

**COPPELL INDEPENDENT
SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2008**

RUTHERFORD, TAYLOR & COMPANY, P.C.
Certified Public Accountants
2802 Washington Street
Greenville, Texas 75401
(903) 455-6252

COPPELL INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2008

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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, 2008, at a meeting of the board of school trustees of such school district on _____.

*

Signature of Board Secretary

*

Signature of Board President

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

* Signature on file with the Texas Education Agency

FINANCIAL SECTION

RUTHERFORD,
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Greenville, Texas 75401

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INDEPENDENT AUDITOR'S REPORT

Board of School Trustees
Coppell Independent School District

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, the business-type 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, 2008, which collectively comprise the District's basic financial statements as listed in the accompanying table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Coppell Independent School District as of August 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and budgetary comparison information identified as required supplementary information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Independent Auditor's Report - Continued

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules identified as other supplementary information in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for 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 component of the basic financial statements. Such information except for the fund balance and cash flow calculation worksheet which is marked "unaudited" and on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

October 10, 2008
Greenville, Texas

*

* Signature on file with the Texas Education Agency

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

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Greenville, Texas 75401

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of School Trustees
Coppell Independent School District

Members of the Board:

We have audited the basic financial statements of the governmental activities, the business-type 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, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 10, 2008. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A control deficiency exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's basic financial statement is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that result in more than a remote likelihood that material misstatement of the District's basic financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose as described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Report on Internal Control – Continued

Compliance and Other Matters

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

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

October 10, 2008
Greenville, Texas

*

* Signature on file with the Texas Education Agency

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of School Trustees
Coppell Independent School District

Members of the Board:

Compliance

We have audited the compliance of the Coppell Independent School District, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Coppell Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2008.

Internal Control over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control – Continued

A control deficiency in the District's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

October 10, 2008
Greenville, Texas

*

* Signature on file with the Texas Education Agency

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2008

Summary of Auditor's Results

Type of Report on Financial Statements	Unqualified Opinion
Significant Deficiency	None
Material Weakness Involving Significant Deficiency	None
Noncompliance Material to the Financial Statements	The level of noncompliance was not material in relation to the financial statements covering federal programs
Type of Report on Compliance with Major Programs	Unqualified Opinion
Findings and Questioned Costs for Federal Awards as Determined in Section .510 (a), OMB Circular A-133	None
Dollar threshold considered Between Type A and B Federal Programs	\$ 300,000
Low Risk Auditee Statements	The District was classified as a low risk auditee in the context of OMB Circular A-133
Major Federal Programs	ESEA Title I, Part A (84.010) ESEA Title II, Part A (84.367) Food Service Cluster: School Breakfast Program (10.553) National School Lunch Program (10.555)
Pass-through Entity	Texas Education Agency

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2008

**Schedule
Reference
Number**

Findings

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2008

**Schedule
Reference
Number**

Prior Findings

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
YEAR ENDED AUGUST 31, 2008

**Schedule
Reference
Number**

Actions Planned

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED AUGUST 31, 2008

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, 2008. Please read it in conjunction with the District's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

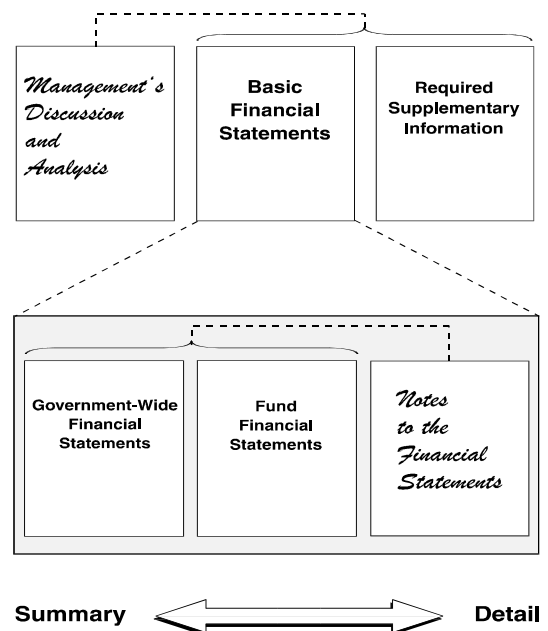
- The general fund reported an ending fund balance of \$ 26,831,707. This was an increase in the general fund balance from the prior year in the amount of \$ 2,488,628. The undesignated general fund balance increased \$ 2,385,283 from the prior year.
- The District experienced an increase in enrollment of approximately 68 students in 2007-2008. 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 \$ 74,335,682 is treated as a liability and flows through the statement of net assets as a decrease in the District's net asset value. The result of the necessity to issue long-term debt instruments is to meet capital improvement requirements of facilities, and the recording of depreciation of assets has resulted in negative unrestricted net assets of \$ 44,159,404 in the governmental activities.
- General revenues accounted for \$ 114,215,198, or 87% of all fiscal year 2008 revenue. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$ 14,040,908, or 13% of total fiscal year 2008 revenues.
- The District had approximately \$ 123,522,180 in expenses related to governmental activities; of which \$ 13,998,348 of these expenses were offset by program-specific charges for services or grants and contributions. General revenues of \$ 114,215,198 were adequate to provide for the remaining cost of these programs, resulting in a \$ 4,691,366 increase in net assets.
- The District issued \$ 23,040,000 in new debt during the fiscal year.

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, 2008**

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

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

GOVERNMENT-WIDE STATEMENTS

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

<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>	• Statement of net assets	• Balance sheet	• Statement of net assets	• Statement of fiduciary net assets
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of revenues, expenses and changes in fund net assets • Statement of cash flows	• Statement of changes in fiduciary net assets
<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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The District has the following kinds of funds:

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

**COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2008**

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net assets were \$ (6,065,045) at August 31, 2008.

Coppell Independent School District's Net Assets						Table A-1
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Cash and Cash Equivalents	\$ 48,230,032	\$ 36,682,227	\$ (11,442)	\$ (6,055)	\$ 48,218,590	\$ 36,676,172
Other Assets	17,025,571	17,090,144	-	-	17,025,571	17,090,144
Capital Assets less Accumulated Depreciation	141,410,233	150,318,499	-	-	141,410,233	150,318,499
Total Assets	\$ 206,665,836	\$ 204,090,870	\$ (11,442)	\$ (6,055)	\$ 206,654,394	\$ 204,084,815
Liabilities:						
Current Liabilities	\$ 8,037,141	\$ 8,015,767	\$ -	\$ -	\$ 8,037,141	\$ 8,015,767
Long-term Liabilities	204,682,298	188,184,690	-	-	204,682,298	188,184,690
Total Liabilities	\$ 212,719,439	\$ 196,200,457	\$ -	\$ -	\$ 212,719,439	\$ 196,200,457
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 35,602,103	\$ 40,265,361	\$ -	\$ -	\$ 35,602,103	\$ 40,265,361
Restricted	2,503,698	3,518,602	-	-	2,503,698	3,518,602
Unrestricted	(44,159,404)	(35,893,550)	(11,442)	(6,055)	(44,170,846)	(35,899,605)
Total Net Assets	\$ (6,053,603)	\$ 7,890,413	\$ (11,442)	\$ (6,055)	\$ (6,065,045)	\$ 7,884,358

Approximately \$ 2,503,698 of the District's restricted net assets represent proceeds for debt retirement. These proceeds are restricted for debt retirement. The unrestricted net asset represents resources available to fund the programs of the District next year.

CHANGES IN NET ASSETS

The District's total revenues were \$ 128,256,106. 71% of the District's revenue comes from local property taxes (See Table A-2). 20% comes from state aid and federal grants, while only 9% relates to charges for services and investment earnings.

The total cost of all programs and services was \$ 123,570,127.

The District's base tax collections (current and delinquent) percentage for FY 2008 is 100%. The total tax collections (base tax plus penalty and interest) percentage for FY 2008 was 102%.

Two functional expense categories comprise 64% of total expenses. Instructional expenses, \$ 52,215,007, are 42% of the government wide expenses while payments made to offset property wealth to the state represent 22% of government wide expenses.

**COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2008**

GOVERNMENTAL ACTIVITIES

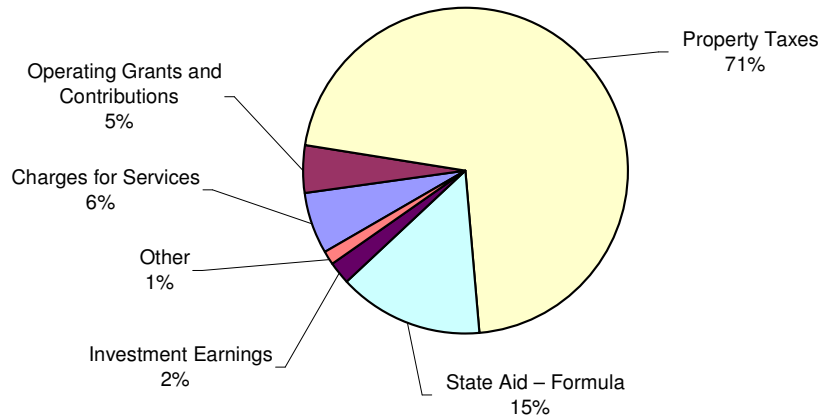
Table A-2

Changes in Coppel Independent School District's Net Assets

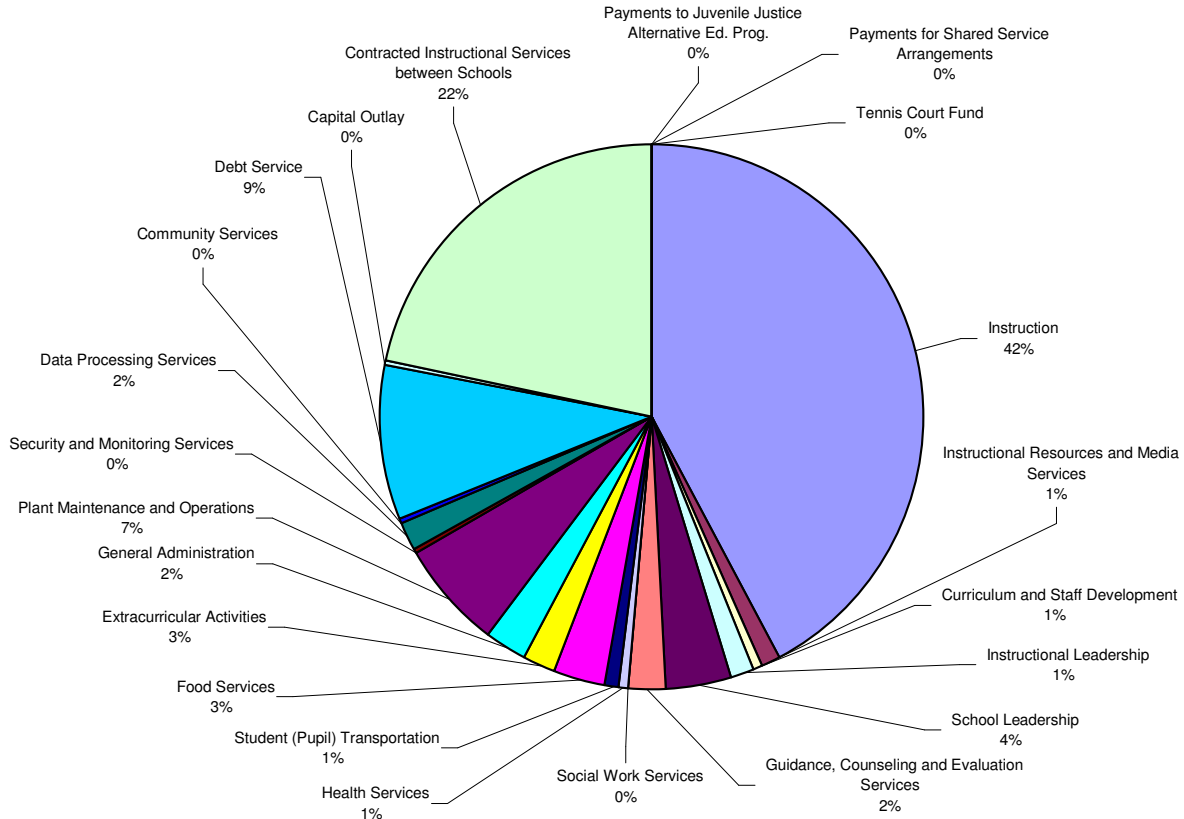
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Program Revenues:						
Charges for Services	\$ 7,810,495	\$ 6,770,663	\$ 41,104	\$ 43,737	\$ 7,851,599	\$ 6,814,400
Operating Grants and Contributions	6,187,853	5,788,196	1,456	1,505	6,189,309	5,789,701
General Revenues:						
Property Taxes	91,044,038	104,316,289	-	-	91,044,038	104,316,289
State Aid – Formula	18,661,242	12,254,264	-	-	18,661,242	12,254,264
Investment Earnings	2,828,269	3,775,756	-	-	2,828,269	3,775,756
Other	1,681,649	731,313	-	-	1,681,649	731,313
Total Revenues	<u>\$ 128,213,546</u>	<u>\$ 133,636,481</u>	<u>\$ 42,560</u>	<u>\$ 45,242</u>	<u>\$ 128,256,106</u>	<u>\$ 133,681,723</u>
Expenses:						
Instruction	\$ 52,215,007	\$ 48,412,844	\$ -	\$ -	\$ 52,215,007	\$ 48,412,844
Instructional Resources and Media Services	1,403,263	1,231,889	-	-	1,403,263	1,231,889
Curriculum and Staff Development	661,733	494,372	-	-	661,733	494,372
Instructional Leadership	1,807,401	1,761,345	-	-	1,807,401	1,761,345
School Leadership	4,475,582	4,230,856	-	-	4,475,582	4,230,856
Guidance, Counseling and Evaluation Services	3,042,388	2,658,602	-	-	3,042,388	2,658,602
Social Work Services	4,595	-	-	-	4,595	-
Health Services	636,415	611,474	-	-	636,415	611,474
Student (Pupil) Transportation	899,605	792,524	-	-	899,605	792,524
Food Services	3,904,363	3,926,450	-	-	3,904,363	3,926,450
Cocurricular/Extracurricular Activities	2,295,586	2,328,378	-	-	2,295,586	2,328,378
General Administration	2,962,149	3,102,824	-	-	2,962,149	3,102,824
Plant Maintenance and Operations	8,161,499	9,208,547	-	-	8,161,499	9,208,547
Security and Monitoring Services	176,024	166,444	-	-	176,024	166,444
Data Processing Services	2,217,596	2,466,304	-	-	2,217,596	2,466,304
Community Services	154,831	160,733	-	-	154,831	160,733
Debt Service	11,450,222	11,491,217	-	-	11,450,222	11,491,217
Capital Outlay	226,008	65,137	-	-	226,008	65,137
Contracted Instructional Services between Schools	26,721,015	35,762,179	-	-	26,721,015	35,762,179
Payments for Shared Service Arrangements	79,423	42,850	-	-	79,423	42,850
Payments to Juvenile Justice Alternative Ed. Prog.	27,475	13,910	-	-	27,475	13,910
Tennis Court Fund	-	-	47,947	51,378	47,947	51,378
Total Expenses	<u>\$ 123,522,180</u>	<u>\$ 128,928,879</u>	<u>\$ 47,947</u>	<u>\$ 51,378</u>	<u>\$ 123,570,127</u>	<u>\$ 128,980,257</u>
Increase (Decrease) in Net Assets	<u>\$ 4,691,366</u>	<u>\$ 4,707,602</u>	<u>\$ (5,387)</u>	<u>\$ (6,136)</u>	<u>\$ 4,685,979</u>	<u>\$ 4,701,466</u>
Net Assets - Beginning (September 1)	\$ 7,890,413	\$ 3,076,769	\$ (6,055)	\$ 81	\$ 7,884,358	\$ 3,076,850
Prior Period Adjustments	(18,635,382)	106,042	-	-	(18,635,382)	106,042
Net Assets - Beginning, as restated	<u>\$ (10,744,969)</u>	<u>\$ 3,182,811</u>	<u>\$ (6,055)</u>	<u>\$ 81</u>	<u>\$ (10,751,024)</u>	<u>\$ 3,182,892</u>
Net Assets - Ending (August 31)	<u>\$ (6,053,603)</u>	<u>\$ 7,890,413</u>	<u>\$ (11,442)</u>	<u>\$ (6,055)</u>	<u>\$ (6,065,045)</u>	<u>\$ 7,884,358</u>

**COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2008**

Government-wide Revenues for Fiscal Year 2008 - See Table A-2



Government-wide Expenses for Fiscal Year 2008 - See Table A-2



**COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2008**

- Table A-3 presents the cost of selected District functions as well as the selected function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local property tax dollars.
- The cost of all governmental activities this year was \$ 123,522,180.
- However, the amount that our taxpayers paid for these activities through local property taxes was only \$ 91,044,038.
- Some of the cost was paid by those who directly benefited from the programs \$ 7,810,495, or
- By grants and contributions, \$ 6,187,853.

