

**COPPELL INDEPENDENT
SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 2014

RUTHERFORD, TAYLOR & COMPANY, P.C.
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COPPELL INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2014

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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, 2014, at a meeting of the board of school trustees of such school district on December 15, 2014



Signature of Board Secretary



Signature of Board President

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coppell Independent School District (District), as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Coppell Independent School District as of August 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules identified in the table of contents as other supplementary information are presented for the purpose of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements.

The other supplementary information schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

December 8, 2014
Greenville, Texas



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

Board of School Trustees
Coppell Independent School District

Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coppell Independent School District (District), as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Report on Internal Control – Continued

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 8, 2014
Greenville, Texas

Rutherford, Taylor & Company, P.C.

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

Board of School Trustees
Coppell Independent School District

Members of the Board:

Report on Compliance for Each Major Federal Program

We have audited Coppell Independent School District's (District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2014.

Report on Internal Control Over Compliance

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

Internal Control over Compliance – Continued

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

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

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

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

December 8, 2014
Greenville, Texas

A handwritten signature in blue ink that reads "Rutherford, Taylor & Company, PC". The signature is written in a cursive style.

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2014

Summary of Auditor's Results (Section I)

Financial Statements –

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

Federal Awards –

Internal control over major programs: Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Type of Auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133	No
Identification of major programs	Food Service Cluster: School Breakfast Program (10.553) National School Lunch Program (10.555)
Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000
Entity qualified as a low risk auditee	Yes
Pass-through Entity	Texas Education Agency

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014

Financial Statement Findings (Section II)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014

Federal Award Findings and Questioned Costs (Section III)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014

Prior Year Findings (Section IV)

2013-1

Vocational Education – Carl Perkins

The District began monitoring projects beginning and ending dates when invoices were submitted for payment. No instances of payment for invoices with dates outside the project period were identified.

Status: Complete

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014

Corrective Action Plans (Section V)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2014

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, 2014. Please read it in conjunction with the District's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

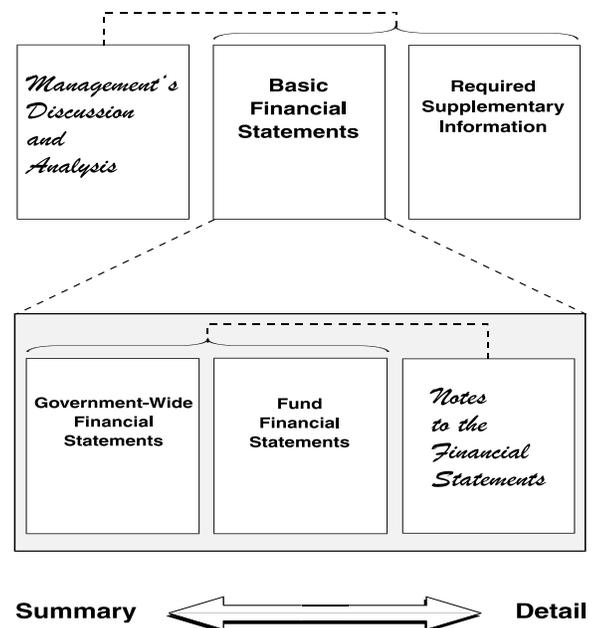
- The General Fund reported an ending fund balance of \$ 49,795,580. This was an increase in the fund balance from the prior year in the amount of \$ 3,581,975. The unassigned general fund balance increased \$ 3,078,905 from the prior year, while other committed fund balance increased by \$ 890,958. Nonspendable fund balance from the prior year was eliminated accounting for the \$ 387,888 difference.
- 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 \$ 68,548,494 is treated as a liability, and flows through the statement of net position as a decrease in the District's net asset value. The necessity to issue long-term debt instruments to meet capital improvement requirements of facilities, and the recording of depreciation of assets has resulted in negative unrestricted net position of \$ 14,784,703 in the governmental activities.
- General revenues accounted for \$ 116,397,695, or 89.30% of all fiscal year 2014 revenue. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$ 13,945,750, or 10.78% of total fiscal year 2014 revenues.
- The District had approximately \$ 130,019,492 in expenses related to governmental activities; of which \$ 13,945,750 of these expenses were offset by program-specific charges for services or grants and contributions. General revenues of \$ 116,397,695 provided for the remaining cost of these programs, resulting in a \$ 323,953 increase in net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



**COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2014**

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

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

GOVERNMENT-WIDE STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The District has the following kinds of funds:

- Governmental funds—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2014

- Proprietary funds—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities.
- Fiduciary funds—The District is the trustee, or fiduciary, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$ 3,455,057 at August 31, 2014.

Coppell Independent School District's Net Position			Table A-1
	Governmental Activities		Percent Change
	2014	2013	2013-2014
Assets:			
Cash and Investments	\$ 110,023,768	\$ 88,653,271	24.11%
Other Assets	2,971,094	3,055,693	-2.77%
Capital Assets less Accumulated Depreciation	190,210,915	165,218,016	15.13%
Total Assets	\$ 303,205,777	\$ 256,926,980	18.01%
Deferred Outflows:			
Total Deferred Outflows	\$ 1,846,652	\$ 2,094,666	-11.84%
Liabilities:			
Current Liabilities	\$ 9,790,262	\$ 7,559,302	29.51%
Long-term Liabilities	291,807,110	248,331,239	17.51%
Total Liabilities	\$ 301,597,372	\$ 255,890,541	17.86%
Net Position:			
Net Investment In Capital Assets	\$ 14,262,729	\$ 20,788,225	-31.39%
Restricted	3,977,031	4,145,304	-4.06%
Unrestricted	(14,784,703)	(21,802,424)	32.19%
Total Net Position	\$ 3,455,057	\$ 3,131,105	-10.35%

Approximately \$ 2,608,462 of the District's restricted net position represents funds available for debt retirement. These funds are restricted for retirement of tax supported debt. The unrestricted net asset represents resources available to fund the programs of the District next year.

CHANGES IN NET POSITION

The District's total revenues were \$ 130,343,445. 86% of the District's revenue comes from local property taxes (See Table A-2). 10% comes from state aid and federal grants, while only 4% relates to charges for services and investment earnings.

The total cost of all programs and services was \$130,019,492. 49% of these expenses were for instruction and instructional related support services.

The District's base tax collections (current and delinquent) percentage for FY 2014 is 100.19%. The total tax collections (base tax plus penalty and interest) percentage for FY 2014 was 100.61%.

