

**COPPELL INDEPENDENT  
SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED AUGUST 31, 2007**

**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, 2007

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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, 2007, 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,  
TAYLOR &  
COMPANY, P.C.  
*Certified Public Accountants*

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2802 Washington Street

Greenville, Texas 75401

(903) 455-6252

Fax (903) 455-6667

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, 2007, 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, 2007, 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 November 2, 2007, 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.

November 2, 2007  
Greenville, Texas

\*

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\* 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*

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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, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 2, 2007. 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 is 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.

November 2, 2007  
Greenville, Texas

\*



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

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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, 2007. 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, 2007.

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.

November 2, 2007  
Greenville, Texas

\*

COPPELL INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED AUGUST 31, 2007

**Summary of Auditor's Results**

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Type of Report on Financial Statements	Unqualified Opinion
Reportable Conditions	None
Material Weakness Involving Reportable Conditions	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 not classified as a low risk auditee in the context of OMB Circular A-133
Major Federal Programs	Special Education Cluster: IDEA-B Formula (84.027) IDEA-B Preschool (84.173)
Pass-through Entity	Texas Education Agency

COPPELL INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2007

**Schedule  
Reference  
Number**

**Findings**

---

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2007

**Schedule  
Reference  
Number**

**Prior Findings**

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NONE

COPPELL INDEPENDENT SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
YEAR ENDED AUGUST 31, 2007

**Schedule  
Reference  
Number**

**Actions Planned**

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NONE

**COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2007**

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, 2007. Please read it in conjunction with the District's basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

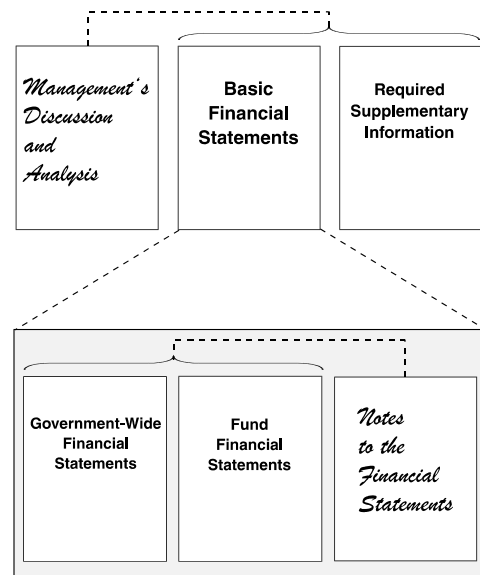
- The general fund reported an ending fund balance of \$ 24,432,144. This was an increase in the general fund balance from the prior year in the amount of \$ 6,698,926. The undesignated general fund balance increased \$ 6,804,577 from the prior year.
- The District has experienced a decline in enrollment of approximately 200 students in 2006-2007. 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 \$ 71,451,809 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 \$ 35,893,550 in the governmental activities.
- General revenues accounted for \$ 121,077,622, or 90.57% of all fiscal year 2007 revenue. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$ 12,604,101, or 9.48% of total fiscal year 2007 revenues.
- The District had approximately \$ 128,928,879 in expenses related to governmental activities; of which \$ 12,558,859 of these expenses were offset by program-specific charges for services or grants and contributions. General revenues of \$ 121,077,622 were adequate to provide for the remaining cost of these programs, resulting in a \$ 4,707,602 increase in net assets.
- The total cost of the District's programs increased due to continued student population growth in the District.
- The District issued \$ 43,600,748 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**



Summary  $\longleftrightarrow$  Detail

**COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2007**

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

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, 2007**

- 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 \$ 7,884,358 at August 31, 2007.