Coppell Independent School District's Net Cost of Selected District Functions Governmental Activities						Table A-3
	Total Cost of Services		% Change	Net Cost of Services		% Change
	2008	2007		2008	2007	
Instruction	52,215,007	48,412,844	7.85%	44,770,961	41,664,243	7.46%
School Leadership	4,475,582	4,230,856	5.78%	4,335,949	4,122,195	5.19%
General Administration	2,962,149	3,102,824	-4.53%	2,845,632	2,965,871	-4.05%
Plant Maintenance and Operations	8,161,499	9,208,547	-11.37%	7,688,090	9,002,388	-14.60%
Debt Service	11,450,222	11,491,217	-0.36%	11,450,222	11,491,217	-0.36%
Contracted Instructional Services	26,721,015	35,762,179	-25.28%	26,721,015	35,762,179	-25.28%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$ 127,238,805. Any increase in state revenues is a result of House Bill 1. Any increase in federal revenues is primarily due to an increase in federal program revenue distributed through other agencies.

The general fund reported an ending fund balance of \$ 26,831,707. This was an increase in the general fund balance from the prior year in the amount of \$ 2,488,628. The undesignated general fund balance increased \$ 2,385,283 from the prior year.

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 \$ 2,195,410 under final general fund amounts. The most significant positive variances in the District's budget occurred in instruction and plant maintenance and operation.

Resources available were \$ 1,475,280 above the final budgeted amount. The favorable variance was consistent with the District's efforts to maintain available instruction programs within the District.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of 2008, the District had invested \$ 186,637,287 in a broad range of capital assets, including land, equipment, buildings, and vehicles (See Table A-4). During the year, the District amended its capitalization policy regarding capital assets. The action taken, increasing the capitalization threshold to \$ 5,000 from \$ 500 resulted in restating the capital asset totals. The net result of this change decreased capital assets net of depreciation by \$ 18,608,775.

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2008

Table A-4

**Coppell Independent School District's
Capital Assets**

	Governmental Activities		Total Percentage Change 2007-2008
	2008	2007	
Land	\$ 17,320,928	\$ 16,163,927	7.16%
Buildings and Improvements	158,479,372	159,493,723	-0.64%
Equipment	9,883,484	29,797,707	-66.83%
Vehicles	953,503	919,433	3.71%
Totals at historical cost	\$ 186,637,287	\$ 206,374,790	-9.56%
Less accumulated depreciation	(45,230,448)	(56,056,291)	-19.31%
Net capital assets	\$ 141,406,839	\$ 150,318,499	-5.93%

LONG TERM DEBT

At year-end, the District had \$ 204,740,262 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" ratings.

Table A-5

**Coppell Independent School District's
Long Term Debt**

	Governmental Activities		Total Percentage Change 2007-2008
	2008	2007	
Bonds Payable	\$ 133,117,584	\$ 119,832,152	11.09%
Other Debt Payable	71,622,678	68,352,536	4.78%
Total Debt Payable	\$ 204,740,262	\$ 188,184,688	8.80%

ECONOMIC FACTORS

The District's property valuation continues to increase as it has in prior years. Local property maintenance and operations tax rates are restricted by state statute, without local elections, to \$ 1.04 for FY 08-09. The state funding formula was changed to provide state funds to replace the lost local property tax revenue in the 07-08 and future fiscal years. This change in state funding as well as continued property value increases could impact the District's financial operations including cash flows.

**COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2008**

The District continues to experience a substantial growth in property values, contributing to a strong economic outlook. With the recent decline in the student population, the District will continue to monitor staffing levels while still meeting the educational needs of the student population.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2008

		1	2	3
Data				
Control		Governmental	Business-type	
Codes		Activities	Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	\$ 48,230,032	\$ (11,442)	\$ 48,218,590
1225	Property Taxes Receivable, Net	2,333,706	-	2,333,706
1240	Due from Other Governments	3,831,244	-	3,831,244
1290	Other Receivables, Net	152,248	-	152,248
1300	Inventories	79,988	-	79,988
1410	Deferred Expenses	5,647	-	5,647
1420	Capitalized Bond and Other Debt Issuance Costs	1,622,738	-	1,622,738
Capital Assets:				
1510	Land	17,320,928	-	17,320,928
1520	Buildings and Improvements, Net	116,823,800	-	116,823,800
1530	Furniture and Equipment, Net	7,265,505	-	7,265,505
1800	Restricted Assets	9,000,000	-	9,000,000
1000	Total Assets	\$ 206,665,836	\$ (11,442)	\$ 206,654,394
LIABILITIES				
2110	Accounts Payable	\$ 3,088,183	\$ -	\$ 3,088,183
2140	Interest Payable	168,678	-	168,678
2165	Accrued Liabilities	3,401,329	-	3,401,329
2180	Due to Other Governments	474,791	-	474,791
2300	Unearned Revenues	904,160	-	904,160
Noncurrent Liabilities:				
2501	Due within one year	10,458,782	-	10,458,782
2502	Due in more than one year	194,223,516	-	194,223,516
2000	Total Liabilities	\$ 212,719,439	\$ -	\$ 212,719,439
NET ASSETS				
3200	Invested in Capital Assets, Net of Related Debt	\$ 35,602,103	\$ -	\$ 35,602,103
Restricted For:				
3850	Debt Service	2,503,698	-	2,503,698
3900	Unrestricted	(44,159,404)	(11,442)	(44,170,846)
3000	Total Net Assets	\$ (6,053,603)	\$ (11,442)	\$ (6,065,045)

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2008

	1	3	4	6	7	8
	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Data			Operating			
Control		Charges for	Grants and	Governmental	Business-type	
Codes Functions/Programs	Expenses	Services	Contributions	Activities	Activities	Total
Government Activities:						
11 Instruction	\$ 52,215,007	\$ 3,627,335	\$ 3,816,711	\$ (44,770,961)	\$ -	\$ (44,770,961)
12 Instructional Resources and Media Services	1,403,263	-	43,995	(1,359,268)	-	(1,359,268)
13 Curriculum and Staff Development	661,733	-	248,080	(413,653)	-	(413,653)
21 Instructional Leadership	1,807,401	-	148,553	(1,658,848)	-	(1,658,848)
23 School Leadership	4,475,582	791	138,842	(4,335,949)	-	(4,335,949)
31 Guidance, Counseling and Evaluation Services	3,042,388	-	483,581	(2,558,807)	-	(2,558,807)
32 Social Work Services	4,595	-	142	(4,453)	-	(4,453)
33 Health Services	636,415	-	19,417	(616,998)	-	(616,998)
34 Student (Pupil) Transportation	899,605	-	27,014	(872,591)	-	(872,591)
35 Food Services	3,904,363	3,413,087	655,761	164,485	-	164,485
36 Cocurricular/Extracurricular Activities	2,295,586	551,720	57,958	(1,685,908)	-	(1,685,908)
41 General Administration	2,962,149	-	116,517	(2,845,632)	-	(2,845,632)
51 Plant Maintenance and Operations	8,161,499	217,562	255,847	(7,688,090)	-	(7,688,090)
52 Security and Monitoring Services	176,024	-	123,316	(52,708)	-	(52,708)
53 Data Processing Services	2,217,596	-	46,077	(2,171,519)	-	(2,171,519)
61 Community Services	154,831	-	6,042	(148,789)	-	(148,789)
72 Interest on Long-term Debt	11,135,578	-	-	(11,135,578)	-	(11,135,578)
73 Bond Issuance Costs and Fees	314,644	-	-	(314,644)	-	(314,644)
81 Capital Outlay	226,008	-	-	(226,008)	-	(226,008)
91 Contracted Instructional Services between Schools	26,721,015	-	-	(26,721,015)	-	(26,721,015)
93 Payments for Shared Services Arrangements	79,423	-	-	(79,423)	-	(79,423)
95 Payments to Juvenile Justice Alternative Ed. Prgm.	27,475	-	-	(27,475)	-	(27,475)
TG Total Government Activities	<u>\$ 123,522,180</u>	<u>\$ 7,810,495</u>	<u>\$ 6,187,853</u>	<u>\$ (109,523,832)</u>	<u>\$ -</u>	<u>\$ (109,523,832)</u>
Business-type Activities:						
01 Tennis Court	\$ 47,947	\$ 41,104	\$ 1,456	\$ -	\$ (5,387)	\$ (5,387)
TB Total Business-type Activities	<u>\$ 47,947</u>	<u>\$ 41,104</u>	<u>\$ 1,456</u>	<u>\$ -</u>	<u>\$ (5,387)</u>	<u>\$ (5,387)</u>
TP Total Primary Government	<u>\$ 123,570,127</u>	<u>\$ 7,851,599</u>	<u>\$ 6,189,309</u>	<u>\$ (109,523,832)</u>	<u>\$ (5,387)</u>	<u>\$ (109,529,219)</u>
General Revenues:						
MT Property Taxes, Levied for General Purpose				\$ 74,682,605	\$ -	\$ 74,682,605
DT Property Taxes, Levied for Debt Service				16,361,433	-	16,361,433
IE Investment Earnings				2,828,269	-	2,828,269
GC Grants and Contributions Not Restricted to Specific Programs				18,661,242	-	18,661,242
MI Miscellaneous				1,681,649	-	1,681,649
TR Total General Revenues and Transfers				<u>\$ 114,215,198</u>	<u>\$ -</u>	<u>\$ 114,215,198</u>
CN Change in Net Assets				<u>\$ 4,691,366</u>	<u>\$ (5,387)</u>	<u>\$ 4,685,979</u>
NB Net Assets - Beginning (September 1)				\$ 7,890,413	\$ (6,055)	\$ 7,884,358
PA Prior Period Adjustments				<u>(18,635,382)</u>	<u>-</u>	<u>(18,635,382)</u>
NE Net Assets - Beginning, as restated				<u>\$ (10,744,969)</u>	<u>\$ (6,055)</u>	<u>\$ (10,751,024)</u>
Net Assets - Ending (August 31)				<u>\$ (6,053,603)</u>	<u>\$ (11,442)</u>	<u>\$ (6,065,045)</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2008

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS					
1110 Cash and Cash Equivalents	\$ 27,742,094	\$ 2,285,049	\$ 16,427,299	\$ 1,747,577	\$ 48,202,019
1225 Property Taxes Receivable, Net	1,988,713	344,993	-	-	2,333,706
1240 Due from Other Governments	3,539,151	-	-	292,093	3,831,244
1260 Due from Other Funds	-	42,334	-	-	42,334
1290 Other Receivables	109,816	-	25,552	16,880	152,248
1300 Inventories	33,368	-	-	46,620	79,988
1410 Deferred Expenditures	5,647	-	-	-	5,647
1800 Restricted Assets	-	-	9,000,000	-	9,000,000
1000 Total Assets	\$ 33,418,789	\$ 2,672,376	\$ 25,452,851	\$ 2,103,170	\$ 63,647,186
LIABILITIES					
Current Liabilities:					
2110 Accounts Payable	\$ 416,249	\$ -	\$ 2,384,843	\$ 287,091	\$ 3,088,183
2150 Payroll Deductions and Withholdings	738,976	-	-	17,520	756,496
2160 Accrued Wages Payable	2,531,843	-	-	112,365	2,644,208
2170 Due to Other Funds	42,334	-	-	-	42,334
2180 Due to Other Governments	322,056	-	152,260	475	474,791
2300 Unearned Revenues	2,535,624	344,993	-	357,249	3,237,866
2000 Total Liabilities	\$ 6,587,082	\$ 344,993	\$ 2,537,103	\$ 774,700	\$ 10,243,878
FUND BALANCES					
Reserved Fund Balances:					
3410 Investments in Inventory	\$ 33,368	\$ -	\$ -	\$ 46,620	\$ 79,988
3420 Debt Service	-	2,327,383	-	-	2,327,383
3450 Reserve for Food Service	-	-	-	746,925	746,925
3490 Other Reserves of Fund Balance	-	-	22,915,748	534,925	23,450,673
3600 Unreserved	26,798,339	-	-	-	26,798,339
3000 Total Fund Balances	\$ 26,831,707	\$ 2,327,383	\$ 22,915,748	\$ 1,328,470	\$ 53,403,308
4000 Total Liabilities and Fund Balances	\$ 33,418,789	\$ 2,672,376	\$ 25,452,851	\$ 2,103,170	\$ 63,647,186

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET (GOVERNMENTAL FUNDS)
 TO THE STATEMENT OF NET ASSETS
 AUGUST 31, 2008

Total fund balances - Balance Sheet (governmental funds)	\$ 53,403,308
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	141,405,561
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	2,333,706
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	32,060
Payables for bond principal which are not due in the current period are not reported in the funds.	(133,117,583)
Payables for bond interest which are not due in the current period are not reported in the funds.	(168,678)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	(71,564,715)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	<u>1,622,738</u>
Net assets of governmental activities - Statement of Net Assets	<u><u>\$ (6,053,603)</u></u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED AUGUST 31, 2008

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	98 Other Governmental Funds	98 Total Governmental Funds
REVENUES					
5700 Local and Intermediate Sources	\$ 80,747,231	\$ 16,565,418	\$ 1,202,701	\$ 4,088,239	\$ 102,603,589
5800 State Program Revenues	21,030,859	-	-	1,300,031	22,330,890
5900 Federal Program Revenues	-	-	-	2,304,326	2,304,326
5020 Total Revenues	\$ 101,778,090	\$ 16,565,418	\$ 1,202,701	\$ 7,692,596	\$ 127,238,805
EXPENDITURES					
Current:					
0011 Instruction	\$ 46,055,825	\$ -	\$ 1,670,851	\$ 2,408,401	\$ 50,135,077
0012 Instructional Resources and Media Services	1,208,418	-	89,285	12,755	1,310,458
0013 Curriculum and Staff Development	399,909	-	-	240,930	640,839
0021 Instructional Leadership	1,661,894	-	-	96,967	1,758,861
0023 School Leadership	4,417,055	-	-	8,907	4,425,962
0031 Guidance, Counseling and Evaluation Services	2,593,696	-	-	408,522	3,002,218
0032 Social Work Services	4,595	-	-	-	4,595
0033 Health Services	626,676	-	-	355	627,031
0034 Student (Pupil) Transportation	871,846	-	-	-	871,846
0035 Food Services	-	-	-	4,018,183	4,018,183
0036 Cocurricular/Extracurricular Activities	1,807,073	-	-	19,245	1,826,318
0041 General Administration	2,819,038	-	-	40,200	2,859,238
0051 Plant Maintenance and Operations	8,257,264	-	1,402,603	10,828	9,670,695
0052 Security and Monitoring Services	163,303	-	-	12,721	176,024
0053 Data Processing Services	1,487,115	-	1,045,461	-	2,532,576
0061 Community Services	148,301	-	-	6,000	154,301
0071 Principal on Long-term Debt	-	9,754,569	-	-	9,754,569
0072 Interest on Long-term Debt	-	7,974,757	-	-	7,974,757
0073 Bond Issuance Cost and Fees	-	3,290	250,437	-	253,727
0081 Capital Outlay	-	-	10,931,441	-	10,931,441
0091 Contracted Instructional Services between Schools	26,721,015	-	-	-	26,721,015
0093 Payments for Shared Service Arrangements	46,198	-	-	33,225	79,423
0095 Payments to Juvenile Justice Alternative Ed. Prgm.	27,475	-	-	-	27,475
6030 Total Expenditures	\$ 99,316,696	\$ 17,732,616	\$ 15,390,078	\$ 7,317,239	\$ 139,756,629
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,461,394	\$ (1,167,198)	\$ (14,187,377)	\$ 375,357	\$ (12,517,824)
OTHER FINANCING SOURCES (USES)					
7911 Capital-Related Debt Issued (Regular Bonds)	\$ -	\$ -	\$ 23,040,000	\$ -	\$ 23,040,000
7912 Sale of Real or Personal Property	17,234	-	-	-	17,234
7915 Operating Transfers In	10,000	-	-	-	10,000
7916 Premium or Discount on Issuance of Bonds	-	20,802	125,000	-	145,802
8911 Operating Transfers Out	-	-	-	(10,000)	(10,000)
7080 Net Other Financing Sources (Uses)	\$ 27,234	\$ 20,802	\$ 23,165,000	\$ (10,000)	\$ 23,203,036
1200 Net Changes in Fund Balances	\$ 2,488,628	\$ (1,146,396)	\$ 8,977,623	\$ 365,357	\$ 10,685,212
0100 Fund Balance - Beginning (September 1)	\$ 24,432,144	\$ 3,473,779	\$ 13,938,125	\$ 906,716	\$ 42,750,764
1300 Prior Period Adjustments	(89,065)	-	-	56,397	(32,668)
Fund Balance - Beginning, as restated	\$ 24,343,079	\$ 3,473,779	\$ 13,938,125	\$ 963,113	\$ 42,718,096
3000 Fund Balance - Ending (August 31)	\$ 26,831,707	\$ 2,327,383	\$ 22,915,748	\$ 1,328,470	\$ 53,403,308

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, 2008

Net change in fund balances - total governmental funds	\$ 10,685,212
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	13,712,548
The depreciation of capital assets used in governmental activities is not reported in the funds.	(4,015,435)
The gain or loss on the sale of capital assets is not reported in the funds.	(18,608,775)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	957,507
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(182,500)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	9,754,569
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(60,917)
The accretion of interest on capital appreciation bonds is not reported in the funds.	(2,941,840)
(Increase) decrease in accrued interest from beginning of period to end of period.	(36,481)
The net revenue (expense) of internal service funds is reported with governmental activities.	4,505
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(23,040,000)
Bond premiums are reported in the funds but not in the SOA.	(145,802)
	<hr/>
Change in net assets of governmental activities - statement of activities	<u><u>\$ (13,917,409)</u></u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS - PROPRIETARY FUNDS
AUGUST 31, 2008

		Nonmajor Enterprise Fund	Nonmajor Internal Service Fund
Data Control Codes		Tennis Court Fund	Print Shop Fund
	ASSETS		
	Current Assets:		
1110	Cash and Cash Equivalents	\$ (11,442)	\$ 28,013
	Total Current Assets	\$ (11,442)	\$ 28,013
	Noncurrent Assets:		
	Capital Assets:		
1530	Furniture and Equipment	\$ -	\$ 29,685
1570	Accumulated Depreciation	-	(25,013)
	Total Noncurrent Assets	\$ -	\$ 4,672
1000	Total Assets	\$ (11,442)	\$ 32,685
	LIABILITIES		
	Current Liabilities:		
2150	Payroll Deduction and Withholdings	\$ -	\$ 54
2160	Accrued Wages Payable	-	571
2000	Total Liabilities	\$ -	\$ 625
	NET ASSETS		
3900	Unrestricted Net Assets	\$ (11,442)	\$ 32,060
3000	Total Net Assets	\$ (11,442)	\$ 32,060

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2008

Data Control Codes		Nonmajor Enterprise Fund	Nonmajor Internal Service Fund
		Tennis Court	Print Shop
		Fund	Fund
	OPERATING REVENUES		
5700	Local and Intermediate Sources	\$ 41,104	\$ 51,712
5800	State Program Revenues	<u>1,456</u>	<u>1,300</u>
5020	Total Revenues	<u>\$ 42,560</u>	<u>\$ 53,012</u>
	OPERATING EXPENSES		
6100	Payroll Costs	\$ 47,947	\$ 20,596
6200	Professional and Contracted Services	-	11,696
6300	Supplies and Materials	-	13,475
6400	Other Operating Costs	<u>-</u>	<u>2,740</u>
6030	Total Expenses	<u>\$ 47,947</u>	<u>\$ 48,507</u>
1300	Change in Net Assets	<u>\$ (5,387)</u>	<u>\$ 4,505</u>
0100	Total Net Assets - Beginning (September 1)	\$ (6,055)	\$ 21,496
	Prior Period Adjustment	<u></u>	<u>6,059</u>
	Total Net Assets - Beginning, as restated	<u>\$ (6,055)</u>	<u>\$ 27,555</u>
3000	Total Net Assets - Ending (August 31)	<u><u>\$ (11,442)</u></u>	<u><u>\$ 32,060</u></u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2008

	Nonmajor Enterprise Fund	Internal Service Fund
	Tennis Court Fund	Print Shop Fund
Cash Flows from Operating Activities:		
Cash Receipts from Customers	\$ 41,104	\$ -
Cash Receipts (Payments) for Quasi -external Operating Transactions with Other Funds	-	51,713
Cash Payments to Employees for Services	(46,491)	(17,163)
Cash Payments to Other Suppliers for Goods and Services	-	(26,934)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (5,387)</u>	<u>\$ 7,616</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 Cash Equivalents	\$ (5,387)	\$ 7,616
Cash and Cash Equivalents - Beginning (September 1)	<u>(6,055)</u>	<u>20,397</u>
Cash and Cash Equivalents - Ending (August 31)	<u><u>\$ (11,442)</u></u>	<u><u>\$ 28,013</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Change in Net Assets	(5,387)	4,505
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	-	2,665
Change in Assets and Liabilities:		
Decrease (Increase) in Interfund Receivables	-	370
Increase (Decrease) in Payroll Deductions	-	59
Increase (Decrease) in Accrued Wages Payable	<u>-</u>	<u>17</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (5,387)</u></u>	<u><u>\$ 7,616</u></u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
AUGUST 31, 2008

Data Control Codes		Agency Funds
ASSETS		
1110	Cash and Cash Equivalents	\$ 734,975
1290	Other Receivables	<u>1,633</u>
1000	Total Assets	<u>\$ 736,608</u>
LIABILITIES		
	Current Liabilities:	
2110	Accounts Payable	\$ 1,892
2190	Due to Student Groups	<u>734,716</u>
2000	Total Liabilities	<u>\$ 736,608</u>
NET ASSETS		
3000	Total Net Assets	<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, 2008

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

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

2. Basis of Presentation – Basis of Accounting

a. Basis of Presentation

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

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

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 major enterprise funds:

Enterprise Fund – This fund is used to account for revenues and expenses related to goods or services sold to parties outside the District. The District uses this fund to account for its tennis court operations, because the intent is for the tennis court program to be self-supporting and not require subsidies from the general fund.

In addition, the District reports the following fund types:

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

Fiduciary Funds – These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments. These include agency funds. Agency funds are purely custodial and thus do not involve measurement of results of operations.

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, 2008

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 purposed 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, 2008

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	<u>-0-</u>
Total	<u>\$ -0-</u>

5. Financial Statement Amounts

Cash and Cash Equivalents

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

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

Fund Equity

In the Fund Financial Statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves have been established for long-term debt and food service.

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.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

A. Summary of Significant Accounting Policies (Continued)

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

Debt Costs

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

Accretion

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

6. Receivable and Payable Balances

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

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

7. Interfund Activities

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

8. Vacation, Sick Leave, and Other Compensated Absences

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

9. Use of Estimates

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

A. Summary of Significant Accounting Policies (Continued)

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.

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, 2008, 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 securitized 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 MBIA. All Lone Star Investment Pool, TexSTAR, Texpool, LOGIC and MBIA accounts are reported at share price (fair value) and are presented as cash and cash equivalents.

The Lone Star Investment Pool is managed by the Board of Directors of the Texas Association of School Boards. This Board is comprised of elected members of the organization. An advisory board of qualified investment members advised the directors on investment decisions.

The Texas Local Government Investment Pool (TexPool) is managed by the Texas Comptroller of Public Accounts. The Comptroller is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate Texpool. In addition, the Texpool Advisory Board advises on Texpool's investment policy. This 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, 2008

B. Deposits, Securities and Investments (Continued)

The Texas Short Term Asset Reserve (TexSTAR) is managed by First Southwest Companies. An advisory board of qualified investment members manages the investment decisions.

The LOGIC Investment Pool is managed by an elected Board of Directors. The Board is comprised of elected members of the organization. An advisory board of qualified investment members advises the Directors on investment decisions.

MBIA Asset Management is an asset management company over-seeing the operation of the MBIA fund created under the regulations of the Public Funds Investment Act.

TexasTERM is a local government investment pool that is managed by PFM Asset Management, Inc. The pool is overseen by a board of directors made up of plan members. The pool was established under the requirements of the Public Funds Investment Act.

Investments can be categorized according to three levels of custodial credit risk. These three levels of custodial risk are as follows:

Category 1	Insured or registered, or securities held by the District or its agent in the District's name.
Category 2	Uninsured and unregistered, with securities held by the financial institution's trust department or agency in the District's name.
Category 3	Uninsured and unregistered, with securities held by the financial institution, or by its trust department or agent but not in the District's name.

The following table categorizes the District's investment at August 31, 2008, using these three levels of custodial credit risk.

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value</u>
Lone Star Investment Pool *				\$ 19,933,662
MBIA *				6,897,568
TexSTAR *				877,122
LOGIC *				1,509,440
TexPool *				758,923
TexasTERM *				<u>16,610,494</u>
Total				<u>\$ 46,587,209</u>

* Local government pool investments are based upon a contract and not the security itself. Therefore, these type of investments are not categorized above.

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 \$ 8,516,671.
- c. Largest cash, savings and time deposit combined account balances amounted to \$ 3,520,565, and occurred during the month of March 2008.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$ 100,960.

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:

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

B. Deposits, Securities, and Investments (Continued)

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.

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 \$ 1.040 to fund general operations and \$ 0.229 for the payment of principal and interest on long term debt. The rates were levied on property assessed totaling \$ 7,001,508,112.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

D. Capital Assets

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental Activities:</u>				
Capital Assets not being depreciated:				
Land	\$ 16,163,927	\$ 1,157,001	\$ -0-	\$ 17,320,928
Total Capital Assets not being depreciated	\$ 16,163,927	\$ 1,157,001	\$ -0-	\$ 17,320,928
Capital Assets being depreciated:				
Buildings and Improvements	\$ 159,493,723	\$ 9,479,510	\$ 10,493,861	\$ 158,479,372
Equipment	29,797,707	2,150,534	22,064,757	9,883,484
Vehicles	919,433	925,503	891,433	953,503
Total Capital Assets being depreciated	\$ 190,210,863	\$ 12,555,547	\$ 33,450,051	\$ 169,316,359
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 38,512,967	\$ 3,142,605	\$ -0-	\$ 41,655,572
Equipment	16,964,485	795,092	14,841,276	2,918,301
Vehicles	578,839	77,736	-0-	656,575
Total Accumulated Depreciation	\$ 56,056,291	\$ 4,015,433	\$ 14,841,276	\$ 45,230,448
Total Capital Assets being depreciated, net	\$ 134,154,572	\$ 8,540,114	\$ 18,608,775	\$ 124,085,911
Governmental Activities Capital Assets, net	\$ 150,318,499	\$ 9,697,115	\$ 18,608,775	\$ 141,406,839

Depreciation was charged to functions as follows:

Instruction	\$ 2,533,377
Instructional Resources and Media Services	92,805
Curriculum and Staff Development	20,894
Instructional Leadership	48,540
School Leadership	49,620
Guidance, Counseling and Evaluation Services	40,170
Health Services	9,384
Student (Pupil) Transportation	27,759
Food Services	134,159
Cocurricular/Extracurricular Activities	475,159
General Administration	102,911
Plant Maintenance and Operations	118,749
Data Processing Services	361,376
Community Services	530
Total	\$ 4,015,433

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

D. Capital Assets (Continued)

Change in Accounting Policy

The District raised its capitalization threshold from \$ 500 to \$ 5,000 per unit cost to reflect assets in accordance with State and Federal guidelines. Because of this change, the net effect was to reduce capital assets by \$ 18,608,775. This change has been reflected as a restatement to the to the beginning net asset balance as presented on Exhibit B-1.

E. Long Term Obligations

Long Term Obligation Activity

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 119,832,152	\$ 23,040,000	\$ 9,754,568	\$ 133,117,584	\$ 10,458,782
Accreted Interest Payable	71,451,809	6,709,308	3,825,435	74,335,682	-0-
Unamortized Premium (Discount)	(1,023,349)	145,802	(57,965)	(819,582)	-0-
Refunding Gain (Loss)	(2,075,922)	-0-	(182,500)	(1,893,422)	-0-
Total Governmental Activities	<u>\$ 188,184,690</u>	<u>\$ 29,895,110</u>	<u>\$ 13,339,538</u>	<u>\$ 204,740,262</u>	<u>\$ 10,458,782</u>

Bonds

The District issued "Coppell Independent School District Unlimited Tax School Building Bonds, Series 2007," dated August 15, 2007 for the purpose of constructing facilities, acquiring school buses and purchasing of future necessary sites. This issue completes the authorizations of voters for the issuance of debt. The bonds will incur interest at an average rate of 4.813% over the 20 year maturity period.

In prior years, the District issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The District has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. Although defeased, the refunded debt from those earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. At August 31, 2008, \$ 25,434,823 of bonds outstanding are considered defeased.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

E. Long Term Obligations (Continued)

The following bonded debt issues are outstanding at August 31, 2008:

Description	Rate	Balance
Unlimited Tax Refunding Bonds, Series 1992	4.00%-6.10%	\$ 6,310,156
Unlimited Tax Refunding Bonds, Series 1995	5.00%-7.00%	8,570,173
Unlimited School Building & Refunding Bonds, Series 1996	3.80%-5.50%	510,000
Unlimited School Building & Refunding Bonds, Series 1999	4.40%-5.95%	13,335,567
Unlimited School Building & Refunding Bonds, Series 2001	5.25%-5.67%	11,810,940
Unlimited Tax Refunding Bonds, Series 2002	3.66%	2,770,000
Unlimited School Building Bonds, Series 2006	4.50%	25,660,000
Unlimited Tax Refunding Bonds, Series 2007A	3.80%-4.21%	4,453,252
Unlimited Tax Refunding Bonds, Series 2007B	3.75%-4.09%	37,987,496
Unlimited Tax School Building Bonds, Series 2007	4.25%-5.00%	21,710,000
Total		<u>\$ 133,117,584</u>

Debt service requirements on bonded debt at August 31, 2008, are as follows:

Year Ending August 31	Principal	Interest	Total
2009	\$ 10,458,782	\$ 7,654,495	\$ 18,113,277
2010	7,569,829	11,823,012	19,392,841
2011	5,322,796	12,194,313	17,517,109
2012	5,028,805	12,492,055	17,520,860
2013	4,844,881	12,687,263	17,532,144
2014-2018	31,288,765	51,156,221	82,444,986
2019-2023	42,184,430	39,418,026	81,602,456
2024-2028	22,966,310	44,560,628	67,526,938
2029-2030	3,452,986	22,947,014	26,400,000
Totals	<u>\$ 133,117,584</u>	<u>\$ 214,933,027</u>	<u>\$ 348,050,611</u>

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.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

F. Pension Plan (Continued)

2. Funding Policy

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.0% of the District's covered payroll. In certain instances, the District is required to make all or a portion of the State's 6% contribution. Contributions are not actuarially determined but are legally established each biennium by the legislature of the State of Texas. The District's employees contributions to the System for the periods ended August 31, 2008, 2007, and 2006 were \$ 3,401,044, \$ 3,278,064, and \$ 2,791,694, respectively. Contributions from private grants and from the District for salaries above the statutory minimum for the periods ended August 31, 2008, 2007, and 2006 were \$ 911,406, \$ 680,448, and \$ 477,074, respectively.

3. On-Behalf Payments

In accordance with GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," on-behalf payments (payments made by the State) of \$ 2,718,799 are reflected in the basic financial statements.

G. School District Retiree Health Plan

1. Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS website at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

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 2008, 2007, 2006. 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 \$ 413,191 are reflected in the basic financial statements for Retiree Health Plan contributions. Additionally, the District benefited from payments made by the State totaling \$ 121,852 for subsidies for Medicare Part D.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

H. Risk Management

Health Care

During the year ended August 31, 2008, employees of the Coppell Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of up to \$ 285 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, 2007 and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Other Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2008, the District purchased commercial insurance to cover these liabilities. There were not significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Workers' Compensation

During the year ended August 31, 2008, 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, 2008, the Fund carries a discounted reserve of \$ 76,073,881 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended August 31, 2008, the fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is approved by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2007, are available at the TASB offices and have been filed with the Texas State Board of Insurance of Austin.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

I. Litigation

The District is party to three separate actions related to the condemnation of property needed for future school sites. The District placed \$ 9,000,000 in escrow with the court during the prior year. The plaintiffs have challenged the right of the District to acquire the property through condemnation. The District will vigorously defend their right to the action. On October 3, 2008, the parties to the action agreed to a settlement of the value placed on the property in question as well as all other claims. The settlement agreement requires completion of the various actions agreed to prior to October 31, 2008.

At August 31, 2008, the \$ 9,000,000 escrow payment has been recorded as a restricted asset. No other amounts can be estimated on any potential claims or damages against the District. If any further issues arise with regard to these settled activities, the District will vigorously defend its position.

J. Prior Period Adjustments

The change in net assets identified on Exhibit B-1 is the result of changes in prior period state aid reconciliations that decreased the beginning net assets in the amount of \$ 26,607 and the change in the value of net capital assets of \$ 18,608,775.

K. Commitments and Contingencies

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2008, 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.

L. Interfund Balances and Activities

Interfund Receivables and Payables

The composition of interfund balances as of August 31, 2008, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	General Fund	\$ 42,334
Total		<u>\$ 42,234</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2008

M. Revenue from Local and Intermediate Sources

During the year ended August 31, 2008 the District received revenue from local and intermediate sources consisting of the following:

<u>Local Revenue Sources:</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property Tax Collections – Current	\$ 72,695,223	\$ 16,000,694	\$ -0-	\$ -0-	\$ 88,695,917
Property Tax Collections – Delinquent	511,278	83,798	-0-	-0-	595,076
Penalties, Interest and Other					
Tax-Related Income	686,569	108,968	-0-	-0-	795,537
Investment Income	1,616,630	371,958	839,681	40,371	2,868,640
Food Service Income	-0-	-0-	-0-	3,344,540	3,344,540
Gifts and Bequests	3,300,525	-0-	-0-	564,294	3,864,819
Extracurricular Activities	261,912	-0-	-0-	-0-	261,912
Other	1,675,094	-0-	363,020	139,034	2,177,148
 Total Local Revenue	 \$ 80,747,231	 \$ 16,565,418	 \$ 1,202,701	 \$ 4,088,239	 \$ 102,603,589

N. Commitments under Leases

Commitments under operating (noncapitalized) lease agreements for equipment provide for minimum future rental payments as of August 31, 2008, as follows:

<u>Year Ended August 31</u>	<u>Total Requirements</u>
2009	\$ 191,693
2010	191,693
2011	63,689
2012	<u>63,689</u>
 Total	 \$ <u>510,764</u>
 Rental Expenditures in Fiscal Year 2008	 \$ <u>440,509</u>

O. 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

REQUIRED SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2008

YEAR ENDED AUGUST 31, 2000					
Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and Intermediate Sources	\$ 79,228,658	\$ 79,633,603	\$ 80,747,231	\$ 1,113,628
5800	State Program Revenues	20,242,881	20,669,207	21,030,859	361,652
5020	Total Revenues	\$ 99,471,539	\$ 100,302,810	\$ 101,778,090	\$ 1,475,280
EXPENDITURES					
0010	Instruction and Instructional Related Services:				
0011	Instruction	\$ 47,431,570	\$ 46,375,477	\$ 46,055,825	\$ 319,652
0012	Instructional Resources and Media Services	1,227,130	1,253,193	1,208,418	44,775
0013	Curriculum and Staff Development	546,454	630,872	399,909	230,963
	Total Instruction and Instr. Related Services	\$ 49,205,154	\$ 48,259,542	\$ 47,664,152	\$ 595,390
0020	Instructional and School Leadership:				
0021	Instructional Leadership	\$ 1,819,708	\$ 1,764,064	\$ 1,661,894	\$ 102,170
0023	School Leadership	4,422,121	4,498,869	4,417,055	81,814
	Total Instructional and School Leadership	\$ 6,241,829	\$ 6,262,933	\$ 6,078,949	\$ 183,984
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling and Evaluation Services	\$ 2,662,940	\$ 2,658,729	\$ 2,593,696	\$ 65,033
0032	Social Work Services	-	16,000	4,595	11,405
0033	Health Services	640,448	656,574	626,676	29,898
0034	Student (Pupil) Transportation	912,890	952,890	871,846	81,044
0036	Cocurricular/Extracurricular Activities	1,923,445	2,032,194	1,807,073	225,121
	Total Support Services - Student (Pupil)	\$ 6,139,723	\$ 6,316,387	\$ 5,903,886	\$ 412,501
0040	Administrative Support Services:				
0041	General Administration	\$ 3,002,084	\$ 2,994,439	\$ 2,819,038	\$ 175,401
	Total Administrative Support Services	\$ 3,002,084	\$ 2,994,439	\$ 2,819,038	\$ 175,401
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	\$ 8,678,308	\$ 8,763,182	\$ 8,257,264	\$ 505,918
0052	Security and Monitoring Services	191,908	203,908	163,303	40,605
0053	Data Processing Services	1,457,072	1,532,292	1,487,115	45,177
	Total Support Services - Nonstudent Based	\$ 10,327,288	\$ 10,499,382	\$ 9,907,682	\$ 591,700
0060	Ancillary Services:				
0061	Community Services	\$ 126,010	\$ 178,510	\$ 148,301	\$ 30,209
	Total Ancillary Services	\$ 126,010	\$ 178,510	\$ 148,301	\$ 30,209
0090	Intergovernmental Charges:				
0091	Contracted Inst. Services between Public Schools	\$ 26,657,443	\$ 26,857,443	\$ 26,721,015	\$ 136,428
0093	Payments for Shared Service Agreements	99,500	104,500	46,198	58,302
0095	Payments to Juvenile Justice AEP	33,970	38,970	27,475	11,495
	Total Intergovernmental Charges	\$ 26,790,913	\$ 27,000,913	\$ 26,794,688	\$ 206,225
6030	Total Expenditures	\$ 101,833,001	\$ 101,512,106	\$ 99,316,696	\$ 2,195,410
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real or Personal Property	\$ -	\$ -	\$ 17,234	\$ 17,234
7915	Transfers In	-	10,000	10,000	-
7949	Other Resources	-	7,574	-	(7,574)
	Total Instruction and Instr. Related Services	\$ -	\$ 17,574	\$ 27,234	\$ 9,660
1200	Net Change in Fund Balance	\$ (2,361,462)	\$ (1,191,722)	\$ 2,488,628	\$ 3,680,350
0100	Fund Balance - Beginning (September 1)	\$ 24,432,144	\$ 24,432,144	\$ 24,432,144	\$ -
1300	Prior Period Adjustments	-	-	(89,065)	(89,065)
	Fund Balance - Beginning, as restated	\$ 24,432,144	\$ 24,432,144	\$ 24,343,079	\$ (89,065)
3000	Fund Balance - Ending (August 31)	\$ 22,070,682	\$ 23,240,422	\$ 26,831,707	\$ 3,591,285

OTHER SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
YEAR ENDED AUGUST 31, 2008

Tax Roll	Last Ten Years Ended Year	1	2	3	10	20	30	30a	40	50
		Tax Rates		Assessed/Appraised	Beginning	Current			Entire	Ending
			Debt	Value For School	Balance	Year's	Maintenance	Debt Service	Year's	Balance
	August 31	Maintenance	Service	Tax Purposes	9/1/2007	Total Levy	Tax Collections	Tax Collections	Adjustments	8/31/2008
XXXX	1999 and Prior Years	Various	Various	Various	\$ 59,923	\$ -	\$ 341	\$ 41	\$ (23,698)	\$ 35,843
1999	2000	1.454297	0.145703	3,937,459,872	65,466	-	218	22	(1)	65,225
2000	2001	1.452000	0.148000	4,409,913,062	124,916	-	9,783	997	(1)	114,135
2001	2002	1.465000	0.190000	4,792,368,338	115,177	-	4,670	606	-	109,901
2002	2003	1.495000	0.210000	5,187,755,953	110,499	-	101,083	14,199	108,664	103,881
2003	2004	1.500000	0.235000	5,440,440,000	220,337	-	103,826	16,266	135,269	235,514
2004	2005	1.500000	0.235000	5,910,792,683	136,032	-	73,967	11,588	91,105	141,582
2005	2006	1.500000	0.229000	6,045,593,233	129,294	-	103,048	15,732	272,587	283,101
2006	2007	1.370000	0.229000	6,342,768,417	567,465	-	264,706	44,246	327,086	585,599
2007	2008	1.040000	0.229000	7,001,508,112	-	88,849,138	72,678,378	16,003,220	750,725	918,265
1000	TOTALS				\$ 1,529,109	\$ 88,849,138	\$ 73,340,020	\$ 16,106,917	\$ 1,661,736	\$ 2,593,046

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED AUGUST 31, 2008

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

Account Number		1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs			\$ 316,051	\$ 1,511,461			\$ 1,827,512
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)							-
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)							-
6211	Legal Services	155,128						155,128
6212	Audit Services				37,500			37,500
6213	Tax Appraisal and Collection		392,048					392,048
621X	Other Prof. Services				668			668
6220	Tuition and Transfer Payments							-
6230	Education Service Centers				24,974			24,974
6240	Contr. Maint. And Repair					22,785		22,785
6250	Utilities							-
6260	Rentals				12,376			12,376
6290	Miscellaneous Contr.	75		1,552	177,583			179,210
6310	Operational Supplies, Materials							-
6320	Textbooks and Reading	84		324	2,742			3,150
6330	Testing Materials							-
63XX	Other Supplies, Materials			967	54,719			55,686
6410	Travel, Subsistence, Stipends	10,603		8,818	27,344			46,765
6420	Ins. And Bonding Costs							-
6430	Election Costs	9,581						9,581
6490	Miscellaneous Operating	4,225		4,964	80,302			89,491
6500	Debt Service							-
6600	Capital Outlay						-	-
TOTAL		\$ 179,696	\$ 392,048	\$ 332,676	\$ 1,929,669	\$ 22,785	\$ -	\$ 2,856,874

Total expenditures for General and Special Revenue Funds:

(9) \$ 106,633,935

LESS: Deductions and Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)

(10) \$ 663,397

Total Debt & Lease (6500)

(11) \$ -

Plant Maintenance (Function 51, 6100-6400)

(12) \$ 8,205,339

Food (Function XX, 6341 and 6499)

(13) \$ 1,419,855

Stipend (6413)

(14) \$ -

Column 4 (above) - Total Indirect Cost

\$ 1,929,669

Subtotal

12,218,260

Net Allowed Direct Cost

\$ 94,415,675

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)

(15) \$ 158,479,372

Historical Cost of Buildings over 50 years old

(16) \$ -

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

(17) \$ -

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

(18) \$ 10,836,987

Historical Cost of Furniture & Equipment over 16 years old

(19) \$ -

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

(20) \$ 262,500

(8) Note A - No Function 53 expenditures are included in this report on administrative costs.

COPPELL INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
GENERAL FUND AS OF AUGUST 31, 2008

“UNAUDITED”

Data Control Codes	Explanation	Amount
1.	Total General Fund Balance August 31, 2008 (Exhibit C-1 object 3000 for the General Fund only)	\$ <u>26,831,707</u>
2.	Total General Fund Reserve Fund Balance (from Exhibit C-1 – total of object 3400s for the General Fund only)	\$ <u>33,368</u>
3.	Total General Fund Designated Fund Balance (from Exhibit C-1 – total of object 3500s for the General Fund only)	\$ <u>-0-</u>
4.	Estimate amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	\$ <u>8,755,000</u>
5.	Estimated of one month’s average cash disbursements during the regular school session (9/1/08 - 5/31/09)	\$ <u>10,300,000</u>
6.	Estimate of delayed payments from state sources (58XX) including August payment delay	\$ <u>3,540,000</u>
7.	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District’s calculated earned state aid amount.	\$ <u>-0-</u>
8.	Estimate of delayed payments from federal sources (59XX)	\$ <u>292,000</u>
9.	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	\$ <u>-0-</u>
10.	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9)	\$ <u>22,920,368</u>
11.	Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (1-10)	\$ <u>3,911,339</u>

The District is in a continuing project to relieve crowding at its secondary campus. This excess balance will be utilized to forward these plans as well as for other instructional improvements in the District.

COPELL INDEPENDENT SCHOOL DISTRICT
SCHOOL BREAKFAST AND NATIONAL SCHOOL LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2008

Data		Budgeted Amounts			Variance with
Control					Final Budget
Codes		Original	Final	Actual	Positive
					(Negative)
REVENUES					
5700	Local and Intermediate Sources	\$ 3,159,850	\$ 3,159,850	\$ 3,413,087	\$ 253,237
5800	State Program Revenues	96,000	96,000	105,254	9,254
5900	Federal Program Revenues	534,250	534,250	550,507	16,257
5020	Total Revenues	\$ 3,790,100	\$ 3,790,100	\$ 4,068,848	\$ 278,748
EXPENDITURES					
Current:					
0030	Support Services - Student (Pupil):				
0035	Food Services	\$ 3,905,924	\$ 4,415,924	\$ 4,018,183	\$ 397,741
	Total Support Services - Student (Pupil)	\$ 3,905,924	\$ 4,415,924	\$ 4,018,183	\$ 397,741
6030	Total Expenditures	\$ 3,905,924	\$ 4,415,924	\$ 4,018,183	\$ 397,741
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (115,824)	\$ (625,824)	\$ 50,665	\$ 676,489
OTHER FINANCING SOURCES (USES):					
8911	Operating Transfers Out	\$ -	\$ -	\$ (10,000)	\$ (10,000)
8949	Other Uses	-	(10,000)	-	10,000
7080	Net Other Financing Sources and (Uses)	\$ -	\$ (10,000)	\$ (10,000)	\$ -
1200	Net Change in Fund Balance	\$ (115,824)	\$ (635,824)	\$ 40,665	\$ 676,489
0100	Fund Balances - Beginning (September 1)	752,880	752,880	752,880	-
3000	Fund Balances - Ending (August 31)	\$ 637,056	\$ 117,056	\$ 793,545	\$ 676,489

COPPELL INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2008

Data		Budgeted Amounts		Actual	Variance with Final Budget
Control					Positive
Codes		Original	Final		(Negative)
	REVENUES				
5700	Local and Intermediate Sources	\$ 16,921,808	\$ 16,921,808	\$ 16,565,418	\$ (356,390)
5020	Total Revenues	\$ 16,921,808	\$ 16,921,808	\$ 16,565,418	\$ (356,390)
	EXPENDITURES				
	Debt Service:				
0071	Principal on Long-term Debt	\$ 10,978,709	\$ 10,828,709	\$ 9,754,569	\$ 1,074,140
0072	Interest on Long-term Debt	6,998,182	7,148,182	7,974,757	(826,575)
0073	Bond Issuance Costs and Fees	9,600	9,600	3,290	6,310
	Total Debt Service	\$ 17,986,491	\$ 17,986,491	\$ 17,732,616	\$ 253,875
6030	Total Expenditures	\$ 17,986,491	\$ 17,986,491	\$ 17,732,616	\$ 253,875
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,064,683)	\$ (1,064,683)	\$ (1,167,198)	\$ (102,515)
	OTHER FINANCING SOURCES AND (USES)				
7916	Premium or Discount on Issuance of Bonds	\$ -	\$ 20,802	\$ 20,802	\$ -
7080	Net Other Financing Sources and (Uses)	\$ -	\$ 20,802	\$ 20,802	\$ -
1200	Net Change in Fund Balance	\$ (1,064,683)	\$ (1,043,881)	\$ (1,146,396)	\$ (102,515)
0100	Fund Balance - Beginning (September 1)	3,473,779	3,473,779	3,473,779	-
3000	Fund Balance - Ending (August 31)	\$ 2,409,096	\$ 2,429,898	\$ 2,327,383	\$ (102,515)

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
 AS OF AUGUST 31, 2008

<u>Data Control Codes</u>		<u>Response</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weakness in internal codes?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year end?	\$ 74,335,684

FEDERAL AWARDS SECTION

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2008

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	057-922	\$ 96,868
ESEA Title IV - Safe & Drug Free Schools	84.186	057-922	14,277
ESEA Title V Part A - Innovative Programs	84.298	057-922	9,205
ESEA Title II Part A - Teacher & Principal Training	84.367	057-922	113,756
ESEA Title II Part A - Teacher & Principal Training	84.367	057-922	8,190
Total passed through Education Service Center, Region X			<u>\$ 242,296</u>
Passed through the Texas Education Agency:			
ESEA Title I Part A - Improving Basic Programs	84.010	08610101057922	\$ 141,143
IDEA-B Formula	84.027	086600010579226600	1,028,817
IDEA-B Formula	84.028	096600010579226600	216,896
ESEA Title VI - Summer School LEP	84.369	057-922	18,639
Vocational Education - Basic Grant	84.048	0842000605792210	41,130
Vocational Education - Basic Grant	84.048	0942000605792210	889
Vocation Education - Curriculum Development	84.048	074200187110007	28,223
ESEA Title II Part D - Enhancing Education through Technology	84.318	08630001057922	1,744
Total passed through the Texas Education Agency			<u>\$ 1,477,481</u>
Total Department of Education			<u>\$ 1,719,777</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Education Agency:			
School Breakfast Program	10.553	057-922	\$ 48,920
National School Lunch Program	10.555	057-922	330,340
Total passed through the Texas Education Agency			<u>\$ 379,260</u>
Passed through the Texas Department of Human Services:			
Commodity Supplemental Food Program	10.565	057027A	171,247
Total Department of Agriculture			<u>\$ 550,507</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Passed through Education Service Center, Region XIV:			
Learn and Serve America	94.004	03KSWTX001	\$ 34,042
Total Corporation for National and Community Service			<u>\$ 34,042</u>
Total Expenditure of Federal Awards			<u>\$ 2,304,326</u>

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, 2008

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, 2008.