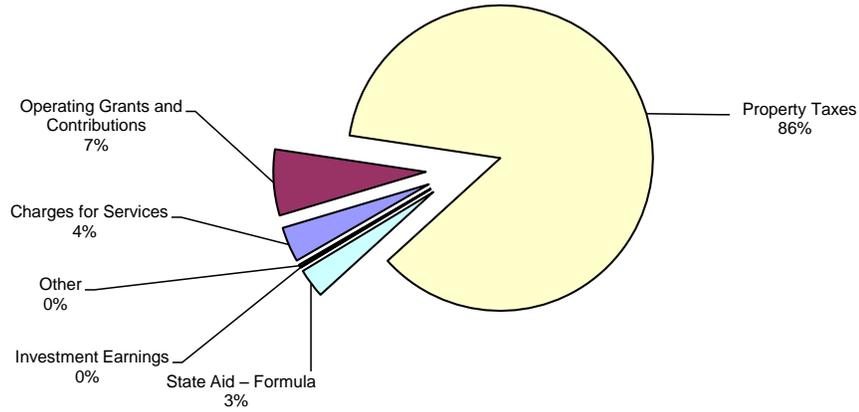
COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2014

GOVERNMENTAL ACTIVITIES

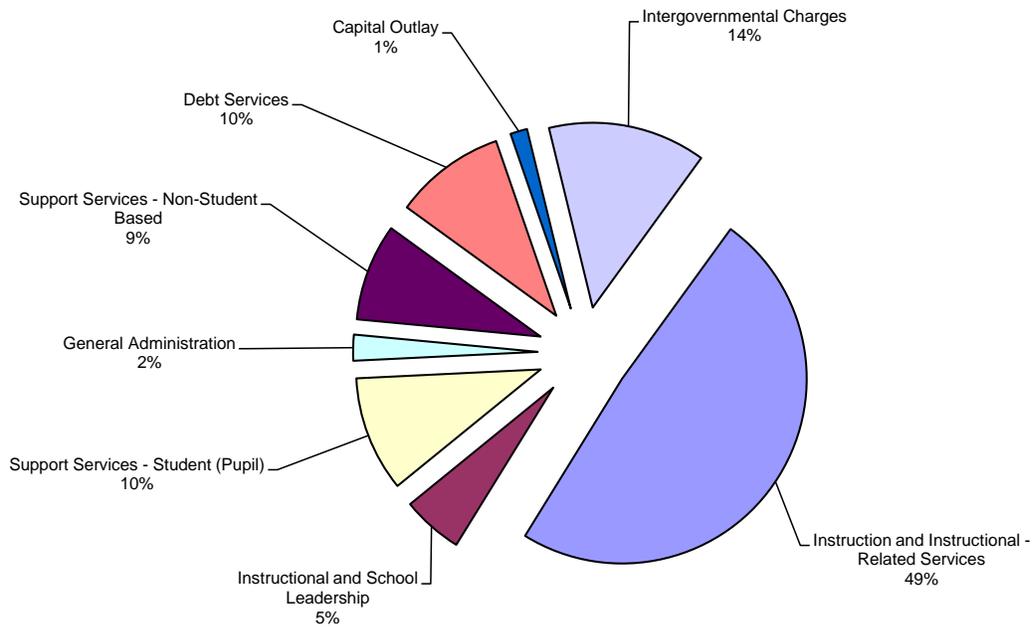
Changes in Coppel Independent School District's Net Position				Table A-2
	Governmental Activities		Percent Change	
	2014	2013	2013-2014	
Program Revenues:				
Charges for Services	\$ 4,849,937	\$ 5,747,965	-15.62%	
Operating Grants and Contributions	9,095,813	7,865,309	15.64%	
General Revenues:				
Property Taxes	111,943,865	104,271,630	7.36%	
State Aid – Formula	4,037,705	5,625,795	-28.23%	
Investment Earnings	113,932	125,943	-9.54%	
Other	302,193	640,666	-52.83%	
Total Revenues	\$ 130,343,445	\$ 124,277,308	4.88%	
Expenses:				
Instruction	\$ 61,140,909	\$ 57,016,911	7.23%	
Instructional Resources and Media Services	1,669,197	1,426,810	16.99%	
Curriculum and Staff Development	657,818	847,073	-22.34%	
Instructional Leadership	1,906,959	1,753,080	8.78%	
School Leadership	5,017,827	4,810,313	4.31%	
Guidance, Counseling and Evaluation Services	3,770,169	3,670,342	2.72%	
Social Work Services	225	2,325	-90.32%	
Health Services	798,446	751,760	6.21%	
Student (Pupil) Transportation	1,759,811	1,548,041	13.68%	
Food Services	4,118,272	4,352,336	-5.38%	
Co-curricular/Extracurricular Activities	2,670,188	2,525,848	5.71%	
General Administration	2,944,941	2,796,929	5.29%	
Plant Maintenance and Operations	7,211,957	7,955,684	-9.35%	
Security and Monitoring Services	254,681	274,266	-7.14%	
Data Processing Services	3,392,670	2,418,007	40.31%	
Community Services	171,863	200,176	-14.14%	
Debt Service	12,650,513	13,101,129	-3.44%	
Capital Outlay	1,924,517	34,381	5497.62%	
Contracted Instructional Services between Schools	17,451,759	18,425,989	-5.29%	
Payments for Shared Service Arrangements	51,625	46,581	10.83%	
Payments to Juvenile Justice Alternative Ed. Prgm.	33,174	11,856	179.81%	
Other Intergovernmental Charges	421,971	401,222	5.17%	
Total Expenses	\$ 130,019,492	\$ 124,371,059	4.54%	
Increase (Decrease) in Net Position	\$ 323,953	\$ (93,751)	445.55%	
Net Position - Beginning (September 1)	3,131,104	3,224,855	2.91%	
Net Position - Ending (August 31)	<u>\$ 3,455,057</u>	<u>\$ 3,131,104</u>	<u>10.35%</u>	

COPPELL INDEPENDENT SCHOOL DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED AUGUST 31, 2014

Government-wide Revenue for Fiscal Year 2014 - See Table A-2



Government-wide Expenses for Fiscal Year 2014 - See Table A-2



COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2014

- 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 \$ 130,019,492.
- However, the amount that our taxpayers paid for these activities through local property taxes was \$ 111,943,865.
- Some of the cost was paid by those who directly benefited from the programs \$ 4,849,937, or
- By grants and contributions \$ 9,095,813.

Coppell Independent School District's Net Cost of Selected District Functions Governmental Activities							Table A-3
	<u>Total Cost of Services</u>		<u>% Change</u>	<u>Net Cost of Services</u>		<u>% Change</u>	
	2014	2013		2014	2013		
Instruction	\$ 61,140,909	\$ 57,016,911	7.23%	\$ 55,780,063	\$ 51,578,833	8.15%	
School Leadership	5,017,827	4,810,313	4.31%	4,804,540	4,615,732	4.09%	
General Administration	2,944,941	2,796,929	5.29%	2,839,690	2,708,065	4.86%	
Plant Maintenance and Operations	7,211,957	7,955,684	-9.35%	6,654,649	6,914,615	-3.76%	
Debt Service	12,650,513	13,101,129	-3.44%	12,293,972	13,101,129	-6.16%	
Contracted Instructional Services	17,451,759	18,425,989	-5.29%	16,818,286	18,425,989	-8.73%	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues in the governmental funds totaled \$ 130,426,131. This represents an increase of \$ 5,967,373 from the prior year revenues of \$ 124,458,758. The change represents an increase in local property taxes collected due to a reversal of assessed property values in adding new construction and increased state aid due to increased attendance.