<b>Coppell Independent School District's Net Assets</b>							<b>Table A-1</b>
	Governmental Activities		Business-type Activities		Total		
	2007	2006	2007	2006	2007	2006	
<b>Assets:</b>							
Cash and Cash Equivalents	\$ 36,682,227	\$ 50,725,931	\$ (6,055)	\$ (1,591)	\$ 36,676,172	\$ 50,724,340	
Other Assets	17,090,144	4,155,886	-	1,672	17,090,144	4,157,558	
Capital Assets less Accumulated Depreciation	150,318,499	146,667,450	-	-	150,318,499	146,667,450	
<b>Total Assets</b>	<b>\$ 204,090,870</b>	<b>\$ 201,549,267</b>	<b>\$ (6,055)</b>	<b>\$ 81</b>	<b>\$ 204,084,815</b>	<b>\$ 201,549,348</b>	
<b>Liabilities:</b>							
Current Liabilities	\$ 8,015,767	\$ 6,505,034	\$ -	\$ -	\$ 8,015,767	\$ 6,505,034	
Long-term Liabilities	188,184,690	191,967,464	-	-	188,184,690	191,967,464	
<b>Total Liabilities</b>	<b>\$ 196,200,457</b>	<b>\$ 198,472,498</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 196,200,457</b>	<b>\$ 198,472,498</b>	
<b>Net Assets:</b>							
Invested in Capital Assets, Net of Related Debt	\$ 40,265,361	\$ 42,351,680	\$ -	\$ -	\$ 40,265,361	\$ 42,351,680	
Restricted	3,518,602	3,912,188	-	-	3,518,602	3,912,188	
Unrestricted	(35,893,550)	(43,187,099)	(6,055)	81	(35,899,605)	(43,187,018)	
<b>Total Net Assets</b>	<b>\$ 7,890,413</b>	<b>\$ 3,076,769</b>	<b>\$ (6,055)</b>	<b>\$ 81</b>	<b>\$ 7,884,358</b>	<b>\$ 3,076,850</b>	

Approximately \$ 3,518,602 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 \$ 133,681,723. 78% of the District's revenue comes from local property taxes (See Table A-2). 13% 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 \$ 128,980,257.

The District's base tax collections (current and delinquent) percentage for FY 2007 is 100.9%. The total tax collections (base tax plus penalty and interest) percentage for FY 2007 was 101.5%.

**COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2007**

**GOVERNMENTAL ACTIVITIES**

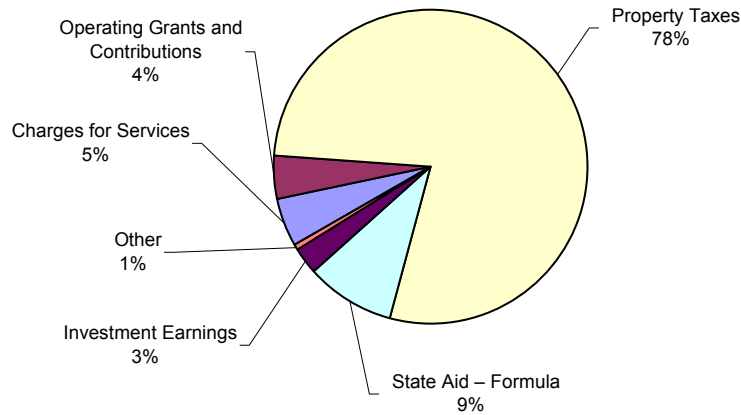
**Table A-2**

**Changes in Coppell Independent School District's Net Assets**

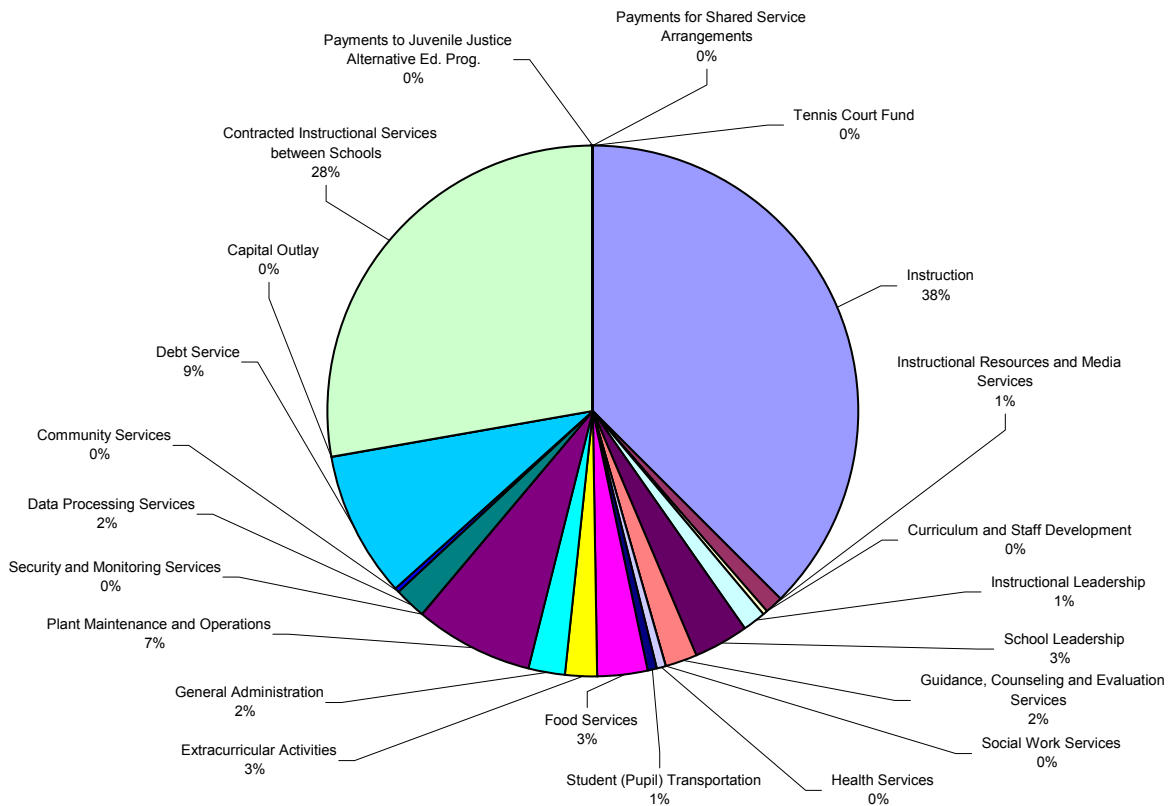
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
	2007	2006	2007	2006	2007	2006
Program Revenues:						
Charges for Services	\$ 6,770,663	\$ 772,678	\$ 43,737	\$ 47,556	\$ 6,814,400	\$ 820,234
Operating Grants and Contributions	5,788,196	9,787,060	1,505	-	5,789,701	9,787,060
General Revenues:						
Property Taxes	104,316,289	104,722,650	-	-	104,316,289	104,722,650
State Aid – Formula	12,254,264	7,056,129	-	-	12,254,264	7,056,129
Investment Earnings	3,775,756	2,459,427	-	-	3,775,756	2,459,427
Other	731,313	160,246	-	-	731,313	160,246
<b>Total Revenues</b>	<b>\$ 133,636,481</b>	<b>\$ 124,958,190</b>	<b>\$ 45,242</b>	<b>\$ 47,556</b>	<b>\$ 133,681,723</b>	<b>\$ 125,005,746</b>
Expenses:						
Instruction	\$ 48,412,844	\$ 47,071,574	\$ -	\$ -	\$ 48,412,844	\$ 47,071,574
Instructional Resources and Media Services	1,231,889	1,193,655	-	-	1,231,889	1,193,655
Curriculum and Staff Development	494,372	536,974	-	-	494,372	536,974
Instructional Leadership	1,761,345	1,622,901	-	-	1,761,345	1,622,901
School Leadership	4,230,856	3,833,590	-	-	4,230,856	3,833,590
Guidance, Counseling and Evaluation Services	2,658,602	2,707,748	-	-	2,658,602	2,707,748
Social Work Services	-	8,700	-	-	-	8,700
Health Services	611,474	596,669	-	-	611,474	596,669
Student (Pupil) Transportation	792,524	778,006	-	-	792,524	778,006
Food Services	3,926,450	3,995,519	-	-	3,926,450	3,995,519
Extracurricular Activities	2,328,378	2,326,597	-	-	2,328,378	2,326,597
General Administration	3,102,824	3,006,500	-	-	3,102,824	3,006,500
Plant Maintenance and Operations	9,208,547	8,144,908	-	-	9,208,547	8,144,908
Security and Monitoring Services	166,444	130,098	-	-	166,444	130,098
Data Processing Services	2,466,304	1,035,790	-	-	2,466,304	1,035,790
Community Services	160,733	117,232	-	-	160,733	117,232
Debt Service	11,491,217	10,120,141	-	-	11,491,217	10,120,141
Capital Outlay	65,137	-	-	-	65,137	-
Contracted Instructional Services between Schools	35,762,179	37,024,078	-	-	35,762,179	37,024,078
Payments for Shared Service Arrangements	42,850	87,457	-	-	42,850	87,457
Payments to Juvenile Justice Alternative Ed. Prog.	13,910	16,154	-	-	13,910	16,154
Tennis Court Fund	-	-	51,378	50,200	51,378	50,200
<b>Total Expenses</b>	<b>\$ 128,928,879</b>	<b>\$ 124,354,291</b>	<b>\$ 51,378</b>	<b>\$ 50,200</b>	<b>\$ 128,980,257</b>	<b>\$ 124,404,491</b>
Increase (Decrease) in Net Assets	\$ 4,707,602	\$ 603,899	\$ (6,136)	\$ (2,644)	\$ 4,701,466	\$ 601,255
Net Assets - Beginning (September 1)	\$ 3,076,769	\$ 2,472,870	\$ 81	\$ 2,725	\$ 3,076,850	\$ 2,475,595
Prior Period Adjustments	106,042	-	-	-	106,042	-
Net Assets - Beginning, as restated	\$ 3,182,811	\$ 2,472,870	\$ 81	\$ 2,725	\$ 3,182,892	\$ 2,475,595
Net Assets - Ending (August 31)	\$ 7,890,413	\$ 3,076,769	\$ (6,055)	\$ 81	\$ 7,884,358	\$ 3,076,850

**COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2007**

**Government-wide Revenues for Fiscal Year 2007 - See Table A-2**



**Government-wide Expenses for Fiscal Year 2007 - See Table A-2**



**COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2007**

- 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 \$ 128,928,879.
- However, the amount that our taxpayers paid for these activities through local property taxes was only \$ 104,316,289.
- Some of the cost was paid by those who directly benefited from the programs \$ 6,770,663, or
- By grants and contributions, \$ 5,788,196.

<b>Coppell Independent School District's Net Cost of Selected District Functions Governmental Activities</b>							<b>Table A-3</b>
	<u>Total Cost of Services</u>		% Change	<u>Net Cost of Services</u>		% Change	
	2007	2006		2007	2006		
Instruction	48,412,844	47,071,574	2.85%	41,664,243	42,650,910	-2.31%	
School Leadership	4,230,856	3,833,590	10.36%	4,122,195	3,670,242	12.31%	
General Administration	3,102,824	3,006,500	3.20%	2,965,871	2,893,636	2.50%	
Plant Maintenance and Operations	9,208,547	8,144,908	13.06%	9,002,388	7,751,929	16.13%	
Debt Service	11,491,217	10,120,141	13.55%	11,491,217	10,120,141	13.55%	
Contracted Instructional Services	35,762,179	37,024,078	-3.41%	35,762,179	37,024,078	-3.41%	

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

Revenues from governmental fund types totaled \$ 133,107,016. 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 \$ 24,432,144. This was an increase in the general fund balance from the prior year in the amount of \$ 6,698,926. The undesignated general fund balance increased \$ 6,804,577 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 \$ 4,005,450 under final general fund amounts. The most significant positive variance in the District's budget occurred in instruction.

Resources available were \$ 2,196,396 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 2007, the District had invested \$ 206,374,790 in a broad range of capital assets, including land, equipment, buildings, and vehicles (See Table A-4).

COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2007

**Table A-4**

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

	Governmental Activities		Total Percentage Change 2006-2007
	2007	2006	
	2007	2006	
Land	\$ 16,163,927	\$ 15,445,256	4.65%
Buildings and Improvements	159,493,723	155,367,795	2.66%
Equipment	919,433	797,332	15.31%
Vehicles	29,797,707	25,868,633	15.19%
Totals at historical cost	\$ 206,374,790	\$ 197,479,016	4.50%
Less accumulated depreciation	(56,056,291)	(50,811,566)	10.32%
Net capital assets	<u>\$ 150,318,499</u>	<u>\$ 146,667,450</u>	2.49%

**LONG TERM DEBT**

At year-end, the District had \$ 188,184,688 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 2006-2007
	2007	2006	
	2007	2006	
Loans Payable	\$ -	\$ 200,000	-100.00%
Bonds Payable	119,832,152	129,288,867	-7.31%
Other Debt Payable	68,352,536	62,478,597	9.40%
Total Debt Payable	<u>\$ 188,184,688</u>	<u>\$ 191,967,464</u>	-1.97%

**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 07-08. This is a reduction from the FY 06-07 rate cap of \$ 1.37. The state funding formula was changed to provide state funds to replace the lost local property tax revenue. This change in funding could impact the District's financial operations including cash flows.

**COPPELL INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2007**

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

COPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
AUGUST 31, 2007

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
1110	\$ 36,682,227	\$ (6,055)	\$ 36,676,172
1225	1,376,199	-	1,376,199
1240	4,870,440	-	4,870,440
1267	2,041	-	2,041
1290	79,113	-	79,113
1300	19,088	-	19,088
1410	1,643	-	1,643
1420	1,741,620	-	1,741,620
Capital Assets:			
1510	16,163,927	-	16,163,927
1520	120,980,756	-	120,980,756
1530	13,173,816	-	13,173,816
1800	9,000,000	-	9,000,000
<b>1000</b>	<b>\$ 204,090,870</b>	<b>\$ (6,055)</b>	<b>\$ 204,084,815</b>
<b>LIABILITIES</b>			
2110	\$ 2,440,528	\$ -	\$ 2,440,528
2140	132,197	-	132,197
2165	3,085,917	-	3,085,917
2180	1,795,281	-	1,795,281
2300	561,844	-	561,844
Noncurrent Liabilities:			
2501	8,424,567	-	8,424,567
2502	179,760,123	-	179,760,123
<b>2000</b>	<b>\$ 196,200,457</b>	<b>\$ -</b>	<b>\$ 196,200,457</b>
<b>NET ASSETS</b>			
3200	\$ 40,265,361	\$ -	\$ 40,265,361
Restricted For:			
3850	3,518,602	-	3,518,602
3900	(35,893,550)	(6,055)	(35,899,605)
<b>3000</b>	<b>\$ 7,890,413</b>	<b>\$ (6,055)</b>	<b>\$ 7,884,358</b>

The accompanying notes are an integral part of this statement.



COPPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2007

		1	3	4	6	7	8
		<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		Operating					
		Charges for					
		Grants and					
		Contributions					
Data							
Control							
Codes	Functions/Programs	Expenses	Services	Contributions	Governmental Activities	Business-type Activities	Total
	Government Activities:						
11	Instruction	\$ 48,412,844	\$ 2,928,596	\$ 3,820,005	\$ (41,664,243)	\$ -	\$ (41,664,243)
12	Instructional Resources and Media Services	1,231,889	-	31,772	(1,200,117)	-	(1,200,117)
13	Curriculum and Staff Development	494,372	-	218,207	(276,165)	-	(276,165)
21	Instructional Leadership	1,761,345	-	55,889	(1,705,456)	-	(1,705,456)
23	School Leadership	4,230,856	-	108,661	(4,122,195)	-	(4,122,195)
31	Guidance, Counseling and Evaluation Services	2,658,602	-	494,581	(2,164,021)	-	(2,164,021)
33	Health Services	611,474	-	15,585	(595,889)	-	(595,889)
34	Student (Pupil) Transportation	792,524	-	19,949	(772,575)	-	(772,575)
35	Food Services	3,926,450	3,138,415	583,032	(205,003)	-	(205,003)
36	Extracurricular Activities	2,328,378	703,652	49,939	(1,574,787)	-	(1,574,787)
41	General Administration	3,102,824	-	136,953	(2,965,871)	-	(2,965,871)
51	Plant Maintenance and Operations	9,208,547	-	206,159	(9,002,388)	-	(9,002,388)
52	Security and Monitoring Services	166,444	-	4,356	(162,088)	-	(162,088)
53	Data Processing Services	2,466,304	-	38,197	(2,428,107)	-	(2,428,107)
61	Community Services	160,733	-	4,911	(155,822)	-	(155,822)
72	Interest on Long-term Debt	11,351,463	-	-	(11,351,463)	-	(11,351,463)
73	Bond Issuance Costs and Fees	139,754	-	-	(139,754)	-	(139,754)
81	Capital Outlay	65,137	-	-	(65,137)	-	(65,137)
91	Contracted Instructional Services between Schools	35,762,179	-	-	(35,762,179)	-	(35,762,179)
93	Payments for Shared Services Arrangements	42,850	-	-	(42,850)	-	(42,850)
95	Payments to Juvenile Justice Alternative Ed. Prgm.	13,910	-	-	(13,910)	-	(13,910)
TG	Total Government Activities	<u>\$ 128,928,879</u>	<u>\$ 6,770,663</u>	<u>\$ 5,788,196</u>	<u>\$ (116,370,020)</u>	<u>\$ -</u>	<u>\$ (116,370,020)</u>
	Business-type Activities:						
01	Tennis Court	<u>\$ 51,378</u>	<u>\$ 43,737</u>	<u>\$ 1,505</u>	<u>\$ -</u>	<u>\$ (6,136)</u>	<u>\$ (6,136)</u>
TB	Total Business-type Activities	<u>\$ 51,378</u>	<u>\$ 43,737</u>	<u>\$ 1,505</u>	<u>\$ -</u>	<u>\$ (6,136)</u>	<u>\$ (6,136)</u>
TP	Total Primary Government	<u>\$ 128,980,257</u>	<u>\$ 6,814,400</u>	<u>\$ 5,789,701</u>	<u>\$ (116,370,020)</u>	<u>\$ (6,136)</u>	<u>\$ (116,376,156)</u>
	General Revenues:						
MT	Property Taxes, Levied for General Purpose				\$ 89,421,121	\$ -	\$ 89,421,121
DT	Property Taxes, Levied for Debt Service				14,895,168	-	14,895,168
IE	Investment Earnings				3,775,756	-	3,775,756
GC	Grants and Contributions Not Restricted to Specific Programs				12,254,264	-	12,254,264
	Miscellaneous				731,313	-	731,313
TR	Total General Revenues and Transfers				<u>\$ 121,077,622</u>	<u>\$ -</u>	<u>\$ 121,077,622</u>
CN	Change in Net Assets				<u>\$ 4,707,602</u>	<u>\$ (6,136)</u>	<u>\$ 4,701,466</u>
NB	Net Assets - