

**COPPELL INDEPENDENT
SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 2011

RUTHERFORD, TAYLOR & COMPANY, P.C.
Certified Public Accountants
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Greenville, Texas 75401
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COPPELL INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2011

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CERTIFICATE OF BOARD

Coppell Independent School District
Name of School District

Dallas
County

057-922
Co.-Dist. Number

We, the undersigned, certify that the attached auditor's report of the above named school district was reviewed and _____ **approved**/ _____ **disapproved** for the year ended August 31, 2011, at a meeting of the board of school trustees of such school district on _____.

*

Signature of Board Secretary

*

Signature of Board President

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

*

Signature on file with the Texas Education Agency

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of School Trustees
Coppell Independent School District

Members of the Board:

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, 2011, which collectively comprise the District's basic financial statements as listed in the accompanying table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note O to the financial statements, the District adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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.

Independent Auditor's Report - Continued

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 as other supplementary information identified in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose 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 financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

January 3, 2012
Greenville, Texas

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* Signature on file with the Texas Education Agency

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*

Board of School Trustees
Coppell Independent School District

Members of the Board:

We have audited 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, 2011, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 3, 2012. We conducted our audit 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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

This report is intended solely for the information and use of management, the Board of Trustees, the Texas Education Agency and other grantors, and is not intended to be and should not be used by anyone other than these specified parties.

January 3, 2012
Greenville, Texas

*

*
Signature on file with the Texas Education Agency

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

2802 Washington Street

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of School Trustees
Coppell Independent School District

Members of the Board:

Compliance

We have audited the 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, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the 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, 2011.

Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB 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.

Internal Control over Compliance – Continued

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The District's responses to the findings, if any, identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

January 3, 2012
Greenville, Texas

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* Signature on file with the Texas Education Agency

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2011

Financial Statement Findings (Section II)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2011

Federal Award Findings and Questioned Costs (Section III)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2011

Prior Year Findings (Section IV)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2011

Corrective Action Plans (Section V)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2011

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, 2011. Please read it in conjunction with the District's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

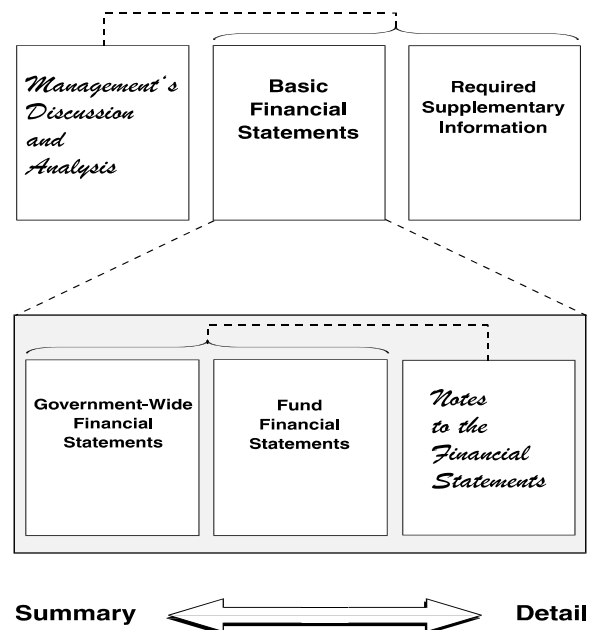
- The General Fund reported an ending fund balance of \$ 37,108,394. This was an increase in the fund balance from the prior year in the amount of \$ 8,568,567. The unassigned general fund balance increased \$ 7,673,185 from the prior year.
- Since the District is subject to recapture payments to the state, the District 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 \$ 75,070,010 is treated as a liability, and flows through the statement of net assets 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 assets of \$ 36,574,595 in the governmental activities.
- General revenues accounted for \$ 112,995,597, or 86.14% of all fiscal year 2011 revenue. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$ 18,170,087, or 13.86% of total fiscal year 2011 revenues.
- The District had approximately \$ 123,921,094 in expenses related to governmental activities; of which \$ 18,170,087 of these expenses were offset by program-specific charges for services or grants and contributions. General revenues of \$ 112,995,597 provided for the remaining cost of these programs, resulting in a \$ 7,244,590 increase in net assets.
- During the year, the District issued "Coppell Independent School District Unlimited Tax School Building Bonds, Series 2011, "in the amount of \$ 14,684,154 to fund additional facilities and facility renovations.

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, 2011**

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 assets 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 assets and how they have changed. Net assets—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 assets 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

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses; self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	• Statement of net assets	• Balance sheet	• Statement of net assets	• Statement of fiduciary net assets
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of revenues, expenses and changes in fund net assets • Statement of cash flows	• Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2011

- 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 assets. 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 assets were negative \$ (4,591,572) at August 31, 2011.

Coppell Independent School District's Net Assets			Table A-1
	Governmental Activities		Percent Change
	2011	2010	2010-2011
Assets:			
Cash and Investments	\$ 46,162,792	\$ 35,110,265	31.48%
Other Assets	15,102,203	9,917,134	52.28%
Capital Assets less Accumulated	164,877,306	166,194,780	-0.79%
Total Assets	\$ 226,142,301	\$ 211,222,179	7.06%
Liabilities:			
Current Liabilities	\$ 5,444,424	\$ 5,401,365	0.80%
Long-term Liabilities	225,289,449	217,656,976	3.51%
Total Liabilities	\$ 230,733,873	\$ 223,058,341	3.44%
Net Assets:			
Invested in Capital Assets, Net of Related	\$ 29,195,065	\$ 33,362,655	-12.49%
Restricted	2,787,958	2,322,215	20.06%
Unrestricted	(36,574,595)	(47,521,032)	23.03%
Total Net Assets	\$ (4,591,572)	\$ (11,836,162)	61.21%

Approximately \$ 2,005,383 of the District's restricted net assets 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 ASSETS

The District's total revenues were \$131,165,684 . 77% of the District's revenue comes from local property taxes (See Table A-2). 19% 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 \$ 123,921,094 . 44% of these expenses were for instruction and instructional related support services.

The District's base tax collections (current and delinquent) percentage for FY 2011 is 98.48%. The total tax collections (base tax plus penalty and interest) percentage for FY 2011 was 98.85%.

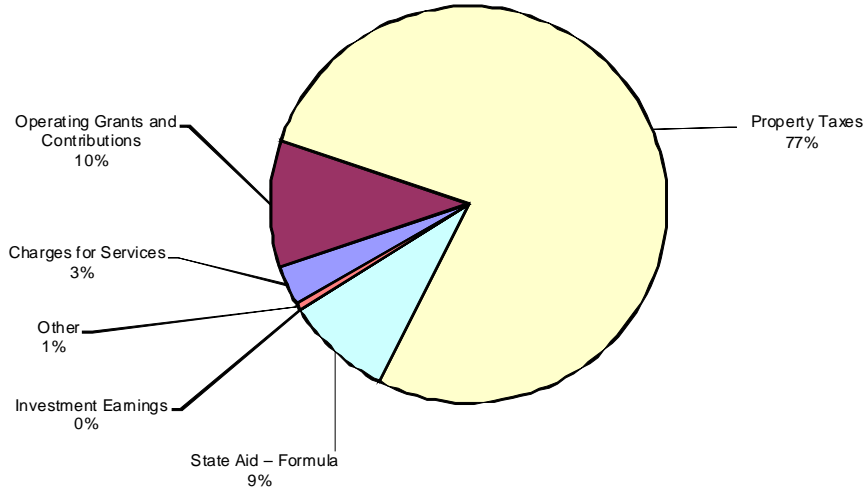
COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2011

