<u>1</u>
<b>2000 Total Liabilities</b>	<b><u>\$ 565</u></b>
<b>NET POSITION</b>	
3900 Unrestricted Net Position	<u>\$ 4,176</u>
<b>3000 Total Net Position</b>	<b><u>\$ 4,176</u></b>

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, 2015

Data Control Codes		Internal Service Fund
		Print Shop Fund
	<b>OPERATING REVENUES</b>	
5700	Local and Intermediate Sources	\$ 27,658
5800	State Program Revenues	1,303
		1,303
<b>5020</b>	<b>Total Revenues</b>	<b>\$ 28,961</b>
	<b>OPERATING EXPENSES</b>	
6100	Payroll Costs	\$ 20,155
6200	Professional and Contracted Services	11,119
6300	Supplies and Materials	9,473
		9,473
<b>6030</b>	<b>Total Expenses</b>	<b>\$ 40,747</b>
1300	Change in Net Position	\$ (11,786)
0100	Total Net Position - Beginning (September 1)	15,962
<b>3000</b>	<b>Total Net Position - Ending (August 31)</b>	<b>\$ 4,176</b>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED AUGUST 31, 2015

	Internal Service Fund
	Print Shop Fund
Cash Flows from Operating Activities:	
Operating Transactions with Other Funds	\$ 28,962
Cash Payments to Employees for Services	(20,156)
Cash Payments to Other Suppliers for Goods and Services	(20,221)
Net Cash Provided by (Used for) Operating Activities	\$ (11,415)
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	\$ (11,415)
Cash and Investments - Beginning (September 1)	15,112
<b>Cash and Investments - Ending (August 31)</b>	<b>\$ 3,697</b>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Change in Net Position	\$ (11,786)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	-
Change in Assets and Liabilities:	
(Increase) Decrease in Other Receivables	373
Increase (Decrease) in Accrued Wages Payable	(4)
Increase (Decrease) in Payroll Liabilities Payable	1
Increase (Decrease) in Due to Other Governments	1
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ (11,415)</b>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
AUGUST 31, 2015

Data Control Codes		Agency Funds
<b>ASSETS</b>		
1110	Cash and Investments	\$ 1,183,310
<b>1000</b>	<b>Total Assets</b>	<b>\$ 1,183,310</b>
<b>LIABILITIES</b>		
Current Liabilities:		
2110	Accounts Payable	\$ 7,493
2170	Due to Other Funds	882,899
2190	Due to Student Groups	292,918
<b>2000</b>	<b>Total Liabilities</b>	<b>\$ 1,183,310</b>
<b>NET POSITION</b>		
<b>3000</b>	<b>Total Net Position</b>	<b>\$ -</b>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

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

2. Basis of Presentation – Basis of Accounting

a. Basis of Presentation

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

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies (Continued)

The District reports the following major governmental funds:

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

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

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

In addition, the District reports the following fund types:

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

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

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

b. Measurement Focus – Basis of Accounting

*Government-wide, Proprietary and Fiduciary Fund Financial Statements* – These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies (Continued)

*Governmental Fund Financial Statements* – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

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

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

3. Budgetary Data

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies (Continued)

4. Encumbrance Accounting

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

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

5. Financial Statement Amounts

Cash and Investments

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

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

Fund Balance

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

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

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

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

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies (Continued)

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ 55,651	\$ 55,651
Prepays	3,000	-	-	-	3,000
Restricted					
Child Nutrition Program	-	-	-	1,034,252	1,034,252
AP Incentives	-	-	-	24,300	24,300
State Textbook Fund	-	-	-	27,144	27,144
Tennis Center	-	-	-	3,430	3,430
College Prep Testing	-	-	-	51,163	51,163
Education Foundation Grants	-	-	-	13,229	13,229
Retirement of Long Term Debt	-	3,086,152	-	-	3,086,152
Capital Projects	-	-	17,157,294	-	17,157,294
Ready to Read	-	-	-	90	90
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	320,450	-	-	-	320,450
Future Budget Deficits	1,421,269	-	-	23,304	1,444,573
Campus Activity Funds	-	-	-	1,056,703	1,056,703
Unassigned	<u>46,702,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,702,443</u>
Totals	<u>\$ 51,197,162</u>	<u>\$ 3,086,152</u>	<u>\$ 17,157,294</u>	<u>\$ 2,289,266</u>	<u>\$ 73,729,874</u>

Inventories

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

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$ 5,000 is used.