Expenditures in the governmental funds totaled \$ 164,110,047. This represents an increase of \$ 36,451,249 from the prior year expenditures of \$ 127,658,798. The change represents an increase in recapture payments due to increased property wealth as well as the construction of a new elementary campus.

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 \$ 4,156,664 below final General Fund budgeted amounts. The most significant positive variances in the District's budget occurred in the instruction which relates to classroom activities.

Resources available were \$ 449,651 below the final budgeted amount. The unfavorable variance was the result of less than anticipated local revenue realized during the year.

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At year end, the District had invested \$ 262,392,862 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 2013-2014
	2014	2013	
Land	\$ 44,471,671	\$ 44,462,184	0.02%
Buildings and Improvements	192,828,302	167,303,391	15.26%
Equipment	24,305,422	18,327,119	32.62%
Vehicles	787,467	732,289	7.54%
Construction In Progress	-	1,469,367	-100.00%
Totals at historical cost	\$ 262,392,862	\$ 232,294,350	12.96%
Less accumulated depreciation	(72,181,947)	(67,076,334)	7.61%
Net Capital Assets	<u>\$ 190,210,915</u>	<u>\$ 165,218,016</u>	15.13%

DEBT

At year-end, the District had \$ 291,807,112 in debt outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the basic financial statements.

Bond Ratings -

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

Coppell Independent School District's Debt			Table A-5
	Governmental Activities		Total Percentage Change 2013-2014
	2014	2013	
Bonds Payable	\$ 218,772,322	\$ 174,797,886	25.16%
Other Debt Payable	73,034,790	73,533,353	-0.68%
Total Debt Payable	<u>\$ 291,807,112</u>	<u>\$ 248,331,239</u>	17.51%

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2014

ECONOMIC FACTORS

The increase in 2013 property valuation was approximately 6% for a total certified taxable value of \$ 7,842,929,582. The economic outlook for the Coppell area is for property values increase in addition to the continued development of Cypress Waters (Northlake), and student growth. The Board of Trustees allows students that live in the City of Coppell, but not within the District's boundaries, to attend Coppell ISD. Their acceptance is limited to two of the District's lower enrollment elementary campuses. Thus, the District gains approximately \$ 1M in additional state aid. During 2013-2014, fiscal year the District saw a net increase in revenue of approximately \$4.5 million.

In August 2014, Coppell ISD opened a new elementary school. Richard J. Lee Elementary, the first "net-zero" energy elementary school in the nation and is seeking a Gold LEED designation, where learners and educators leverage the building itself as a tool in the creative learning process. On-site tools include a wind turbine, solar panels, and a geothermal AC and heat system to teach about alternative energy sources. Conservation and sustainability are a central focus of the school, supported by composting, rainwater harvesting, and campus-wide recycling. In addition to a second outdoor learning pavilion, other features include an eco-pond and a learner maintained garden, which provides first hand experiences with living systems. Empowered with knowledge and skills, learners have creative, flexible learning spaces with mobile furnishings to help foster innovations and collaboration. Students are divided into K-5th grade "houses" in order to explore, make meaning, and synthesize their learning as they interact with and learn from the building.

In July 2014 the District sold \$ 52,315,000 in General Obligation Bonds. The proceeds will fund renovations of the athletic field house, a new gymnasium, technology hardware and other campus renovations.

Coppell ISD joined numerous other districts across the state in legally challenging the funding formula used by the State to provide funding for the public school system. Judge Dietz declared the current school finance system unconstitutional. The State has yet to appeal the decision.

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 POSITION
AUGUST 31, 2014

1

Data Control Codes	Governmental Activities
ASSETS	
1110 Cash and Investments	\$ 110,023,768
1225 Property Taxes Receivable, Net	1,295,606
1240 Due from Other Governments	545,406
1267 Due from Fiduciary	930,939
1290 Other Receivables	155,634
1300 Inventories	43,509
Capital Assets:	
1510 Land	44,471,671
1520 Buildings and Improvements, Net	131,802,380
1530 Furniture and Equipment, Net	13,936,864
1000 Total Assets	\$ 303,205,777
DEFERRED OUTFLOWS OF RESOURCES	
1700 Total Deferred Outflows of Resources	\$ 1,846,652
LIABILITIES	
2110 Accounts Payable	\$ 5,112,071
2140 Interest Payable	324,848
2165 Accrued Liabilities	2,860,201
2180 Due to Other Governments	744,651
2300 Unearned Revenues	748,491
Noncurrent Liabilities:	
2501 Due within one year	6,421,472
2502 Due in more than one year	285,385,638
2000 Total Liabilities	\$ 301,597,372
NET POSITION	
3200 Net Investment in Capital Assets	\$ 14,262,729
Restricted For:	
3820 Federal and State Programs	1,287,239
3850 Debt Service	2,608,462
3890 Other Purposes	81,330
3900 Unrestricted	(14,784,703)
3000 Total Net Position	\$ 3,455,057

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2014

Data	1	3	4	6
Control	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Codes Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
11 Instruction	\$ 61,140,909	\$ 242,225	\$ 5,118,621	\$ (55,780,063)
12 Instructional Resources and Media Services	1,669,197	-	47,601	(1,621,596)
13 Curriculum and Staff Development	657,818	-	194,869	(462,949)
21 Instructional Leadership	1,906,959	-	116,219	(1,790,740)
23 School Leadership	5,017,827	-	213,287	(4,804,540)
31 Guidance, Counseling and Evaluation Services	3,770,169	86,935	812,169	(2,871,065)
32 Social Work Services	225	-	8	(217)
33 Health Services	798,446	-	28,581	(769,865)
34 Student (Pupil) Transportation	1,759,811	61,187	62,651	(1,635,973)
35 Food Services	4,118,272	3,491,442	821,623	194,793
36 Co-curricular/Extracurricular Activities	2,670,188	669,042	242,617	(1,758,529)
41 General Administration	2,944,941	-	105,251	(2,839,690)
51 Plant Maintenance and Operations	7,211,957	299,106	258,202	(6,654,649)
52 Security and Monitoring Services	254,681	-	6,472	(248,209)
53 Data Processing Services	3,392,670	-	68,341	(3,324,329)
61 Community Services	171,863	-	6,209	(165,654)
72 Interest on Long-term Debt	12,116,221	-	356,541	(11,759,680)
73 Debt Issuance Costs and Fees	534,292	-	-	(534,292)
81 Capital Outlay	1,924,517	-	-	(1,924,517)
91 Contracted Instructional Services between Schools	17,451,759	-	633,473	(16,818,286)
93 Payments for Shared Services Arrangements	51,625	-	1,874	(49,751)
95 Payments to Juvenile Justice Alternative Ed. Prgm.	33,174	-	1,204	(31,970)
99 Other Intergovernmental Charges	421,971	-	-	(421,971)
TG Total Governmental Activities	<u>\$ 130,019,492</u>	<u>\$ 4,849,937</u>	<u>\$ 9,095,813</u>	<u>\$ (116,073,742)</u>
TP Total Primary Government	<u>\$ 130,019,492</u>	<u>\$ 4,849,937</u>	<u>\$ 9,095,813</u>	<u>\$ (116,073,742)</u>
General Revenues:				
MT Property Taxes, Levied for General Purpose				\$ 91,452,346
DT Property Taxes, Levied for Debt Service				20,491,519
IE Investment Earnings				113,932
GC Grants and Contributions Not Restricted to Specific Programs				4,037,705
MI Miscellaneous				302,193
TR Total General Revenues				<u>\$ 116,397,695</u>
CN Change in Net Position				\$ 323,953
NB Net Position - Beginning (September 1)				<u>3,131,104</u>
NE Net Position - Ending (August 31)				<u>\$ 3,455,057</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Project Fund	Other Governmental Funds	98 Total Governmental Funds	
ASSETS						
1110	Cash and Investments	\$ 53,301,449	\$ 2,714,546	\$ 52,019,682	\$ 1,972,979	\$ 110,008,656
1225	Property Taxes Receivable, Net	1,069,344	226,262	-	-	1,295,606
1240	Due from Other Governments	280,686	-	-	264,720	545,406
1260	Due from Other Funds	82,210	-	-	848,729	930,939
1290	Other Receivables	149,402	4,335	-	480	154,217
1300	Inventories, at cost	-	-	-	43,509	43,509
1000	Total Assets	<u>\$ 54,883,091</u>	<u>\$ 2,945,143</u>	<u>\$ 52,019,682</u>	<u>\$ 3,130,417</u>	<u>\$ 112,978,333</u>
LIABILITIES						
Current Liabilities:						
2110	Accounts Payable	\$ 144,389	\$ -	\$ 4,809,252	\$ 158,430	\$ 5,112,071
2150	Payroll Deductions and Withholdings	(148,767)	-	-	8,716	(140,051)
2160	Accrued Wages Payable	2,898,354	-	-	101,331	2,999,685
2180	Due to Other Governments	744,598	-	-	53	744,651
2300	Unearned Revenue	379,593	-	-	368,898	748,491
2000	Total Liabilities	<u>\$ 4,018,167</u>	<u>\$ -</u>	<u>\$ 4,809,252</u>	<u>\$ 637,428</u>	<u>\$ 9,464,847</u>
DEFERRED INFLOWS OF RESOURCES						
2640	Deferred Revenue	\$ 1,069,344	\$ 226,262	\$ -	\$ -	\$ 1,295,606
2600	Total Deferred Inflows of Resources	<u>\$ 1,069,344</u>	<u>\$ 226,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,295,606</u>
FUND BALANCES						
Nonspendable Fund Balances:						
3410	Inventories	\$ -	\$ -	\$ -	\$ 43,509	\$ 43,509
Restricted Fund Balances:						
3450	Federal/State Funds Grants	-	-	-	1,207,006	1,207,006
3480	Retirement of Long-Term Debt	-	2,707,048	-	-	2,707,048
3490	Other Restrictions of Fund Balance	-	-	47,210,430	101,123	47,311,553
Committed Fund Balances:						
3510	Construction	1,000,000	-	-	-	1,000,000
3520	Claims and Judgment	750,000	-	-	-	750,000
3530	Capital Expenditures for Equipment	1,000,000	-	-	-	1,000,000
3545	Other Committed Fund Balance	1,641,597	11,833	-	1,141,351	2,794,781
3600	Unassigned	45,403,983	-	-	-	45,403,983
3000	Total Fund Balances	<u>\$ 49,795,580</u>	<u>\$ 2,718,881</u>	<u>\$ 47,210,430</u>	<u>\$ 2,492,989</u>	<u>\$ 102,217,880</u>
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 54,883,091</u>	<u>\$ 2,945,143</u>	<u>\$ 52,019,682</u>	<u>\$ 3,130,417</u>	<u>\$ 112,978,333</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET (GOVERNMENTAL FUNDS)
 TO THE STATEMENT OF NET POSITION
 AUGUST 31, 2014

Total fund balances - Balance Sheet (governmental funds)	\$	102,217,880
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not reported in the funds.		190,210,915
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		1,295,606
The assets and liabilities of internal service funds are included in governmental activities in the SNP.		15,962
Payables for bond principal which are not due in the current period are not reported in the funds.		(218,772,321)
Payables for bond interest which are not due in the current period are not reported in the funds.		(324,848)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.		<u>(71,188,137)</u>
Net position of governmental activities - Statement of Net Position	\$	<u>3,455,057</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, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Project Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES					
5700 Local and Intermediate Sources	\$ 93,074,042	\$ 20,512,500	\$ 60,955	\$ 4,958,291	\$ 118,605,788
5800 State Program Revenues	7,546,105	-	-	1,058,245	8,604,350
5900 Federal Program Revenues	161,522	356,541	-	2,697,930	3,215,993
5020 Total Revenues	\$ 100,781,669	\$ 20,869,041	\$ 60,955	\$ 8,714,466	\$ 130,426,131
EXPENDITURES					
Current:					
0011 Instruction	\$ 50,658,409	\$ -	\$ 4,696,290	\$ 2,759,110	\$ 58,113,809
0012 Instructional Resources and Media Services	1,173,634	-	352,219	12,576	1,538,429
0013 Curriculum and Staff Development	428,837	-	17,740	206,777	653,354
0021 Instructional Leadership	1,852,949	-	380	48,960	1,902,289
0023 School Leadership	4,845,100	-	55,926	58,011	4,959,037
0031 Guidance, Counseling and Evaluation Services	2,978,146	-	2,833	774,095	3,755,074
0032 Social Work Services	225	-	-	-	225
0033 Health Services	787,401	-	-	56	787,457
0034 Student (Pupil) Transportation	1,725,979	-	-	-	1,725,979
0035 Food Services	-	-	-	4,106,512	4,106,512
0036 Co-curricular/Extracurricular Activities	1,847,685	-	15,357	279,752	2,142,794
0041 General Administration	2,789,400	-	8,876	-	2,798,276
0051 Plant Maintenance and Operations	7,113,282	-	2,425	5,078	7,120,785
0052 Security and Monitoring Services	178,311	-	83,488	-	261,799
0053 Data Processing Services	1,882,738	-	6,362,870	-	8,245,608
0061 Community Services	171,046	-	-	-	171,046
0071 Principal on Long-term Debt	-	5,675,566	-	-	5,675,566
0072 Interest on Long-term Debt	-	15,548,162	-	-	15,548,162
0073 Debt Issuance Cost and Fees	-	3,651	530,640	-	534,291
0081 Capital Outlay	857,723	-	25,236,887	16,416	26,111,026
0091 Contracted Instructional Services between Schools	17,451,759	-	-	-	17,451,759
0093 Payments for Shared Service Arrangements	51,625	-	-	-	51,625
0095 Payments to Juvenile Justice Alternative Ed. Prgm.	33,174	-	-	-	33,174
0099 Other Intergovernmental Charges	421,971	-	-	-	421,971
6030 Total Expenditures	\$ 97,249,394	\$ 21,227,379	\$ 37,365,931	\$ 8,267,343	\$ 164,110,047
1100 Excess (Deficiency) of Revenues Over Expenditures	\$ 3,532,275	\$ (358,338)	\$(37,304,976)	\$ 447,123	\$ (33,683,916)
OTHER FINANCING SOURCES (USES)					
7911 Capital Related Debt Issued (Regular Bonds)	\$ -	\$ -	\$ 49,650,000	\$ -	\$ 49,650,000
7912 Sale of Real or Personal Property	49,700	-	-	880	50,580
7916 Premium or Discount on Issuance of Bonds	-	2,404	3,195,640	-	3,198,044
7080 Net Other Financing Sources (Uses)	\$ 49,700	\$ 2,404	\$ 52,845,640	\$ 880	\$ 52,898,624
1200 Net Changes in Fund Balances	\$ 3,581,975	\$ (355,934)	\$ 15,540,664	\$ 448,003	\$ 19,214,708
0100 Fund Balance - Beginning (September 1)	46,213,605	3,074,815	31,669,766	2,044,986	83,003,172
3000 Fund Balance - Ending (August 31)	\$ 49,795,580	\$ 2,718,881	\$ 47,210,430	\$ 2,492,989	\$ 102,217,880