GOVERNMENTAL ACTIVITIES

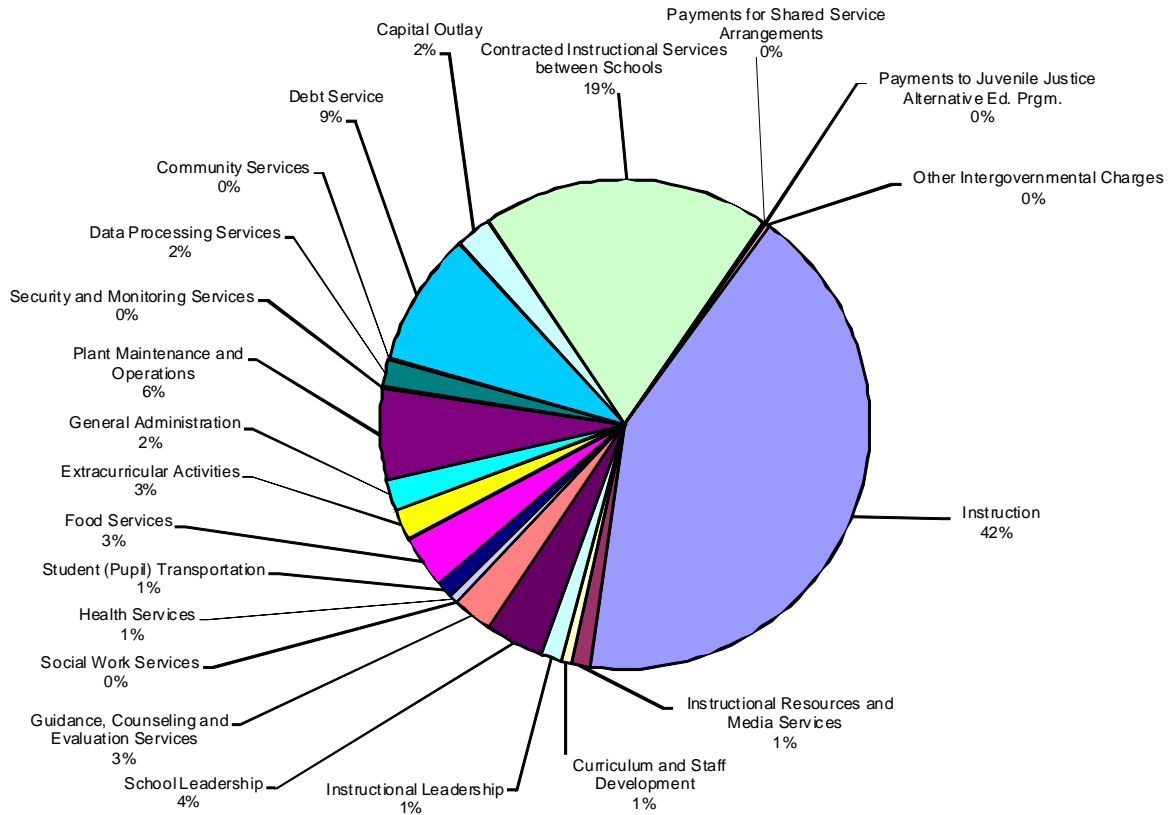
Changes in Coppel Independent School District's Net Assets				Table A-2
	Governmental Activities		Percent Change	
	2011	2010	2010-2011	
Program Revenues:				
Charges for Services	\$ 4,307,582	\$ 4,134,751	4.18%	
Operating Grants and Contributions	13,413,005	13,836,581	-3.06%	
Capital Grants and Contributions	449,500	-	100.00%	
General Revenues:				
Property Taxes	100,945,891	95,520,092	5.68%	
State Aid – Formula	11,258,787	10,166,653	10.74%	
Investment Earnings	99,183	131,114	-24.35%	
Other	691,736	726,362	-4.77%	
Total Revenues	\$ 131,165,684	\$ 124,515,553	5.34%	
Expenses:				
Instruction	\$ 52,432,494	\$ 54,682,108	-4.11%	
Instructional Resources and Media Services	1,528,438	2,055,178	-25.63%	
Curriculum and Staff Development	834,507	792,328	5.32%	
Instructional Leadership	1,633,918	1,762,188	-7.28%	
School Leadership	4,799,627	4,600,964	4.32%	
Guidance, Counseling and Evaluation Services	3,304,777	3,307,467	-0.08%	
Social Work Services	1,575	24,508	-93.57%	
Health Services	682,957	677,103	0.86%	
Student (Pupil) Transportation	1,441,181	1,141,920	26.21%	
Food Services	4,296,228	3,905,729	10.00%	
Co-curricular/Extracurricular Activities	2,532,464	2,367,670	6.96%	
General Administration	2,502,792	2,459,847	1.75%	
Plant Maintenance and Operations	7,410,021	7,608,416	-2.61%	
Security and Monitoring Services	191,201	205,354	-6.89%	
Data Processing Services	2,284,043	2,254,688	1.30%	
Community Services	139,814	137,725	1.52%	
Debt Service	10,965,997	11,053,840	-0.79%	
Capital Outlay	2,914,577	918,030	217.48%	
Contracted Instructional Services between Schools	23,502,063	22,858,165	2.82%	
Payments for Shared Service Arrangements	102,312	73,920	38.41%	
Payments to Juvenile Justice Alternative Ed. Prgm.	43,206	23,056	87.40%	
Other Intergovernmental Charges	376,902	375,697	0.32%	
Total Expenses	\$ 123,921,094	\$ 123,285,901	0.52%	
Increase (Decrease) in Net Assets	\$ 7,244,590	\$ 1,229,652	489.16%	
Net Assets - Beginning (September 1)	(11,836,162)	(13,065,814)	9.41%	
Net Assets - Ending (August 31)	\$ (4,591,572)	\$ (11,836,162)	61.21%	

COPPELL INDEPENDENT SCHOOL DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED AUGUST 31, 2011

Government-wide Revenues for Fiscal Year 2011 - See Table A-2



Government-wide Expenses for Fiscal Year 2011 - See Table A-2



COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2011

- 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 \$ 123,921,094 .
- However, the amount that our taxpayers paid for these activities through local property taxes was \$ 100,945,891 .
- Some of the cost was paid by those who directly benefited from the programs \$ 4,307,582 , or
- By grants and contributions, \$ 13,862,505 .

Coppell Independent School District's Net Cost of Selected District Functions Governmental Activities							Table A-3
	Total Cost of Services		%	Net Cost of Services		%	
	2011	2010		2011	2010		Change
Instruction	52,432,494	54,682,108	-4.11%	41,801,989	42,683,078	-2.06%	
School Leadership	4,799,627	4,600,964	4.32%	4,537,609	4,339,384	4.57%	
General Administration	2,502,792	2,459,847	1.75%	2,416,465	2,373,128	1.83%	
Plant Maintenance and Operations	7,410,021	7,608,416	-2.61%	6,831,872	7,239,848	-5.64%	
Debt Service	10,965,997	11,053,840	-0.79%	10,965,997	11,053,840	-0.79%	
Contracted Instructional Services	23,502,063	22,858,165	2.82%	23,502,063	22,858,165	2.82%	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues in the governmental funds totaled \$ 131,104,498. This represents an increase of \$ 6,724,218 from the prior year revenues of \$ 124,380,280. The change represents additional state aid due to increased enrollment and attendance as well as the increase of local property tax collections during the year related to taxpayer's approval of \$ 0.13 additional pennies to the maintenance and operations tax rate.