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

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.

6. 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.

7. 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.

8. Vacation, Sick Leave and Other Compensated Absences

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

9. 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.

10. 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.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies (Continued)

11. Data Control Codes

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

12. Accounting System

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

B. Deposits, Securities and Investments

The District's funds are deposited and invested under the terms of a depository contract. The contract requires the depository to pledge approved securities in an amount significant to protect the District's day-to-day balances. The pledge is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At August 31, 2015, all District cash deposits appear to have been covered by FDIC insurance or by pledged collateral held by the District's agent bank in the name of the District. The District's deposits appear to have been properly secured throughout the fiscal year.

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

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

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

B. Deposits, Securities and Investments (Continued)

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

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

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

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

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

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

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

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

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

Day to day administration of LOGIC will be performed by First Southwest 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.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

B. Deposits, Securities and Investments (Continued)

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.

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

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

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

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

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

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.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

B. Deposits, Securities and Investments (Continued)

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

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

	<u>Credit Rating</u>	<u>Fair Value</u>
TexPool	AAAm	\$ 39,347
Lone Star Investment Pool	AAAm	36,156,092
LOGIC	AAA	4,043,403
TexasCLASS	AAAm	19,805,279
TexSTAR	AAAm	188,694
TexasTERM	AA Af	20,597
Certificate of Deposit (TexasTERM)	n/a	<u>20,580,000</u>
Total		<u>\$ 80,833,412</u>

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

- a. Name of bank: Chase Bank, Coppell, Texas.
- b. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$ 3,803,522.
- c. Largest cash, savings and time deposit combined account balances amounted to \$ 3,780,793, and occurred during the month of August 2015.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$ 253,236.

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

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

B. Deposits, Securities and Investments (Continued)

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

C. Property Taxes

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

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

The District levied taxes on property within the District at \$ 1.1700 to fund general operations and \$ 0.279 for the payment of principal and interest on long term debt. The rates were levied on property assessed totaling \$ 8,544,108,516.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

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:				
Construction In Progress	\$ -			\$ -
Land	44,471,671	1,632,004	-	46,103,675
Total Capital Assets not being Depreciated	\$ 44,471,671	\$ 1,632,004	\$ -	\$ 46,103,675
Capital Assets being Depreciated:				
Building and Improvements	\$ 192,828,302	\$ 23,789,047	\$ -	\$ 216,617,349
Equipment	24,335,107	786,242	-	25,121,349
Vehicles	787,467	35,832	-	823,299
Total Capital Assets being Depreciated	\$ 217,950,876	\$ 24,611,121	\$ -	\$ 242,561,997
Less Accumulated Depreciation for :				
Buildings and Improvements	\$ 61,025,922	\$ 4,017,416	\$ -	\$ 65,043,338
Equipment	10,525,736	2,267,075	-	12,792,811
Vehicles	659,974	34,976	-	694,950
Total Accumulated Depreciation	\$ 72,211,632	\$ 6,319,467	\$ -	\$ 78,531,099
Total Capital Assets being Depreciated, Net	\$ 145,739,244	\$ 18,291,654	\$ -	\$ 164,030,898
Governmental Activities Capital Assets, Net	\$ 190,210,915	\$ 19,923,658	\$ -	\$ 210,134,573

Depreciation was charged to governmental activities functions as follows:

Instruction	\$ 3,464,009
Instructional Resources and Media Services	142,409
Curriculum and Staff Development	4,608
Instructional Leadership	4,821
School Leadership	65,357
Guidance, Counseling and Evaluation Services	16,573
Health Services	12,472
Student (Pupil) Transportation	34,849
Food Services	206,545
Co-curricular/Extracurricular Activities	552,947
General Administration	157,062
Plant Maintenance and Operations	129,808
Data Processing Services	1,527,164
Community Services	843
Totals	\$ 6,319,467

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

E. Long Term Obligations

Long Term Obligation Activity

Long-term activities during the year were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 218,772,322	\$ -	\$ 6,421,473	\$ 212,350,849	\$ 8,676,684
Accreted Interest Payable	68,548,494	5,173,082	9,098,528	64,623,048	-
Unamortized Premium (Discount)	4,486,296	-	13,420	4,472,876	-
Total Governmental Activities	\$ 291,807,112	\$ 5,173,082	\$ 15,533,421	\$ 281,446,773	\$ 8,676,684