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, 2014

Net change in fund balances - total governmental funds	\$ 19,214,708
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	30,098,512
The depreciation of capital assets used in governmental activities is not reported in the funds.	(5,105,613)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(133,266)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(234,594)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	5,675,565
The accretion of interest on capital appreciation bonds is not reported in the funds.	3,683,188
(Increase) decrease in accrued interest from beginning of period to end of period.	(16,653)
The net revenue (expense) of internal service funds is reported with governmental activities.	(9,850)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(49,650,000)
Bond premiums are reported in the funds but not in the SOA.	<u>(3,198,044)</u>
Change in net position of governmental activities - statement of activities	<u>\$ 323,953</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
AUGUST 31, 2014

Data Control Codes		Internal Service Fund
		Print Shop Fund
	ASSETS	
	Current Assets:	
1110	Cash and Investments	\$ 15,112
	Receivables	
1290	Other Receivables (net)	1,417
	Total Current Assets	\$ 16,529
	Noncurrent Assets:	
	Capital Assets:	
1530	Furniture and Equipment	\$ 29,685
1570	Accumulated Depreciation	(29,685)
	Total Noncurrent Assets	\$ -
1000	Total Assets	\$ 16,529
	LIABILITIES	
	Current Liabilities:	
2150	Payroll Deduction & Withholdings	\$ 25
2160	Accrued Wages Payable	542
2000	Total Liabilities	\$ 567
	NET POSITION	
3900	Unrestricted Net Position	\$ 15,962
3000	Total Net Position	\$ 15,962

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2014

Data Control Codes	Internal Service Fund <hr/> Print Shop Fund <hr/>
OPERATING REVENUES	
5700 Local and Intermediate Sources	\$ 34,146
5800 State Program Revenues	<hr/> 1,272
5020 Total Revenues	<hr/> \$ 35,418 <hr/>
OPERATING EXPENSES	
6100 Payroll Costs	\$ 19,427
6200 Professional and Contracted Services	10,967
6300 Supplies and Materials	<hr/> 14,874
6030 Total Expenses	<hr/> \$ 45,268 <hr/>
1300 Change in Net Position	\$ (9,850)
0100 Total Net Position - Beginning (September 1)	<hr/> 25,812
3000 Total Net Position - Ending (August 31)	<hr/> \$ 15,962 <hr/>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2014

		Internal Service Fund
		<u>Print Shop Fund</u>
Cash Flows from Operating Activities:		
Operating Transactions with Other Funds	\$	34,068
Cash Payments to Employees for Services		(19,499)
Cash Payments to Other Suppliers for Goods and Services		<u>(24,707)</u>
Net Cash Provided by (Used for) Operating Activities	\$	<u>(10,138)</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	\$	(10,138)
Cash and Investments - Beginning (September 1)		<u>25,250</u>
Cash and Investments - Ending (August 31)	\$	<u>15,112</u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Change in Net Position	\$	(9,850)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation		-
 Change in Assets and Liabilities:		
(Increase) Decrease in Other Receivables		(78)
Increase (Decrease) in Accrued Wages Payable		(59)
Increase (Decrease) in Payroll Liabilities Payable		(13)
Increase (Decrease) in Due to Other Governments		<u>(138)</u>
Net Cash Provided by (Used for) Operating Activities	\$	<u>(10,138)</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
AUGUST 31, 2014

Data Control Codes		Agency Funds
<u> </u>		<u> </u>
	ASSETS	
1110	Cash and Investments	\$ 1,168,892
1000	Total Assets	\$ 1,168,892
	LIABILITIES	
	Current Liabilities:	
2110	Accounts Payable	\$ 4,537
2170	Due to Other Funds	930,939
2190	Due to Student Groups	<u>233,416</u>
2000	Total Liabilities	\$ 1,168,892
	NET POSITION	
3000	Total Net Position	\$ <u> -</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

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

2. Basis of Presentation – Basis of Accounting

a. Basis of Presentation

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

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies (Continued)

The District reports the following major governmental funds:

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

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

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

In addition, the District reports the following fund types:

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

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

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

b. Measurement Focus – Basis of Accounting

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies (Continued)

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

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

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

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

3. Budgetary Data

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies (Continued)

4. Encumbrance Accounting

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

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

5. Financial Statement Amounts

Cash and Investments

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

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

Fund Balance

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

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

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

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

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies (Continued)

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

	General	Debt Service	Capital Projects	Other Governmental	Total
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ 43,509	\$ 43,509
Restricted					
Child Nutrition Program	-	-	-	1,164,239	1,164,239
AP Incentives	-	-	-	35,836	35,836
State Textbook Fund	-	-	-	26,634	26,634
Tennis Center	-	-	-	1,997	1,997
College Prep Testing	-	-	-	69,209	69,209
Education Foundation Grants	-	-	-	10,124	10,124
Retirement of Long Term Debt	-	2,707,048	-	-	2,707,048
Capital Projects	-	-	47,210,430	-	47,210,430
Need to Succeed	-	-	-	90	90
Committed					
Land Acquisition	1,000,000	-	-	-	1,000,000
Claims and Judgements	750,000	-	-	-	750,000
Capital Expenditures for Equipment	1,000,000	-	-	-	1,000,000
Residential Set Asides	320,450	-	-	-	320,450
Future Budget Deficits	1,321,147	11,833	-	43,565	1,376,545
Campus Activity Funds	-	-	-	1,097,786	1,097,786
Unassigned	45,403,983	-	-	-	45,403,983
Totals	<u>49,795,580</u>	<u>2,718,881</u>	<u>47,210,430</u>	<u>2,492,989</u>	<u>102,217,880</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, 2014

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 position.