Expenditures in the governmental funds totaled \$ 130,110,427. This represents a decrease of \$ 1,932,369 from the prior year expenditures of \$ 132,042,796. The change represents District actions to reduce operational costs including staff positions and related benefits. In addition, the expiring Recovery Act funding that was not reinstated by the federal government reduced the operating costs for programs in the District.

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 \$ 6,496,856 below final General Fund budgeted amounts. The most significant positive variances in the District's budget occurred in the District's required Chapter 41 recapture payment to the State and in instruction.

Resources available were \$ 359,017 above the final budgeted amount. The favorable variance was consistent with the District's efforts to increase local revenue sources. The District also benefited from increased attendance and student enrollment above projected numbers.

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2011

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of 2011, the District had invested \$ 222,502,509 in a broad range of capital assets, including land, equipment, buildings and vehicles (See Table A-4).

Coppell Independent School District's Capital Assets			Table A-4
	Governmental Activities		Total Percentage Change 2010-2011
	2011	2010	
Land	\$ 43,674,390	\$ 43,322,323	0.81%
Buildings and Improvements	163,279,499	161,336,270	1.20%
Equipment	14,816,331	13,934,101	6.33%
Vehicles	732,289	695,717	5.26%
Totals at historical cost	\$ 222,502,509	\$ 219,288,411	1.47%
Less accumulated depreciation	<u>(57,625,203)</u>	<u>(53,093,632)</u>	8.54%
Net Capital Assets	<u>\$ 164,877,306</u>	<u>\$ 166,194,779</u>	-0.79%

LONG TERM DEBT

At year-end, the District had \$ 225,289,448 in debt outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the basic financial statements.

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

Coppell Independent School District's Long Term Debt			Table A-5
	Governmental Activities		Total Percentage Change 2010-2011
	2011	2010	
Bonds Payable	\$ 152,355,820	\$ 142,273,992	7.09%
Other Debt Payable	72,933,628	75,382,986	-3.25%
Total Debt Payable	<u>\$ 225,289,448</u>	<u>\$ 217,656,978</u>	3.51%

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2011

ECONOMIC FACTORS

The District's property valuation continues to decline as it has in prior years. Local property tax rates are restricted by state statute, without local elections, to \$ 1.04 for maintenance and operation. In September 2010, the District's voters authorized an increase in the local tax rate cap to \$ 1.17. The state funding formula was changed to provide state funds to replace the lost local property tax revenue. This change in funding and other legislative changes continue to impact the District's financial operations, including cash flows.

Changes in the student population will continue to affect state funding. Student enrollments have increased over the past year and the District began accepting out of District transfers. Any gain or loss in appraised property values will have a minimal impact on total revenue received by the District under the current state funding formula; they will simply cause a shift between State and local funding with the total revenue remaining the same. Only increases in student enrollment and attendance will increase the District's overall funding.

Student enrollment rates have increased in recent periods and are expected to become level moving forward. The economic outlook for the area is for growth to remain relatively flat. The District will continue to monitor resources and staffing levels to provide for the needs of its students.

To prepare for the 2011-2013 biennium, the District elected to seek voters approval for \$ 0.13 additional pennies to the maintenance and operations tax rate in September 2010. With prior year's reductions in operational costs and the passage of the tax rate ratification election, the District has positioned itself with adequate cash flows to sustain state aid reductions in the current biennium.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and 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 ASSETS
AUGUST 31, 2011

Data Control Codes	1 Governmental Activities
ASSETS	
1110 Cash and Investments	\$ 46,162,792
1225 Property Taxes Receivable, Net	1,495,795
1240 Due from Other Governments	11,568,314
1267 Due from Fiduciary	3
1290 Other Receivables, Net	13,824
1300 Inventories, at cost	46,762
1410 Deferred Expenses	1,200
1420 Capitalized Bond and Other Debt Issuance Costs, Net	1,976,305
Capital Assets:	
1510 Land	43,674,390
1520 Buildings and Improvements, Net	112,135,092
1530 Furniture and Equipment, Net	9,067,824
1000 Total Assets	\$ 226,142,301
LIABILITIES	
2110 Accounts Payable	\$ 1,076,175
2140 Interest Payable	306,170
2165 Accrued Liabilities	3,311,105
2180 Due to Other Governments	936
2300 Unearned Revenues	750,038
Noncurrent Liabilities:	
2501 Due within one year	5,386,227
2502 Due in more than one year	219,903,222
2000 Total Liabilities	\$ 230,733,873
NET ASSETS	
3200 Invested in Capital Assets, Net of Related Debt	\$ 29,195,065
Restricted For:	
3820 Federal and State Programs	723,033
3850 Debt Service	2,005,383
3890 Other Purposes	59,542
3900 Unrestricted	(36,574,595)
3000 Total Net Assets	\$ (4,591,572)

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2011

		1	3	4	4	6
		Program Revenues				Net (Expense) Revenue and Changes in Net Assets
Data				Operating	Capital	
Control			Charges for	Grants and	Grants and	Governmental
Codes	Functions/Programs	Expenses	Services	Contributions	Contributions	Activities
	Governmental Activities:					
11	Instruction	\$ 52,432,494	\$ 64,097	\$ 10,566,408	\$ -	\$ (41,801,989)
12	Instructional Resources and Media Services	1,528,438	-	56,558	-	(1,471,880)
13	Curriculum and Staff Development	834,507	-	374,259	-	(460,248)
21	Instructional Leadership	1,633,918	-	155,392	-	(1,478,526)
23	School Leadership	4,799,627	-	262,018	-	(4,537,609)
31	Guidance, Counseling and Evaluation Services	3,304,777	80,684	801,110	-	(2,422,983)
32	Social Work Services	1,575	-	1,575	-	-
33	Health Services	682,957	-	35,135	-	(647,822)
34	Student (Pupil) Transportation	1,441,181	-	23	-	(1,441,158)
35	Food Services	4,296,228	3,177,194	765,895	-	(353,139)
36	Co-curricular/Extracurricular Activities	2,532,464	518,983	126,821	-	(1,886,660)
41	General Administration	2,502,792	-	86,327	-	(2,416,465)
51	Plant Maintenance and Operations	7,410,021	466,624	111,525	-	(6,831,872)
52	Security and Monitoring Services	191,201	-	7,275	-	(183,926)
53	Data Processing Services	2,284,043	-	53,301	-	(2,230,742)
61	Community Services	139,814	-	9,383	-	(130,431)
72	Interest on Long-term Debt	10,762,023	-	-	-	(10,762,023)
73	Debt Issuance Costs and Fees	203,974	-	-	-	(203,974)
81	Capital Outlay	2,914,577	-	-	449,500	(2,465,077)
91	Contracted Instructional Services between Schools	23,502,063	-	-	-	(23,502,063)
93	Payments for Shared Services Arrangements	102,312	-	-	-	(102,312)
95	Payments to Juvenile Justice Alternative Ed. Prgm.	43,206	-	-	-	(43,206)
99	Other Intergovernmental Charges	376,902	-	-	-	(376,902)
TG	Total Governmental Activities	<u>\$ 123,921,094</u>	<u>\$ 4,307,582</u>	<u>\$ 13,413,005</u>	<u>\$ 449,500</u>	<u>\$ (105,751,007)</u>
TP	Total Primary Government	<u>\$ 123,921,094</u>	<u>\$ 4,307,582</u>	<u>\$ 13,413,005</u>	<u>\$ 449,500</u>	<u>\$ (105,751,007)</u>
	General Revenues:					
MT	Property Taxes, Levied for General Purpose					\$ 82,947,384
DT	Property Taxes, Levied for Debt Service					17,998,507
IE	Investment Earnings					99,183
GC	Grants and Contributions Not Restricted to Specific Programs					11,258,787
MI	Miscellaneous					691,736
TR	Total General Revenues					<u>\$ 112,995,597</u>
CN	Change in Net Assets					\$ 7,244,590
NB	Net Assets - Beginning (September 1)					<u>(11,836,162)</u>
NE	Net Assets - Ending (August 31)					<u>\$ (4,591,572)</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2011