Bonds

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

The following bonded debt issues are outstanding at year end:

Description	Rate	Outstanding Balance
Unlimited Tax Refunding Bonds, Series 1995	5.00%-7.00%	\$ 7,873,052
Unlimited School Building & Refunding Bonds, Series 2001	5.25%-5.67%	8,280,175
Unlimited School Building Bonds, Series 2006	4.50%	17,075,000
Unlimited Tax Refunding Bonds, Series 2007A	3.80%-4.21%	564,119
Unlimited Tax Refunding Bonds, Series 2007B	3.75%-4.09%	36,545,000
Unlimited Tax School Building Bonds, Series 2007	4.25%-5.00%	13,215,000
Unlimited Tax School Building & Refunding Bonds, Series 2009A	4.29%	23,580,000
Unlimited Tax Refunding Bonds, Series 2009B	4.29%	17,574,349
Unlimited Tax Building Bonds, Series 2011	4.37%	7,879,154
Unlimited Tax School Building Bonds, Series 2013A	3.99%	22,870,000
Unlimited Tax Qualified School Construction Bonds, Taxable Series 2013B	5.00%	7,995,000
Unlimited Tax School Building Bonds, Series 2014	3.7430%	48,900,000
Total		<u>\$ 212,350,849</u>

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

E. Long Term Obligations (Continued)

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

<u>Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 8,676,684	\$ 16,060,046	\$ 24,736,730
2017	9,718,082	15,731,448	25,449,530
2018	8,731,137	16,958,413	25,689,550
2019	11,537,569	14,850,315	26,387,884
2020	13,840,824	11,319,683	25,160,507
2021 - 2025	63,564,725	53,511,746	117,076,471
2026 - 2030	34,331,572	69,825,835	104,157,407
2031 - 2035	29,055,623	15,135,482	44,191,105
2036 - 2040	17,484,633	6,542,208	24,026,841
2041 - 2045	15,410,000	1,548,126	16,958,126
Totals	<u>\$ 212,350,849</u>	<u>\$ 221,483,302</u>	<u>\$ 433,834,151</u>

In prior years, the District has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial purposes, the debt has been defeased and therefore removed as a liability from the basic financial statements. As of August 31, 2015, the amount of defeased debt outstanding but removed from the basic financial statements amounted to \$ 17,146,850 including current year defeased amounts.

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

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

<u>Date of Authorization</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Remaining Unissued</u>
May 11, 2013	\$ 79,500,000	\$ 72,315,000	\$ 7,185,000

F. Pension Plan

1. Plan Description

The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS's defined benefit pension plan operates primarily under the provision of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas State Legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us).

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

2. Benefits Provided

TRS administers retirement and disability annuities, and death survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. Benefits are established or amended primarily under the authority of the provisions of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The pension's board of trustees does not have the authority to establish or amend benefits. 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 or exceed 80 years. Reduced service retirement is at age 55 with 5 years of credited service and any age below 50 with 30 years of credited service. A member is fully vested after 5 years of creditable service and entitled to any benefit for which eligibility requirements have been met. The plan does not provide automatic cost of living adjustments (COLA's). Ad hoc post-employment benefits changes, including ad hoc COLA's can be granted by the Texas Legislature as noted in the Plan Description above.

3. Contributions

Contribution requirements are established or amended pursuant to the following state laws: (1) Article 16, Section 67 of the Texas Constitution requires the legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code Section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the system's actuary. As the non-employer contributing entity, 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 members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge. Employee contribution rates are set in state statute, Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. Contribution amounts for fiscal year 2015 are as follows:

	<b>Contributions Required and Made</b>	
Member (Employee)	\$	3,752,622
Non-Employer Contributing Agency (State On Behalf)	\$	2,886,128
District (Employer)	\$	1,144,044

Contribution rates for the plan fiscal year (September to August) 2014 and 2015 are as follows:

	<b>Contribution Rates Plan Fiscal Year</b>	
	<b>2014</b>	<b>2015</b>
Member (Employee)	6.4%	6.7%
District (Employer)	6.8%	6.8%
Non-Employer Contributing Agency (State On Behalf)	6.8%	6.8%

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

At August 31, 2014, the District reported a liability for its proportionate share of the net pension liability that reflected 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 net pension liability	\$ 12,085,191
State's proportionate share of the net pension liability associated with the District	<u>30,472,758</u>
Total	<u>\$ 42,557,949</u>

The net pension liability was measured as of August 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all participating entities. At August 31, 2014, the District's proportion was 0.0452436% which was not measured as of August 31, 2013.

For the year ended August 31, 2015, the District recognized pension expense of \$ 2,817,150 and revenue of \$ 2,817,150 for support provided by the State.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

At August 31, 2014, the District report 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 experience	\$ 186,901	\$ -
Changes of actuarial assumptions	785,551	-
Net difference between projected and actual earnings on pension plan investments	-	3,693,729
Changes in proportion and differentials between District contributions and proportionate share of contributions	-	3,168
Total	<u>\$ 972,452</u>	<u>\$ 3,696,897</u>

At August 31, 2015, 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>
Total Amounts per August 31, 2014 measurement date	\$ 972,452	\$ 3,696,896
Contribution paid to TRS subsequent to the measurement date	<u>1,985,593</u>	<u>-</u>
Total Financial Statement Amounts	<u>\$ 2,958,045</u>	<u>\$ 3,696,896</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2015	\$ (759,914)
2016	(759,914)
2017	(759,914)
2018	(759,914)
2019	163,518
Thereafter	151,694

5. Actuarial Assumptions

The total pension liability is determined by an annual actuarial valuation. The active mortality rates were based on the 1994 Group Annuity Mortality Table set back 6 years for both males and females. The Post-retirement mortality rates were based on client specific tables multiplied by 80%. The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the four-year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rate for current and future retirees has decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards Practice No. 35.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

The following assumptions were applied to this measurement period:

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

\* Includes Inflation of 3.00%

6. Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary new 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 expected rate of return on pension plan investments is 8.0%. The long-term expected rate of return on pension plan investment 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized on the next page:

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return *
<b>Global Equity</b>			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
<b>Stable Value</b>			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	8.9%	0.4%
Alpha			1.0%
<b>Total</b>	<u>100%</u>		<u>8.7%</u>

\* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric means returns.

For the year ended August 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 16.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 8%, 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 (7%) or 1 - percentage point higher (9%) than the current rate:

	1% Decrease	Current Rate	1% Increase
District's proportional share of the net pension liability	\$ 21,595,504	\$ 12,085,191	\$ 4,973,249

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

8. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2014 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2014.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 159,496,075,886
Less: Plan Fiduciary Net Position	(132,779,243,085)
Net Pension Liability	<u>\$ 26,716,832,801</u>
Net Position as percentage of Total Pension Liability	83.25%

G. School District Retiree Health Plan

1. Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 223-8778 or by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS publication heading.

2. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employees contributed amounts during the year. Per Texas Insurance Code, Chapters 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates are shown in the table below for fiscal years 2015-2013.

<b>Contribution Rates</b>			
<u>Year</u>	<u>Active Member</u>	<u>State</u>	<u>District</u>
2015	0.65%	1.00%	0.55%
2014	0.65%	1.00%	0.55%
2013	0.65%	0.50%	0.55%

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

G. School District Retiree Health Plan (Continued)

3. On Behalf Payments

In accordance with GASB Statement 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," on-behalf payments (payments made by the State) of \$ 493,984 are reflected in the basic financial statements for Retiree Health Plan contributions. Additionally, the District benefited from payments made by the State totaling \$ 257,723 for subsidies for Medicare Part D and participation in the Early Retirement Reissuance Programs.

H. Risk Management

Health Care

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

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

Latest financial statements for Aetna are available for the year ended December 31, 2014 and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Workers' Compensation

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

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$ 1,500,000. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2013, the Fund carries a discounted reserve of \$ 68,883,628 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended August 31, 2013, 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, 2014, are available at the TASB offices and have been filed with the Texas State Board of Insurance of Austin.

Property and Casualty

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

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

H. Risk Management (Continued)

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

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

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

Liability Coverage Program

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

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

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

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2014, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Unemployment Compensation Pool

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

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool.

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, 2014, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

I. Litigation

The District appears to have no pending litigation at year end.

J. 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.

K. Interfund Balances and Activities

Interfund Receivables and Payables

The composition of interfund balances at year end is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue Funds	Agency Fund	\$ 726,069
General Fund	Agency Fund	156,830
	Totals	<u>\$ 882,899</u>

Transfers To and From Other Funds

Transfer to and from other funds during the year ended, consisted of the following:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Capital Projects Fund	\$ 2,482,235	Construction Cost
Food Service Fund	Capital Projects Fund	300,000	Construction Cost

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

L. Revenue from Local and Intermediate Sources

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

	General	Debt Service	Capital Project Fund	Other Governmental	Total
Property Tax Collections	\$ 100,835,998	\$ 23,986,052	\$ -	\$ -	\$ 124,822,050
Rent	299,562	-	-	-	299,562
Tuition and Fees	39,800	-	-	39,300	79,100
Investment Income	73,396	18,754	56,820	1,852	150,822
Food Service Income	-	-	-	3,756,600	3,756,600
Gifts and Bequests	27,496	-	-	1,172,989	1,200,485
Co-curricular/Extracurricular Activities	337,048	-	-	24,528	361,576
Insurance Recovery	80,442	-	-	-	80,442
Other	625,857	-	22,262	107,826	755,945
Totals	\$ 102,319,599	\$ 24,004,806	\$ 79,082	\$ 5,103,095	\$ 131,506,582

M. Shared Service Arrangement

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

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

N. Receivables

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

	General	Debt Service	Capital Project Fund	Other Nonmajor	Total
Due from Other Governments	\$ 278,198	\$ -	\$ -	\$ 574,301	\$ 852,499
Property Taxes	1,092,315	237,246	-	-	1,329,561
Less Allowance for Uncollectible					
Property Taxes	(109,232)	(23,725)	-	-	(132,957)
Other Receivables	25,975	-	-	-	25,975
Net Receivables	\$ 1,287,256	\$ 213,521	\$ -	\$ 574,301	\$ 2,075,078

O. Subsequent Events

The District's management has evaluated subsequent events through December 3, 2015, the date which the financial statements were available for use.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

P. Change in Accounting Principles

The District implemented the following Governmental Accounting Standard Board Statements during the year. The provisions impact the financial reporting for the District. Statement 68, *Accounting and Financial Reporting for Pensions*, created new reporting for pension information including the requirement to reflect pension liabilities in the government with financial statements including proportional shares for cost sharing arrangements. Statement 71, *Pension Transition for Contribution Made Subsequent to the Measurement Date*, resolved issues arising from the implementation of Statement 68.

Q. Restatements

Restatements consist of prior period adjustments in the government wide financial statements as a result of the recording of net pension liability in accordance with GASB Statements 68 and 71. The beginning net position was restated to reflect a decrease of \$ 13,692,568.

REQUIRED SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 100,197,285	\$ 101,748,934	\$ 102,319,599	\$ 570,665
5800	State Program Revenues	8,062,712	8,064,708	8,431,181	366,473
5900	Federal Program Revenues	50,000	50,000	168,212	118,212
<b>5020</b>	<b>Total Revenues</b>	<b>\$ 108,309,997</b>	<b>\$ 109,863,642</b>	<b>\$ 110,918,992</b>	<b>\$ 1,055,350</b>
<b>EXPENDITURES</b>					
Instruction and Instructional Related Services:					
0011	Instruction	\$ 56,630,260	\$ 56,709,964	\$ 55,581,768	\$ 1,128,196
0012	Instructional Resources and Media Services	1,350,649	1,359,151	1,306,714	52,437
0013	Curriculum and Staff Development	515,613	515,938	422,081	93,857
	Total Instruction and Instr. Related Services	<b>\$ 58,496,522</b>	<b>\$ 58,585,053</b>	<b>\$ 57,310,563</b>	<b>\$ 1,274,490</b>
Instructional and School Leadership:					
0021	Instructional Leadership	\$ 2,090,905	\$ 2,091,478	\$ 1,954,963	\$ 136,515
0023	School Leadership	5,216,975	5,382,400	5,270,599	111,801
	Total Instructional and School Leadership	<b>\$ 7,307,880</b>	<b>\$ 7,473,878</b>	<b>\$ 7,225,562</b>	<b>\$ 248,316</b>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	\$ 3,251,115	\$ 3,344,007	\$ 3,224,287	\$ 119,720
0032	Social Work Services	750	750	675	75
0033	Health Services	938,889	987,999	954,271	33,728
0034	Student (Pupil) Transportation	1,924,000	1,924,000	1,778,556	145,444
0036	Co-curricular/Extracurricular Activities	2,140,661	2,227,817	2,108,625	119,192
	Total Support Services - Student (Pupil)	<b>\$ 8,255,415</b>	<b>\$ 8,484,573</b>	<b>\$ 8,066,414</b>	<b>\$ 418,159</b>
Administrative Support Services:					
0041	General Administration	\$ 3,069,821	\$ 3,060,310	\$ 2,769,614	\$ 290,696
	Total Administrative Support Services	<b>\$ 3,069,821</b>	<b>\$ 3,060,310</b>	<b>\$ 2,769,614</b>	<b>\$ 290,696</b>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	\$ 8,564,342	\$ 8,659,824	\$ 7,622,978	\$ 1,036,846
0052	Security and Monitoring Services	297,747	297,347	238,505	58,842
0053	Data Processing Services	2,085,321	2,361,775	2,175,341	186,434
	Total Support Services - Nonstudent Based	<b>\$ 10,947,410</b>	<b>\$ 11,318,946</b>	<b>\$ 10,036,824</b>	<b>\$ 1,282,122</b>
Ancillary Services:					
0061	Community Services	\$ 180,045	\$ 190,045	\$ 173,189	\$ 16,856
	Total Ancillary Services	<b>\$ 180,045</b>	<b>\$ 190,045</b>	<b>\$ 173,189</b>	<b>\$ 16,856</b>
Intergovernmental Charges:					
0091	Contracted Inst. Services between Public Schools	\$ 20,827,714	\$ 20,977,714	\$ 20,977,714	\$ -
0093	Payments for Shared Service Agreements	60,000	50,143	50,143	-
0095	Payments to Juvenile Justice AEP	35,000	35,000	3,000	32,000
0099	Other Intergovernmental Charges	451,337	451,337	451,337	-
	Total Intergovernmental Charges	<b>\$ 21,374,051</b>	<b>\$ 21,514,194</b>	<b>\$ 21,482,194</b>	<b>\$ 32,000</b>
<b>6030</b>	<b>Total Expenditures</b>	<b>\$ 109,631,144</b>	<b>\$ 110,626,999</b>	<b>\$ 107,064,360</b>	<b>\$ 3,562,639</b>
1100	Excess(Deficiency) of Revenues Over Expenditures	\$ (1,321,147)	\$ (763,357)	\$ 3,854,632	\$ 4,617,989
<b>OTHER FINANCING SOURCES (USES)</b>					
7912	Sale of Real or Personal Property	\$ -	\$ 9,484	\$ 29,185	\$ 19,701
7949	Other Resources	-	80,443	-	(80,443)
8911	Transfers Out	-	(2,482,236)	(2,482,235)	1
<b>7080</b>	<b>Net Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ (2,392,309)</b>	<b>\$ (2,453,050)</b>	<b>\$ (60,741)</b>
1200	Net Change in Fund Balance	\$ (1,321,147)	\$ (3,155,666)	\$ 1,401,582	\$ 4,557,248
0100	Fund Balance - Beginning (September 1)	49,795,580	49,795,580	49,795,580	-
<b>3000</b>	<b>Fund Balance - Ending (August 31)</b>	<b>\$ 48,474,433</b>	<b>\$ 46,639,914</b>	<b>\$ 51,197,162</b>	<b>\$ 4,557,248</b>

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, 2015

	<b>2015</b>
District's proportion of the net pension liability	0.0452436%
District's proportionate share of the net pension liability	\$ 12,085,191
State's proportionate share of the net pension liability associated with the District	30,472,758
 Total	 \$ 42,557,949
 District's covered-employee payroll (for Measurement Year)	 \$ 58,634,799
 District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	 20.61%
 Plan fiduciary net position as a percentage of the total pension liability	 83.25%

Note: Only one year of data is presented in accordance with GASB Statement 68, paragraph 138.