8. Vacation, Sick Leave and Other Compensated Absences

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

9. Use of Estimates

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

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, 2014

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, 2014, 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, 2014

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, 2014

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 year end:

	<u>Credit Rating</u>	<u>Fair Value</u>
TexPool	AAAm	\$ 1,140,867
Lone Star Investment Pool	AAAm	63,683,929
LOGIC	AAA	6,833,413
TexasCLASS	AAAm	34,207,790
TexSTAR	AAAm	273,614
TexasTERM	AA Af	8,848
Certificate of Deposit (TexasTERM)	n/a	3,454,000
Total		<u>\$ 109,602,461</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

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 \$ 3,677,370.
- c. Largest cash, savings and time deposit combined account balances amounted to \$ 3,390,220, and occurred during the month of December 2013.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$ 263,783.

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, 2014

C. Property Taxes

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

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

The District levied taxes on property within the District at \$ 1.1700 to fund general operations and \$ 0.2624 for the payment of principal and interest on long term debt. The rates were levied on property assessed totaling \$ 7,880,773,843.

D. Capital Assets

Capital asset activities during the year were as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
<u>Governmental Activities</u>				
Capital Assets not Being Depreciated:				
Construction In Progress	\$ 1,469,367		\$ 1,469,367	\$ -
Land	44,462,184	9,487	-	44,471,671
Total Capital Assets not being Depreciated	\$ 45,931,551	\$ 9,487	\$ 1,469,367	\$ 44,471,671
Capital Assets being Depreciated:				
Building and Improvements	\$ 167,303,391	\$ 25,524,911	\$ -	\$ 192,828,302
Equipment	18,327,119	5,978,303	-	24,305,422
Vehicles	732,289	55,178	-	787,467
Total Capital Assets being Depreciated	\$ 186,362,799	\$ 31,558,392	\$ -	\$ 217,921,191
Less Accumulated Depreciation for :				
Buildings and Improvements	\$ 57,729,988	\$ 3,295,934	\$ -	\$ 61,025,922
Equipment	8,723,004	1,773,047	-	10,496,051
Vehicles	623,342	36,632	-	659,974
Total Accumulated Depreciation	\$ 67,076,334	\$ 5,105,613	\$ -	\$ 72,181,947
Total Capital Assets being Depreciated, Net	\$ 119,286,465	\$ 26,452,779	\$ -	\$ 145,739,244
Governmental Activities Capital Assets, Net	\$ 165,218,016	\$ 26,462,266	\$ 1,469,367	\$ 190,210,915

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

D. Capital Assets (Continued)

Depreciation was charged to governmental activities functions as follows:

Instruction	\$ 2,987,565
Instructional Resources and Media Services	130,768
Curriculum and Staff Development	4,464
Instructional Leadership	4,670
School Leadership	58,790
Guidance, Counseling and Evaluation Services	15,095
Health Services	10,989
Student (Pupil) Transportation	33,832
Food Services	189,108
Co-curricular/Extracurricular Activities	527,394
General Administration	146,665
Plant Maintenance and Operations	91,172
Data Processing Services	904,284
Community Services	817
	<hr/>
Totals	<u><u>\$ 5,105,613</u></u>

E. Long Term Obligations

Long Term Obligation Activity

Long-term activities during the year were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 174,797,886	\$ 49,650,000	\$ 5,675,564	\$ 218,772,322	\$ 6,421,472
Accreted Interest Payable	72,231,682	5,231,247	8,914,435	68,548,494	-
Unamortized Premium (Discount)	1,301,671	3,198,044	13,419	4,486,296	-
				<hr/>	
Total Governmental Activities	<u><u>\$ 248,331,239</u></u>	<u><u>\$ 58,079,291</u></u>	<u><u>\$ 14,603,418</u></u>	<u><u>\$ 291,807,112</u></u>	<u><u>\$ 6,421,472</u></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 August 21, 2014, the District issued 'Coppell Independent School District Unlimited Tax School Building Bonds, Series 2014,' totaling \$ 49,650,000 for construction of District facilities. The sale included a premium less underwriters discount of \$ 2,665,000 bringing the total issue to \$ 52,315,000. These bonds incur an average interest cost over the life of the bonds at a rate of 3.743% and mature annually with semi-annual interest payments. The bonds will fully mature in 2044.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

E. Long Term Obligations (Continued)

The following bonded debt issues are outstanding at year end:

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%	18,300,000
Unlimited Tax Refunding Bonds, Series 2007A	3.80%-4.21%	940,583
Unlimited Tax Refunding Bonds, Series 2007B	3.75%-4.09%	36,570,758
Unlimited Tax School Building Bonds, Series 2007	4.25%-5.00%	13,515,000
Unlimited Tax School Building & Refunding Bonds, Series 2009A	4.29%	24,110,000
Unlimited Tax Refunding Bonds, Series 2009B	4.29%	17,602,836
Unlimited Tax Building Bonds, Series 2011	4.37%	9,354,154
Unlimited Tax School Building Bonds, Series 2013A	3.99%	23,940,000
Unlimited Tax Qualified School Construction Bonds, Taxable Series 2013B	5.00%	7,995,000
Unlimited Tax School Building Bonds, Series 2014	3.7430%	49,650,000
Total		<u>\$ 218,772,322</u>

Maturity requirements on bonded debt at August 31, 2014, are as follows:

Year Ending August 31	Principal	Interest	Total
2015	\$ 6,421,472	\$ 17,580,060	\$ 24,001,532
2016	8,676,684	16,060,046	24,736,730
2017	9,718,082	15,731,448	25,449,530
2018	8,731,137	16,958,413	25,689,550
2019	11,537,569	14,850,315	26,387,884
2020-2024	66,522,040	54,891,436	121,413,476
2025-2029	39,444,179	64,703,330	104,147,509
2030-2034	31,539,478	27,812,727	59,352,205
2035-2039	16,991,681	8,120,773	25,112,454
2040-2044	19,190,000	2,354,814	21,544,814
Totals	<u>\$ 218,772,322</u>	<u>\$ 239,063,362</u>	<u>\$ 457,835,684</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, 2014, the amount of defeased debt outstanding but removed from the basic financial statements amounted to \$ 18,710,885 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, 2014.

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 11, 2013	\$ 79,500,000	\$ 72,315,000	\$ 7,185,000

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

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 during the fiscal year; (2) State statute prohibits benefit improvements, if as a result of a 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 2014, 2013 and 2012, and a state contribution rate of 6.8% for fiscal year 2014 and 6.4% for fiscal years 2013 and 6.0% for fiscal year 2012. In certain instances, the reporting district is required to make all or a portion of the state's 6.4% contribution. The District's employees' contributions to the System for the periods ended August 31, 2014, 2013 and 2012 were \$ 3,752,627, \$ 3,619,707, and \$ 3,434,215 respectively. Contributions from private grants and from the District for salaries above the statutory minimum for the periods ended August 31, 2014, 2013, and 2012 were \$ 1,073,431, \$ 926,111, and \$ 787,199 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 \$ 3,124,809 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 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.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

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 2014, 2013 and 2012. 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 \$ 459,531 are reflected in the basic financial statements for Retiree Health Plan contributions. Additionally, the District benefited from payments made by the State totaling \$ 155,651 for subsidies for Medicare Part D and participation in the Early Retirement Reissuance Programs.

H. Risk Management

Health Care

During the year ended August 31, 2014, employees of the Coppell Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of up to \$ 311 per month per full time employee and \$ 225 per month per part time employee, and employees, at their option, authorized payroll withholdings to provide dependents coverage under the Plan. All premiums were paid to Teacher Retirement System of Texas (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, 2013 and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Workers' Compensation

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

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$ 1,500,000. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2013, the Fund carries a discounted reserve of \$ 68,883,628 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended August 31, 2013, the fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

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, 2013, are available at the TASB offices and have been filed with the Texas State Board of Insurance of Austin.

Property and Casualty

The Coppel 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, 2014, the Fund anticipates Coppel 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, 2013, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Liability Coverage Program

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

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

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for the Property Program. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2014, the Fund anticipates Coppel 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, 2013, 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, 2014

H. Risk Management (Continued)

Unemployment Compensation Pool

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

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

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2013, 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, 2014.

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, 2014, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

K. Interfund Balances and Activities

Interfund Receivables and Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue Funds	Agency Fund	\$ 848,729
General Fund	Agency Fund	82,210
	Totals	<u>\$ 930,939</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

L. Revenue from Local and Intermediate Sources

During the year ended August 31, 2014, the District received revenue from local and intermediate sources consisting of the following:

	General	Debt Service	Capital Project Fund	Other Governmental	Total
Property Tax Collections	\$ 91,578,297	\$ 20,498,831	\$ -	\$ -	\$ 112,077,128
Rent	299,106	-	-	-	299,106
Tuition and Fees	59,577	-	-	86,934	146,511
Investment Income	67,873	13,669	30,822	-	112,364
Food Service Income	-	-	-	3,491,442	3,491,442
Gifts and Bequests	34,728	-	-	1,161,216	1,195,944
Co-curricular/Extracurricular Activities	392,606	-	-	25,941	418,547
Other Miscellaneous	641,855	-	30,133	192,758	864,746
Totals	\$ 93,074,042	\$ 20,512,500	\$ 60,955	\$ 4,958,291	\$ 118,605,788

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, 2014, for the District's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General	Debt Service	Capital Project Fund	Other Nonmajor	Total
Due from Other Governments	\$ 314,931	\$ -	\$ -	\$ 264,719	\$ 579,650
Property Taxes	1,188,160	251,402	-	-	1,439,562
Less Allowance for Uncollectible Property Taxes	(118,816)	(25,140)	-	-	(143,956)
Other Receivables	149,402	4,335	-	480	154,217
Net Receivables	\$ 1,533,677	\$ 230,597	\$ -	\$ 265,199	\$ 2,029,473

O. Subsequent Events

The District's management has evaluated subsequent events through December 8, 2014, 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, 2014

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 92,830,060	\$ 93,880,766	\$ 93,074,042	\$ (806,724)
5800	State Program Revenues	7,189,548	7,189,548	7,546,105	356,557
5900	Federal Program Revenues	-	161,006	161,522	516
5020	Total Revenues	\$ 100,019,608	\$ 101,231,320	\$ 100,781,669	\$ (449,651)
EXPENDITURES					
Instruction and Instructional Related Services:					
0011	Instruction	\$ 52,151,330	\$ 52,191,280	\$ 50,658,409	\$ 1,532,871
0012	Instructional Resources and Media Services	1,178,277	1,193,181	1,173,634	19,547
0013	Curriculum and Staff Development	481,756	501,091	428,837	72,254
	Total Instruction and Instr. Related Services	\$ 53,811,363	\$ 53,885,552	\$ 52,260,880	\$ 1,624,672
Instructional and School Leadership:					
0021	Instructional Leadership	\$ 1,969,600	\$ 1,966,663	\$ 1,852,949	\$ 113,714
0023	School Leadership	4,842,823	4,884,625	4,845,100	39,525
	Total Instructional and School Leadership	\$ 6,812,423	\$ 6,851,288	\$ 6,698,049	\$ 153,239
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	\$ 2,985,641	\$ 3,051,680	\$ 2,978,146	\$ 73,534
0032	Social Work Services	-	500	225	275
0033	Health Services	790,990	806,879	787,401	19,478
0034	Student (Pupil) Transportation	1,698,307	1,804,307	1,725,979	78,328
0036	Co-curricular/Extracurricular Activities	2,028,948	2,053,455	1,847,685	205,770
	Total Support Services - Student (Pupil)	\$ 7,503,886	\$ 7,716,821	\$ 7,339,436	\$ 377,385
Administrative Support Services:					
0041	General Administration	\$ 2,883,600	\$ 2,921,400	\$ 2,789,400	\$ 132,000
	Total Administrative Support Services	\$ 2,883,600	\$ 2,921,400	\$ 2,789,400	\$ 132,000
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	\$ 8,002,812	\$ 7,920,812	\$ 7,113,282	\$ 807,530
0052	Security and Monitoring Services	281,416	283,716	178,311	105,405
0053	Data Processing Services	1,756,369	1,903,225	1,882,738	20,487
	Total Support Services - Nonstudent Based	\$ 10,040,597	\$ 10,107,753	\$ 9,174,331	\$ 933,422
Ancillary Services:					
0061	Community Services	\$ 187,719	\$ 223,590	\$ 171,046	\$ 52,544
	Total Ancillary Services	\$ 187,719	\$ 223,590	\$ 171,046	\$ 52,544
Capital Outlay:					
0081	Capital Outlay	\$ -	\$ 857,723	\$ 857,723	\$ -
	Total Capital Outlay	\$ -	\$ 857,723	\$ 857,723	\$ -
Intergovernmental Charges:					
0091	Contracted Inst. Services between Public Schools	\$ 18,433,335	\$ 18,333,335	\$ 17,451,759	\$ 881,576
0093	Payments for Shared Service Agreements	60,000	51,625	51,625	-
0095	Payments to Juvenile Justice AEP	35,000	35,000	33,174	1,826
0099	Other Intergovernmental Charges	421,971	421,971	421,971	-
	Total Intergovernmental Charges	\$ 18,950,306	\$ 18,841,931	\$ 17,958,529	\$ 883,402
6030	Total Expenditures	\$ 100,189,894	\$ 101,406,058	\$ 97,249,394	\$ 4,156,664
1100	Excess(Deficiency) of Revenues Over Expenditures	\$ (170,286)	\$ (174,738)	\$ 3,532,275	\$ 3,707,013
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real or Personal Property	\$ -	\$ 46,001	\$ 49,700	\$ 3,699
7080	Net Other Financing Sources (Uses)	\$ -	\$ 46,001	\$ 49,700	\$ 3,699
1200	Net Change in Fund Balance	\$ (170,286)	\$ (128,737)	\$ 3,581,975	\$ 3,710,712
0100	Fund Balance - Beginning (September 1)	46,213,605	46,213,605	46,213,605	-
3000	Fund Balance - Ending (August 31)	\$ 46,043,319	\$ 46,084,868	\$ 49,795,580	\$ 3,710,712

OTHER SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
YEAR ENDED AUGUST 31, 2014

Tax Roll Year	Last Ten Years Ended August 31	1 Tax Rates		3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2013	20 Current Year's Total Levy	30 Maintenance Tax Collections	30a Debt Service Tax Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2014
		Maintenance	2 Debt Service							
XXXX	2005 and Prior Years	Various	Various	Various	\$ 508,474	\$ -	\$ -	\$ -	\$ (363,907)	\$ 144,567
2005	2006	1.500000	0.229000	6,045,593,233	52,633	-	-	-	-	52,633
2006	2007	1.370000	0.229000	6,342,768,417	25,745	-	15	2	-	25,728
2007	2008	1.040000	0.229000	7,001,508,112	23,394	-	394	87	1	22,914
2008	2009	1.040000	0.239000	7,488,790,227	75,847	-	23,390	5,375	28,615	75,697
2009	2010	1.040000	0.243400	7,453,681,498	175,502	-	42,058	9,843	37,168	160,769
2010	2011	1.170000	0.254200	7,165,643,028	131,408	-	34,525	7,501	39,103	128,485
2011	2012	1.170000	0.254200	7,073,590,226	189,105	-	75,500	16,404	42,025	139,226
2012	2013	1.170000	0.248800	7,338,482,661	405,528	-	(58,928)	(12,531)	(259,303)	217,684
2013	2014	1.170000	0.262400	7,777,220,748	-	111,400,910	91,054,555	20,421,117	546,621	471,859
1000	TOTALS				\$ 1,587,636	\$ 111,400,910	\$ 91,171,509	\$ 20,447,798	\$ 70,323	\$ 1,439,562

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHOOL BREAKFAST AND NATIONAL SCHOOL LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED AUGUST 31, 2014

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
REVENUES					
5700	Local and Intermediate Sources	\$ 3,548,825	\$ 3,548,825	\$ 3,493,012	\$ (55,813)
5800	State Program Revenues	92,000	92,000	97,650	5,650
5900	Federal Program Revenues	760,480	760,480	723,973	(36,507)
5020	Total Revenues	\$ 4,401,305	\$ 4,401,305	\$ 4,314,635	\$ (86,670)
EXPENDITURES					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	\$ 4,445,630	\$ 4,620,630	\$ 4,106,512	\$ 514,118
	Total Support Services - Student (Pupil)	\$ 4,445,630	\$ 4,620,630	\$ 4,106,512	\$ 514,118
6030	Total Expenditures	\$ 4,445,630	\$ 4,620,630	\$ 4,106,512	\$ 514,118
1100	Excess (Deficiency) of Revenues Over Expenditures	\$ (44,325)	\$ (219,325)	\$ 208,123	\$ 427,448
1200	Net Change in Fund Balance	\$ (44,325)	\$ (219,325)	\$ 208,123	\$ 427,448
0100	Fund Balances - Beginning (September 1)	1,043,190	1,043,190	1,043,190	-
3000	Fund Balances - Ending (August 31)	\$ 998,865	\$ 823,865	\$ 1,251,313	\$ 427,448

COPPELL INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2014

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 20,540,610	\$ 20,540,610	\$ 20,512,500	\$ (28,110)
5900	Federal Program Revenues	384,204	384,204	356,541	(27,663)
5020	Total Revenues	\$ 20,924,814	\$ 20,924,814	\$ 20,869,041	\$ (55,773)
EXPENDITURES					
Debt Service:					
0071	Principal on Long-term Debt	\$ 5,675,565	\$ 5,675,565	\$ 5,675,566	\$ (1)
0072	Interest on Long-term Debt	15,548,162	15,548,162	15,548,162	-
0073	Debt Issuance Costs and Fees	10,000	10,000	3,651	6,349
	Total Debt Service	<u>\$ 21,233,727</u>	<u>\$ 21,233,727</u>	<u>\$ 21,227,379</u>	<u>\$ 6,348</u>
6030	Total Expenditures	\$ 21,233,727	\$ 21,233,727	\$ 21,227,379	\$ 6,348
1100	Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (308,913)</u>	<u>\$ (308,913)</u>	<u>\$ (358,338)</u>	<u>\$ (49,425)</u>
Other Financing Sources (Uses)					
7916	Premium or Discount on Issuance of Bonds	\$ -	\$ -	\$ 2,404	\$ (2,404)
1200	Net Change in Fund Balance	\$ (308,913)	\$ (308,913)	\$ (355,934)	\$ (47,021)
0100	Fund Balance - Beginning (September 1)	<u>3,074,815</u>	<u>3,074,815</u>	<u>3,074,815</u>	<u>-</u>
3000	Fund Balance - Ending (August 31)	<u>\$ 2,765,902</u>	<u>\$ 2,765,902</u>	<u>\$ 2,718,881</u>	<u>\$ (47,021)</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
 AS OF AUGUST 31, 2014

<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 unmodified 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?	\$ 68,548,494

FEDERAL AWARDS SECTION

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2014

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	14671001057950	\$ 132,131
ESEA Title II Part A - Teacher & Principal Training	84.367	15694501057950	13,044
ESEA Title II Part A - Teacher & Principal Training	84.367	14694501057950	<u>76,527</u>
Total passed through Education Service Center, Region X			<u>\$ 221,702</u>
Passed through the Texas Education Agency:			
ESEA Title I Part A - Improving Basic Programs	84.010	15610101057922	\$ 3,555
ESEA Title I Part A - Improving Basic Programs	84.010	14610101057922	341,823
IDEA-B Formula	84.027	136600010579226600	2,305
IDEA-B Formula	84.027	146600010579226600	1,230,426
IDEA-B Formula	84.027	156600010579226600	6,950
IDEA-B Preschool	84.173	146610010579226610	108,017
Vocational Education - Basic Grant	84.048	1342000605792210	51,388
Summer School LEP	84.369	69551102	<u>7,791</u>
Total passed through the Texas Education Agency			<u>\$ 1,752,255</u>
Total Department of Education			<u>\$ 1,973,957</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Department of Agriculture:			
School Breakfast Program *	10.553	0600	\$ 59,330
National School Lunch Program *	10.555	0600	503,763
Commodity Supplemental Food Program	10.565	057027A	<u>160,880</u>
Total Department of Agriculture			<u>\$ 723,973</u>
Total Expenditure of Federal Awards			<u>\$ 2,697,930</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, 2014

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, 2014.