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS					
1110 Cash and Investments	\$ 30,194,767	\$ 2,078,873	\$ 13,288,143	\$ 577,171	\$ 46,138,954
1225 Property Taxes Receivable, Net	1,263,115	232,680	-	-	1,495,795
1240 Due from Other Governments	10,657,626	-	-	910,688	11,568,314
1260 Due from Other Funds	3	-	-	-	3
1290 Other Receivables	1,250	-	-	12,194	13,444
1300 Inventories, at cost	-	-	-	46,762	46,762
1410 Deferred Expenditures	1,200	-	-	-	1,200
1000 Total Assets	<u>\$ 42,117,961</u>	<u>\$ 2,311,553</u>	<u>\$ 13,288,143</u>	<u>\$ 1,546,815</u>	<u>\$ 59,264,472</u>
LIABILITIES					
Current Liabilities:					
2110 Accounts Payable	\$ 200,778	\$ -	\$ 727,250	\$ 148,147	\$ 1,076,175
2140 Interest Payable	-	22,195	-	-	22,195
2150 Payroll Deductions and Withholdings	7,256	-	-	13,571	20,827
2160 Accrued Wages Payable	3,179,927	-	-	109,645	3,289,572
2180 Due to Other Governments	-	-	-	936	936
2200 Accrued Expenditures	-	-	-	175	175
2300 Deferred Revenue	1,621,606	232,680	-	391,547	2,245,833
2000 Total Liabilities	<u>\$ 5,009,567</u>	<u>\$ 254,875</u>	<u>\$ 727,250</u>	<u>\$ 664,021</u>	<u>\$ 6,655,713</u>
FUND BALANCES					
Nonspendable Fund Balances:					
3410 Inventories	\$ -	\$ -	\$ -	\$ 46,762	\$ 46,762
3430 Prepaid Items	1,200	-	-	-	1,200
Restricted Fund Balances:					
3450 Federal/State Funds Grant Restrictions	-	-	-	676,271	676,271
3480 Retirement of Long-Term Debt	-	2,056,678	-	-	2,056,678
3490 Other Restrictions of Fund Balance	-	-	12,560,893	59,542	12,620,435
Committed Fund Balance					
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	1,144,182	-	-	100,219	1,244,401
3600 Unassigned	33,213,012	-	-	-	33,213,012
3000 Total Fund Balances	<u>\$ 37,108,394</u>	<u>\$ 2,056,678</u>	<u>\$ 12,560,893</u>	<u>\$ 882,794</u>	<u>\$ 52,608,759</u>
4000 Total Liabilities and Fund Balances	<u>\$ 42,117,961</u>	<u>\$ 2,311,553</u>	<u>\$ 13,288,143</u>	<u>\$ 1,546,815</u>	<u>\$ 59,264,472</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET (GOVERNMENTAL FUNDS)
 TO THE STATEMENT OF NET ASSETS
 AUGUST 31, 2011

Total fund balances - Balance Sheet (governmental funds)	\$	52,608,759
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not reported in the funds.		164,877,306
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		1,495,795
The assets and liabilities of internal service funds are included in governmental activities in the SNA.		23,687
Payables for bond principal which are not due in the current period are not reported in the funds.		(152,355,820)
Payables for debt interest which are not due in the current period are not reported in the funds.		(283,975)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.		(72,933,629)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.		<u>1,976,305</u>
Net assets of governmental activities - Statement of Net Assets	\$	<u><u>(4,591,572)</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, 2011

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES					
5700 Local and Intermediate Sources	\$ 87,589,266	\$ 18,001,989	\$ 456,761	\$ 4,106,766	\$ 110,154,782
5800 State Program Revenues	14,519,884	-	-	642,245	15,162,129
5900 Federal Program Revenues	-	-	-	5,787,587	5,787,587
5020 Total Revenues	\$ 102,109,150	\$ 18,001,989	\$ 456,761	\$ 10,536,598	\$ 131,104,498
EXPENDITURES					
Current:					
0011 Instruction	\$ 44,163,227	\$ -	\$ 440,548	\$ 5,107,289	\$ 49,711,064
0012 Instructional Resources and Media Services	1,070,939	-	323,697	18,363	1,412,999
0013 Curriculum and Staff Development	409,138	-	-	414,294	823,432
0021 Instructional Leadership	1,519,948	-	-	89,978	1,609,926
0023 School Leadership	4,714,213	-	7,272	25,490	4,746,975
0031 Guidance, Counseling and Evaluation Services	2,550,083	-	-	728,536	3,278,619
0032 Social Work Services	-	-	-	1,575	1,575
0033 Health Services	672,986	-	-	-	672,986
0034 Student (Pupil) Transportation	1,265,112	-	142,104	-	1,407,216
0035 Food Services	-	-	-	4,117,114	4,117,114
0036 Co-curricular/Extracurricular Activities	1,896,090	-	416	139,378	2,035,884
0041 General Administration	2,285,154	-	81,822	18,835	2,385,811
0051 Plant Maintenance and Operations	7,260,752	-	37,897	308	7,298,957
0052 Security and Monitoring Services	191,201	-	-	-	191,201
0053 Data Processing Services	1,380,016	-	303,545	-	1,683,561
0061 Community Services	137,241	-	-	1,937	139,178
0071 Principal on Long-term Debt	-	4,602,325	-	-	4,602,325
0072 Interest on Long-term Debt	-	13,673,704	-	-	13,673,704
0073 Debt Issuance Cost and Fees	-	201,314	-	-	201,314
0081 Capital Outlay	-	-	6,092,103	-	6,092,103
0091 Contracted Instructional Services between Schools	23,502,063	-	-	-	23,502,063
0093 Payments for Shared Service Arrangements	102,312	-	-	-	102,312
0095 Payments to Juvenile Justice Alternative Ed. Prgm.	43,206	-	-	-	43,206
0099 Other Intergovernmental Charges	376,902	-	-	-	376,902
6030 Total Expenditures	\$ 93,540,583	\$ 18,477,343	\$ 7,429,404	\$ 10,663,097	\$ 130,110,427
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 8,568,567	\$ (475,354)	\$ (6,972,643)	\$ (126,499)	\$ 994,071
OTHER FINANCING SOURCES (USES)					
7911 Capital-Related Debt Issued (Regular Bonds)	\$ -	\$ -	\$ 14,684,153	\$ -	\$ 14,684,153
7916 Premium or Discount on Issuance of Bonds	-	199,906	315,847	-	515,753
7080 Net Other Financing Sources (Uses)	\$ -	\$ 199,906	\$ 15,000,000	\$ -	\$ 15,199,906
1200 Net Changes in Fund Balances	\$ 8,568,567	\$ (275,448)	\$ 8,027,357	\$ (126,499)	\$ 16,193,977
0100 Fund Balance - Beginning (September 1)	28,539,827	2,332,126	4,533,536	1,009,293	36,414,782
3000 Fund Balance - Ending (August 31)	\$ 37,108,394	\$ 2,056,678	\$ 12,560,893	\$ 882,794	\$ 52,608,759

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, 2011

Net change in fund balances - total governmental funds	\$ 16,193,977
<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.	3,214,098
The depreciation of capital assets used in governmental activities is not reported in the funds.	(4,531,297)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	61,187
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(277,234)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	4,602,326
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(2,660)
The accretion of interest on capital appreciation bonds is not reported in the funds.	3,242,343
(Increase) decrease in accrued interest from beginning of period to end of period.	(53,429)
The net revenue (expense) of internal service funds is reported with governmental activities.	(4,814)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(14,684,154)
Bond premiums are reported in the funds but are not in the SOA.	<u>(515,753)</u>
Change in net assets of governmental activities - statement of activities	<u>\$ 7,244,590</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS - PROPRIETARY FUNDS
AUGUST 31, 2011

Data Control Codes	Nonmajor Internal Service Fund <hr/> Print Shop Fund <hr/>
ASSETS	
Current Assets:	
1110 Cash and Investments	\$ 23,838
Receivables:	
1290 Other Receivables, Net	<hr/> 380
Total Current Assets	<hr/> \$ 24,218 <hr/>
Noncurrent Assets:	
Capital Assets:	
1530 Furniture and Equipment	\$ 29,685
1570 Accumulated Depreciation	<hr/> (29,685)
Total Noncurrent Assets	<hr/> \$ - <hr/>
1000 Total Assets	<hr/> \$ 24,218 <hr/>
LIABILITIES	
Current Liabilities:	
2150 Payroll Deduction & Withholdings	\$ 35
2160 Accrued Wages Payable	<hr/> 496
2000 Total Liabilities	<hr/> \$ 531 <hr/>
NET ASSETS	
3900 Unrestricted Net Assets	<hr/> \$ 23,687
3000 Total Net Assets	<hr/> \$ 23,687 <hr/>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2011

Data Control <u>Codes</u>		Nonmajor Internal Service <u>Fund</u> Print Shop <u>Fund</u>
	OPERATING REVENUES	
5700	Local and Intermediate Sources	\$ 32,518
5800	State Program Revenues	<u>1,169</u>
5020	Total Revenues	<u>\$ 33,687</u>
	OPERATING EXPENSES	
6100	Payroll Costs	\$ 18,291
6200	Professional and Contracted Services	8,856
6300	Supplies and Materials	11,079
6400	Other Operating Costs	<u>275</u>
6030	Total Expenses	<u>\$ 38,501</u>
1300	Change in Net Assets	\$ (4,814)
0100	Total Net Assets - Beginning (September 1)	<u>28,501</u>
3000	Total Net Assets - Ending (August 31)	<u><u>\$ 23,687</u></u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2011

	Internal Service Fund
	<u>Print Shop Fund</u>
Cash Flows from Operating Activities:	
Operating Transactions with Other Funds	\$ 32,518
Cash Payments to Employees for Services	(17,122)
Cash Payments to Other Suppliers for Goods and Services	<u>(19,133)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (3,737)</u>
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	\$ (3,737)
Cash and Investments - Beginning (September 1)	<u>27,575</u>
Cash and Investments - Ending (August 31)	<u><u>\$ 23,838</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Change in Net Assets	\$ (4,814)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	275
Change in Assets and Liabilities:	
(Increase) Decrease in Other Receivables	<u>802</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (3,737)</u></u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
AUGUST 31, 2011

<u>Data Control Codes</u>		<u>Agency Funds</u>
ASSETS		
1110	Cash and Investments	\$ 819,599
1000	Total Assets	\$ 819,599
LIABILITIES		
Current Liabilities:		
2110	Accounts Payable	\$ 3,036
2170	Due to Other Funds	3
2190	Due to Student Groups	816,560
2000	Total Liabilities	\$ 819,599
NET ASSETS		
3000	Total Net Assets	\$ -

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

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 assets (SNA) and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

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:

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.

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.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

A. Summary of Significant Accounting Policies (Continued)

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.

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	\$	-0-

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

A. Summary of Significant Accounting Policies (Continued)

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 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, 2011

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				46,762	46,762
Prepays	1,200				1,200
Restricted					
Child Nutrition Program				556,913	556,913
AP Incentives				52,554	52,554
Technology Allotment				61,124	61,124
State Textbook Fund				5,680	5,680
Tennis Center				101	101
College Prep Testing				48,797	48,797
Education Foundation Grants				8,822	8,822
Mandrian Teacher Fund				1,822	1,822
Retirement of Long Term Debt		2,056,678			2,056,678
Capital Projects			12,560,893		12,560,893
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	250,000				250,000
Future Budget Deficits	894,182				894,182
Campus Activity Funds				100,219	100,219
Unassigned	<u>33,213,012</u>				<u>33,213,012</u>
Totals	<u>37,108,394</u>	<u>2,056,678</u>	<u>12,560,893</u>	<u>882,794</u>	<u>52,608,759</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, 2011

A. Summary of Significant Accounting Policies (Continued)

Debt Issuance Costs

Debt issuance costs are included in noncurrent assets. Unamortized premium or discounts and refunding gains or losses are reflected in net long-term obligations. Both debt issuance costs and other debts are amortized over the lives of the related debt issues using the straight-line method.

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 assets.

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. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

10. 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.

11. 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.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

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, 2011, 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.

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.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

B. Deposits, Securities and Investments (Continued)

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.

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 it 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.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

B. Deposits, Securities and Investments (Continued)

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.

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 August 31, 2011:

	<u>Credit Rating</u>	<u>Fair Value</u>
Lone Star Investment Pool	AAAm	\$ 6,328,662
Texas CLASS	AAAm	7,173,305
TexSTAR	AAAm	6,528,979
LOGIC	AAA	5,677,012
TexPool	AAAm	2,405,573
TexasTERM	AA Af	17,565,653
Total		<u>\$ 45,679,184</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

B. Deposits, Securities and Investments (Continued)

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 \$ 3,405,000.
- c. Largest cash, savings and time deposit combined account balances amounted to \$ 2,700,047, and occurred during the month of August 2011.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$ 252,339.

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.

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.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

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 \$ 1.17 to fund general operations and \$ 0.2542 for the payment of principal and interest on long term debt. The rates were levied on property assessed totaling \$ 7,165,643,028.

D. Capital Assets

Capital asset activities during the year ended August 31, 2011 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
<u>Governmental Activities</u>				
Capital Assets not Being Depreciated:				
Land	\$ 43,322,323	\$ 352,067	\$ -	\$ 43,674,390
Total Capital Assets not being Depreciated	\$ 43,322,323	\$ 352,067	\$ -	\$ 43,674,390
Capital Assets being Depreciated:				
Building and Improvements	\$ 161,336,270	\$ 1,943,229	\$ -	\$ 163,279,499
Equipment	13,934,101	882,230	-	14,816,331
Vehicles	695,717	36,572	-	732,289
Total Capital Assets being Depreciated	\$ 175,966,088	\$ 2,862,031	\$ -	\$ 178,828,119
Less Accumulated Depreciation for :				
Buildings and Improvements	\$ 47,960,745	\$ 3,183,662	\$ -	\$ 51,144,407
Equipment	4,685,536	1,282,007	-	5,967,543
Vehicles	447,351	65,902	-	513,253
Total Accumulated Depreciation	\$ 53,093,632	\$ 4,531,571	\$ -	\$ 57,625,203
Total Capital Assets being Depreciated, Net	\$ 122,872,456	\$ (1,669,540)	\$ -	\$ 121,202,916
Governmental Activities Capital Assets, Net	\$ 166,194,779	\$ (1,317,473)	\$ -	\$ 164,877,306

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

D. Capital Assets (Continued)

Depreciation was charged to governmental activities functions as follows:

Instruction	\$ 2,716,616
Instructional Resources and Media Services	115,439
Curriculum and Staff Development	11,075
Instructional Leadership	23,992
School Leadership	52,652
Guidance, Counseling and Evaluation Services	26,158
Health Services	9,971
Student (Pupil) Transportation	33,965
Food Services	179,114
Co-curricular/Extracurricular Activities	496,580
General Administration	116,981
Plant Maintenance and Operations	147,910
Data Processing Services	600,482
Community Services	636
	<hr/>
Totals	<u>\$ 4,531,571</u>

E. Long Term Obligations

Long Term Obligation Activity

Long-term activities during the year ended August 31, 2011 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 142,273,992	\$ 14,684,154	\$ 4,602,326	\$ 152,355,820	\$ 5,386,227
Accreted Interest Payable	78,312,353	5,020,332	8,262,675	75,070,010	-
Unamortized Premium (Discount)	(90,661)	515,753	(29,220)	454,312	-
Refunding Gain (Loss)	(2,838,708)	-	(248,014)	(2,590,694)	-
	<hr/>				
Total Governmental Activities	<u>\$ 217,656,976</u>	<u>\$ 20,220,239</u>	<u>\$ 12,587,767</u>	<u>\$ 225,289,448</u>	<u>\$ 5,386,227</u>

Bonds

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

On June 2, 2011, the District issued "Coppell Independent School District Unlimited Tax School Building Bonds, Series 2011," totaling \$ 14,684,154 for construction of District facilities. These bonds incur an average interest cost over the life of the bonds at a rate of 4.37% and mature annually with semi-annual interest payments. The bonds will fully mature in 2036.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

E. Long Term Obligations (Continued)

The following bonded debt issues are outstanding at August 31, 2011:

Description	Rate	Balance
Unlimited Tax Refunding Bonds, Series 1995	5.00%-7.00%	\$ 7,873,051
Unlimited School Building & Refunding Bonds, Series 2001	5.25%-5.67%	8,920,940
Unlimited School Building Bonds, Series 2006	4.50%	21,635,000
Unlimited Tax Refunding Bonds, Series 2007A	3.80%-4.21%	2,630,752
Unlimited Tax Refunding Bonds, Series 2007B	3.75%-4.09%	36,930,795
Unlimited Tax School Building Bonds, Series 2007	4.25%-5.00%	16,230,000
Unlimited Tax School Building & Refunding Bonds, Series 2009A	4.29%	25,595,000
Unlimited Tax Refunding Bonds, Series 2009B	4.29%	17,856,128
Unlimited Tax Building Bonds, Series 2011	4.37%	14,684,154
Total		<u>\$ 152,355,820</u>

Maturity requirements on bonded debt at August 31, 2011, are as follows:

Year Ending August 31	Principal	Interest	Total
2012	\$ 5,386,227	\$ 12,004,262	\$ 17,390,489
2013	5,516,707	12,313,797	17,830,504
2014	4,265,565	14,150,538	18,416,103
2015	4,601,472	14,180,057	18,781,529
2016	6,481,684	12,673,445	19,155,129
2017 - 2021	48,645,519	53,969,764	102,615,283
2022 - 2026	56,220,249	36,505,306	92,725,555
2027 - 2031	15,450,474	50,554,526	66,005,000
2032 - 2036	5,787,923	4,312,327	10,100,250
Totals	<u>\$ 152,355,820</u>	<u>\$ 210,664,022</u>	<u>\$ 363,019,842</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, 2011, the amount of defeased debt outstanding but removed from the basic financial statements amounted to \$ 20,395,527 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 August 31, 2011.

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

Date of Authorization	Amount Authorized	Amount Issued	Remaining Unissued
May 9, 2009	\$ 40,900,000	\$ 27,000,000	\$ 13,900,000

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

F. Pension Plan

1. Plan Description

The District contributes to the Teacher Retirement System of Texas (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System includes a publicly available financial report that include financial statements and required supplementary information for the District. 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, under the TRS publication heading.

2. Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a 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. State law provides for a member contribution rate of 6.4% for fiscal years 2011, 2010 and 2009, and a state contribution rate of 6.644% for fiscal years 2011 and 2010 and 6.58% for fiscal year 2009. In certain instances the reporting district is required to make all or a portion of the state's 6.644% contribution, limited to 6.4% for the period of September thru December 2009. The District's employees' contributions to the System for the periods ended August 31 2011, 2010, and 2009 were \$ 3,447,307, \$ 3,460,756, and \$ 3,494,130, respectively. Contributions from private grants and from the District for salaries above the statutory minimum for the periods ended August 31, 2011, 2010, and 2009 were \$ 888,677, \$ 867,271, and \$ 952,450, respectively.

3. On-Behalf Payments

In accordance with GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," on-behalf payments (payments made by the State) of \$ 2,896,398 are reflected in the basic financial statements.

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 visiting the TRS website at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

G. School District Retiree Health Plan (Continued)

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 employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2011, 2010 and 2009. 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.

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 \$ 435,942 are reflected in the basic financial statements for Retiree Health Plan contributions. Additionally, the District benefited from payments made by the State totaling \$ 142,400 for subsidies for Medicare Part D.

H. Risk Management

Health Care

During the year ended August 31, 2011, employees of the Coppell Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of up to \$ 297 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 (Blue Cross/Blue Shield). 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 (Blue Cross/Blue Shield) is renewable September 1 of each year and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for Blue Cross/Blue Shield are available for the year ended December 31, 2010 and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Workers' Compensation

During the year ended August 31, 2011, 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, 2010, the Fund carries a discounted reserve of \$ 73,157,884 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended August 31, 2010, the fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

H. Risk Management (Continued)

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, 2010, are available at the TASB offices and have been filed with the Texas State Board of Insurance of Austin.

Property and Casualty

During the year ended August 31, 2011, Coppell Independent School District participated in the TASB Risk Management Fund's (the Fund's) Property Program with Coverage in Auto Physical Damage, Crime, Equipment Breakdown and Property.

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

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for the Property Program. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2011, 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, 2010, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Liability Coverage Program

During the year ended August 31, 2011, 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, 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 August 31, 2011, 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, 2010, 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, 2011

H. Risk Management (Continued)

Unemployment Compensation Pool

During the year ended August 31, 2011, 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, 2010, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

I. Litigation

The District appears to have no pending litigation at August 31, 2011.

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 August 31, 2011, 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 as of August 31, 2011, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency Fund	\$ 3

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

L. Revenue from Local and Intermediate Sources

During the year ended August 31, 2011, the District received revenue from local and intermediate sources consisting of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
Property Tax Collections	\$ 82,898,240	\$ 17,986,462	\$ -	\$ -	\$ 100,884,702
Rent	181,314	-	-	-	181,314
Tuition and Fees	47,817	-	-	-	47,817
Investment Income	74,483	15,527	7,261	1,911	99,182
Food Service Income	-	-	-	3,156,036	3,156,036
Gifts and Bequests	2,990,766	-	-	749,312	3,740,078
Co-curricular/Extracurricular Activities	419,597	-	-	42,325	461,922
Other Miscellaneous	977,049	-	449,500	157,182	1,583,731
Totals	\$ 87,589,266	\$ 18,001,989	\$ 456,761	\$ 4,106,766	\$ 110,154,782

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 August 31, 2011, for the District's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Other Nonmajor	Total
Due from Other Governments	\$ 10,657,626	\$ -	\$ -	\$ 910,687	\$ 11,568,313
Property Taxes	1,403,461	258,533	-	-	1,661,994
Less Allowance for Uncollectible					
Property Taxes	(140,346)	(25,853)	-	-	(166,199)
Other Receivables	1,250	-	-	12,194	13,444
Net Receivables	\$ 11,921,991	\$ 232,680	\$ -	\$ 922,881	\$ 13,077,552

O. Change in Accounting Principle

The District implemented Governmental Accounting Standard Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* during the year. The Statement applies to the governmental fund types and reclassifies the beginning of year fund balances to reflect the appropriate nonspendable, restricted, committed, assigned and unassigned classifications. Note A provides the definitions and disclosures required by the new pronouncement.

P. Subsequent Events

The District's management has evaluated subsequent events through January 3, 2012, the date which the financial statements were available for use.

REQUIRED SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2011

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 94,084,984	\$ 86,946,713	\$ 87,589,266	\$ 642,553
5800	State Program Revenues	10,223,850	14,803,420	14,519,884	(283,536)
5900	Federal Program Revenues	2,587,809	-	-	-
5020	Total Revenues	\$ 106,896,643	\$ 101,750,133	\$ 102,109,150	\$ 359,017
EXPENDITURES					
Instruction and Instructional Related Services:					
0011	Instruction	\$ 47,969,863	\$ 45,340,800	\$ 44,163,227	\$ 1,177,573
0012	Instructional Resources and Media Services	1,134,448	1,132,051	1,070,939	61,112
0013	Curriculum and Staff Development	444,231	479,012	409,138	69,874
	Total Instruction and Instr. Related Services	\$ 49,548,542	\$ 46,951,863	\$ 45,643,304	\$ 1,308,559
Instructional and School Leadership:					
0021	Instructional Leadership	\$ 1,679,423	\$ 1,664,281	\$ 1,519,948	\$ 144,333
0023	School Leadership	4,642,027	4,817,045	4,714,213	102,832
	Total Instructional and School Leadership	\$ 6,321,450	\$ 6,481,326	\$ 6,234,161	\$ 247,165
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	\$ 2,709,370	\$ 2,758,068	\$ 2,550,083	\$ 207,985
0033	Health Services	678,802	694,421	672,986	21,435
0034	Student (Pupil) Transportation	1,505,000	1,505,000	1,265,112	239,888
0036	Co-curricular/Extracurricular Activities	2,038,380	2,084,254	1,896,090	188,164
	Total Support Services - Student (Pupil)	\$ 6,931,552	\$ 7,041,743	\$ 6,384,271	\$ 657,472
Administrative Support Services:					
0041	General Administration	\$ 2,570,082	\$ 2,601,830	\$ 2,285,154	\$ 316,676
	Total Administrative Support Services	\$ 2,570,082	\$ 2,601,830	\$ 2,285,154	\$ 316,676
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	\$ 8,154,746	\$ 8,155,588	\$ 7,260,752	\$ 894,836
0052	Security and Monitoring Services	226,889	226,224	191,201	35,023
0053	Data Processing Services	1,523,373	1,540,808	1,380,016	160,792
	Total Support Services - Nonstudent Based	\$ 9,905,008	\$ 9,922,620	\$ 8,831,969	\$ 1,090,651
Ancillary Services:					
0061	Community Services	\$ 159,829	\$ 169,829	\$ 137,241	\$ 32,588
	Total Ancillary Services	\$ 159,829	\$ 169,829	\$ 137,241	\$ 32,588
Intergovernmental Charges:					
0091	Contracted Inst. Services between Public Schools	\$ 28,595,765	\$ 26,342,001	\$ 23,502,063	\$ 2,839,938
0093	Payments for Shared Service Agreements	99,500	102,325	102,312	13
0095	Payments to Juvenile Justice AEP	35,000	47,000	43,206	3,794
0099	Other Intergovernmental Charges	405,000	376,902	376,902	-
	Total Intergovernmental Charges	\$ 29,135,265	\$ 26,868,228	\$ 24,024,483	\$ 2,843,745
6030	Total Expenditures	\$ 104,571,728	\$ 100,037,439	\$ 93,540,583	\$ 6,496,856
1100	Excess(Deficiency) of Revenues Over(Under) Expendi	\$ 2,324,915	\$ 1,712,694	\$ 8,568,567	\$ 6,855,873
1200	Net Change in Fund Balance	\$ 2,324,915	\$ 1,712,694	\$ 8,568,567	\$ 6,855,873
0100	Fund Balance - Beginning (September 1)	28,539,827	28,539,827	28,539,827	-
3000	Fund Balance - Ending (August 31)	\$ 30,864,742	\$ 30,252,521	\$ 37,108,394	\$ 6,855,873

OTHER SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
YEAR ENDED AUGUST 31, 2011

Tax Roll Year	Last Ten Years Ended August 31	1 Tax Rates		3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2010	20 Current Year's Total Levy	30 Maintenance Tax Collections	30a Debt Service Tax Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2011
		Maintenance	2 Debt Service							
XXXX	2002 and Prior Years	Various	Various	Various	\$ 315,608	\$ -	\$ -	\$ -	\$ (2)	\$ 315,606
2002	2003	1.495000	0.210000	5,187,755,953	103,261	-	-	-	-	103,261
2003	2004	1.500000	0.235000	5,440,440,000	205,662	-	294	46	-	205,322
2004	2005	1.500000	0.235000	5,910,792,683	81,976	-	10,197	1,598	4,347	74,528
2005	2006	1.500000	0.229000	6,045,593,233	60,307	-	6,006	917	9,735	63,119
2006	2007	1.370000	0.229000	6,342,768,417	35,428	-	5,464	913	4,767	33,818
2007	2008	1.040000	0.229000	7,001,508,112	76,784	-	(72,301)	(15,920)	(94,677)	70,328
2008	2009	1.040000	0.239000	7,488,790,227	176,906	-	(26,549)	(6,101)	(105,151)	104,405
2009	2010	1.040000	0.243400	7,453,681,498	538,076	-	(143,190)	(33,512)	(461,219)	253,559
2010	2011	1.170000	0.254200	7,165,643,028	-	102,053,088	82,783,369	17,985,905	(845,766)	438,048
1000	TOTALS				\$ 1,594,008	\$ 102,053,088	\$ 82,563,290	\$ 17,933,846	\$ (1,487,966)	\$ 1,661,994

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST
 GENERAL AND SPECIAL REVENUE FUNDS
 YEAR ENDED AUGUST 31, 2011

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

Account Number		1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs	\$ -	\$ -	\$ 374,130	\$ 1,383,041	\$ -	\$ -	\$ 1,757,171
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)							-
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)							-
6211	Legal Services	123,668						123,668
6212	Audit Services				40,450			40,450
6213	Tax Appraisal and Collection		402,257					402,257
621X	Other Prof. Services							-
6220	Tuition and Transfer Payments							-
6230	Education Service Centers				25,040			25,040
6240	Contr. Maint. And Repair					400		400
6250	Utilities							-
6260	Rentals				15,412			15,412
6290	Miscellaneous Contr.	560		1,000	110,105			111,665
6310	Operational Supplies, Materials							-
6320	Textbooks and Reading	144		14	3,709			3,867
6330	Testing Materials							-
63XX	Other Supplies, Materials			438	40,335			40,773
6410	Travel, Subsistence, Stipends	10,125		1,017	29,012			40,154
6420	Ins. And Bonding Costs							-
6430	Election Costs	11,985						11,985
6490	Miscellaneous Operating	1,946	25	4,404	101,674			108,049
6500	Debt Service							-
6600	Capital Outlay							-
TOTAL		\$ 148,428	\$ 402,282	\$ 381,003	\$ 1,748,778	\$ 400	\$ -	\$ 2,680,891

Total expenditures for General and Special Revenue Funds:

(9) \$ 104,186,735

LESS: Deductions and Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)

(10) \$ 329,599

Total Debt & Lease (6500)

(11) -

Plant Maintenance (Function 51, 6100-6400)

(12) 7,261,060

Food (Function XX, 6341 and 6499)

(13) 1,448,187

Stipend (6413)

(14) -

Column 4 (above) - Total Indirect Cost

1,748,778

Subtotal

10,787,624

Net Allowed Direct Cost

\$ 93,399,129

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)

(15) 163,279,499

Historical Cost of Buildings over 50 years old

(16) -

Amount of Federal Money in building Cost (Net of # 16)

(17) -

Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)

(18) 15,548,620

Historical Cost of Furniture & Equipment over 16 years old

(19) -

Amount of Federal Money in Furniture & Equipment (Net of # 19)

(20) -

(8) Note A - No Function 53 expenditures and \$ 376,902 in Function 99 expenditures are included in this report on administrative costs.

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHOOL BREAKFAST AND NATIONAL SCHOOL LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED AUGUST 31, 2011

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 3,432,250	\$ 3,440,604	\$ 3,179,208	\$ (261,396)
5800	State Program Revenues	93,000	93,000	93,529	529
5900	Federal Program Revenues	624,450	624,450	655,336	30,886
5020	Total Revenues	\$ 4,149,700	\$ 4,158,054	\$ 3,928,073	\$ (229,981)
EXPENDITURES					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	\$ 4,222,965	\$ 4,567,319	\$ 4,100,187	\$ 467,132
	Total Support Services - Student (Pupil)	\$ 4,222,965	\$ 4,567,319	\$ 4,100,187	\$ 467,132
6030	Total Expenditures	\$ 4,222,965	\$ 4,567,319	\$ 4,100,187	\$ 467,132
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (73,265)	\$ (409,265)	\$ (172,114)	\$ 237,151
1200	Net Change in Fund Balance	\$ (73,265)	\$ (409,265)	\$ (172,114)	\$ 237,151
0100	Fund Balances - Beginning (September 1)	775,789	775,789	775,789	-
3000	Fund Balances - Ending (August 31)	\$ 702,524	\$ 366,524	\$ 603,675	\$ 237,151

COPPELL INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2011

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 19,846,221	\$ 17,944,763	\$ 18,001,989	\$ 57,226
5020	Total Revenues	\$ 19,846,221	\$ 17,944,763	\$ 18,001,989	\$ 57,226
EXPENDITURES					
Debt Service:					
0071	Principal on Long-term Debt	\$ 6,149,550	\$ 4,602,326	\$ 4,602,325	\$ 1
0072	Interest on Long-term Debt	13,673,705	13,673,704	13,673,704	-
0073	Debt Issuance Costs and Fees	8,000	204,442	201,314	3,128
	Total Debt Service	<u>\$ 19,831,255</u>	<u>\$ 18,480,472</u>	<u>\$ 18,477,343</u>	<u>\$ 3,129</u>
6030	Total Expenditures	\$ 19,831,255	\$ 18,480,472	\$ 18,477,343	\$ 3,129
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 14,966</u>	<u>\$ (535,709)</u>	<u>\$ (475,354)</u>	<u>\$ 60,355</u>
OTHER FINANCING SOURCES (USES)					
7916	Premium or Discount on Issuance of Bonds	\$ -	\$ 199,907	\$ 199,906	\$ (1)
7080	Net Other Financing Sources (Uses)	\$ -	\$ 199,907	\$ 199,906	\$ (1)
1200	Net Change in Fund Balance	\$ 14,966	\$ (335,802)	\$ (275,448)	\$ 60,354
0100	Fund Balance - Beginning (September 1)	<u>2,332,126</u>	<u>2,332,126</u>	<u>2,332,126</u>	<u>-</u>
3000	Fund Balance - Ending (August 31)	<u>\$ 2,347,092</u>	<u>\$ 1,996,324</u>	<u>\$ 2,056,678</u>	<u>\$ 60,354</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
 AS OF AUGUST 31, 2011

<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 default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weakness in internal codes?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year end?	\$ 75,070,010

FEDERAL AWARDS SECTION

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2011

Federal Grantor/ Pass Through Grantor/ Program Title	(02) Federal CFDA Number	(2A) Pass-Through Grantor's Number	(03) Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through Education Service Center, Region X:			
ESEA Title III Part A - LEP	84.365	10671001057950	\$ 6,412
ESEA Title III Part A - LEP	84.365	11671001057950	65,484
ESEA Title III Part A - LEP	84.365	12671001057950	1,177
ESEA Title IV - Safe & Drug Free Schools	84.186	10691001057950	2,206
ESEA Title II Part A - Teacher & Principal Training	84.367	11694501057950	142,323
ESEA Title II Part A - Teacher & Principal Training	84.367	12694501057950	<u>11,446</u>
Total passed through Education Service Center, Region X			<u>\$ 229,048</u>
Passed through the Texas Education Agency:			
ESEA Title I Part A - Improving Basic Programs	84.010	11610101057922	\$ 269,857
ESEA Title I Part A - Improving Basic Programs	84.010	12610101057922	6,319
IDEA-B Formula *	84.027	116600010579226600	1,216,255
IDEA-B Formula *	84.027	126600010579226600	162,297
IDEA-B Preschool *	84.173	116610010579226610	41,353
IDEA-B High Cost Risk Pool*	84.027	10660006057922	3,860
ARRA - IDEA-B Formula*	84.391	10554001057922	500,941
ARRA - IDEA-B Preschool*	84.392	10555001057922	18,119
ARRA of 2009 Title XIV State Fiscal Stabilization Fund *	84.394	11557001057922	2,589,111
Vocational Education - Basic Grant	84.048	1142000605792210	57,574
Vocational Education - Basic Grant	84.048	1242000605792210	375
Summer School LEP	84.369	69551002	<u>7,520</u>
Total passed through the Texas Education Agency			<u>\$ 4,873,581</u>
Total Department of Education			<u>\$ 5,102,629</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Department of Agriculture:			
School Breakfast Program	10.553	71401101	\$ 56,462
National School Lunch Program	10.555	71301101	438,216
Commodity Supplemental Food Program	10.565	057027A	<u>160,658</u>
Total Department of Agriculture			<u>\$ 655,336</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Passed through Education Service Center, Region XIV:			
Learn and Serve America	94.004	06KSWTX001	<u>\$ 29,622</u>
Total Corporation for National and Community Service			<u>\$ 29,622</u>
Total Expenditure of Federal Awards			<u>\$ 5,787,587</u>

* Denotes Major Program

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2011

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, 2011.