COPPELL INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FISCAL YEAR 2015

	2015
Contractually required contributions	\$ 1,985,593
Contributions in relations to the contractual required contributions	(1,985,593)
Contribution deficiency (excess)	\$ -
District's covered employee payroll	\$ 63,457,253
Contributions as a percentage of covered employee payroll	3.13%

Note: Only one year of data is presented in accordance with GASB Statement 68, paragraph 138.

GASB Statement 68, paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 to August 31, 2014.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED AUGUST 31, 2015

A. Changes of Assumptions

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

B. Changes of Benefit Terms

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

OTHER SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
YEAR ENDED AUGUST 31, 2015

Tax Roll Year	Last Ten Years Ended August 31	1 Tax Rates		3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2014	20 Current Year's Total Levy	30 Maintenance Tax Collections	30a Debt Service Tax Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2015
		Maintenance	2 Debt Service							
XXXX	2006 and Prior Years	Various	Various	Various	\$ 197,200	\$ -	\$ 2	\$ -	\$ (45,254)	\$ 151,944
2006	2007	1.370000	0.229000	6,342,768,417	25,728	-	91	15	1,324	26,946
2007	2008	1.040000	0.229000	7,001,508,112	22,914	-	541	119	(344)	21,910
2008	2009	1.040000	0.239000	7,488,790,227	75,697	-	644	148	18,502	93,407
2009	2010	1.040000	0.243400	7,453,681,498	160,769	-	312,582	73,156	391,894	166,925
2010	2011	1.170000	0.254200	7,165,643,028	128,485	-	330,675	71,844	404,648	130,614
2011	2012	1.170000	0.254200	7,073,590,226	139,226	-	329,142	71,511	365,362	103,935
2012	2013	1.170000	0.248800	7,338,482,661	217,684	-	358,278	76,187	337,586	120,805
2013	2014	1.170000	0.262400	7,777,220,748	471,859	-	33,260	7,459	(255,599)	175,541
2014	2015	1.170000	0.279000	8,544,108,516	-	123,804,132	99,160,876	23,646,118	(659,604)	337,534
<b>1000</b>	<b>TOTALS</b>				<b>\$ 1,439,562</b>	<b>\$ 123,804,132</b>	<b>\$ 100,526,091</b>	<b>\$ 23,946,557</b>	<b>\$ 558,515</b>	<b>\$ 1,329,561</b>

COPPELL INDEPENDENT SCHOOL DISTRICT  
SCHOOL BREAKFAST AND NATIONAL SCHOOL LUNCH PROGRAM  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 3,554,975	\$ 3,554,975	\$ 3,758,450	\$ 203,475
5800	State Program Revenues	92,000	92,000	103,176	11,176
5900	Federal Program Revenues	730,090	748,791	724,320	(24,471)
<b>5020</b>	<b>Total Revenues</b>	<b>\$ 4,377,065</b>	<b>\$ 4,395,766</b>	<b>\$ 4,585,946</b>	<b>\$ 190,180</b>
<b>EXPENDITURES</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	\$ 4,420,630	\$ 4,755,331	\$ 4,424,052	\$ 331,279
	Total Support Services - Student (Pupil)	\$ 4,420,630	\$ 4,755,331	\$ 4,424,052	\$ 331,279
<b>6030</b>	<b>Total Expenditures</b>	<b>\$ 4,420,630</b>	<b>\$ 4,755,331</b>	<b>\$ 4,424,052</b>	<b>\$ 331,279</b>
1100	Excess (Deficiency) of Revenues Over Expenditures	\$ (43,565)	\$ (359,565)	\$ 161,894	\$ 521,459
<b>OTHER FINANCING SOURCES (USES)</b>					
8911	Transfers Out	\$ -	\$ (300,000)	\$ (300,000)	\$ -
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ (300,000)</b>	<b>\$ (300,000)</b>	<b>\$ -</b>
1200	Net Change in Fund Balance	\$ (43,565)	\$ (659,565)	\$ (138,106)	\$ 521,459
0100	Fund Balances - Beginning (September 1)	1,251,313	1,251,313	1,251,313	-
<b>3000</b>	<b>Fund Balances - Ending (August 31)</b>	<b>\$ 1,207,748</b>	<b>\$ 591,748</b>	<b>\$ 1,113,207</b>	<b>\$ 521,459</b>

COPPELL INDEPENDENT SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 23,601,949	\$ 23,601,949	\$ 24,004,806	\$ 402,857
5900	Federal Program Revenues	399,750	399,750	370,568	(29,182)
<b>5020</b>	<b>Total Revenues</b>	<b>\$ 24,001,699</b>	<b>\$ 24,001,699</b>	<b>\$ 24,375,374</b>	<b>\$ 373,675</b>
<b>EXPENDITURES</b>					
Debt Service:					
0071	Principal on Long-term Debt	\$ 6,421,473	\$ 6,421,473	\$ 6,421,473	\$ -
0072	Interest on Long-term Debt	17,580,059	17,580,059	17,580,059	-
0073	Debt Issuance Costs and Fees	12,000	12,000	6,571	5,429
	Total Debt Service	<u>\$ 24,013,532</u>	<u>\$ 24,013,532</u>	<u>\$ 24,008,103</u>	<u>\$ 5,429</u>
<b>6030</b>	<b>Total Expenditures</b>	<b>\$ 24,013,532</b>	<b>\$ 24,013,532</b>	<b>\$ 24,008,103</b>	<b>\$ 5,429</b>
1100	Excess (Deficiency) of Revenues Over Expenditures	\$ (11,833)	\$ (11,833)	\$ 367,271	\$ 379,104
1200	Net Change in Fund Balance	\$ (11,833)	\$ (11,833)	\$ 367,271	\$ 379,104
0100	Fund Balance - Beginning (September 1)	2,718,881	2,718,881	2,718,881	-
<b>3000</b>	<b>Fund Balance - Ending (August 31)</b>	<b><u>\$ 2,707,048</u></b>	<b><u>\$ 2,707,048</u></b>	<b><u>\$ 3,086,152</u></b>	<b><u>\$ 379,104</u></b>

COPPELL INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
 AS OF AUGUST 31, 2015

<u>Data Control Codes</u>		<u>Response</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 64,623,048
SF11	Net Pension Assets (1920) at fiscal year-end.	\$ -0-
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$ 12,085,191
SF13	Pension Expense (6147) at fiscal year-end.	\$ 1,117,063

FEDERAL AWARDS SECTION

COPPELL INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2015

Federal Grantor/ Pass Through Grantor/ Program Title	(02) Federal CFDA Number	(2A) Pass-Through Grantor's Number	(03) Federal Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed through Education Service Center, Region X:			
ESEA Title III Part A - LEP	84.365	15671001057950	\$ 127,577
Total passed through Education Service Center, Region X			<u>\$ 127,577</u>
Passed through the Texas Education Agency:			
ESEA Title I Part A - Improving Basic Programs	84.010	15610101057922	\$ 233,581
IDEA-B Formula *	84.027	156600010579226600	1,377,188
IDEA-B Formula *	84.027	166600010579226600	118,647
IDEA-B Preschool *	84.173	156610010579226610	12,363
Vocational Education - Basic Grant	84.048	1542000605792210	53,413
Summer School LEP	84.369	69551102	5,533
ESEA Title II Part A - Teacher & Principal Training	84.367	15694501057950	88,771
ESEA Title II Part A - Teacher & Principal Training	84.367	16694501057950	8,638
Total passed through the Texas Education Agency			<u>\$ 1,898,134</u>
<b>Total Department of Education</b>			<b><u>\$ 2,025,711</u></b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed through the Texas Department of Agriculture:			
School Breakfast Program	10.553	0600	\$ 62,716
National School Lunch Program	10.555	0600	489,903
Commodity Supplemental Food Program	10.565	057027A	171,701
<b>Total Department of Agriculture</b>			<b><u>\$ 724,320</u></b>
<b>Total Expenditure of Federal Awards</b>			<b><u>\$ 2,750,031</u></b>

\* 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, 2015

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 OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. 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, 2015.

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)		\$ 2,750,031
Indirect Cost:		
IDEA-B Formula (84.027)	24,141	
IDEA-B Preschool (84.173)	123	
ESEA Title I Part A (84.010)	6,145	
Carl Perkins – Vocational Ed (84.048)	1,006	
ESEA Title II Part A (84.367)	1,539	
Total Indirect Cost		32,954
Qualified School Construction Bonds Interest		370,568
School Health and Related Services		135,258
Federal Revenue (Exhibit C-3)		\$ 3,288,811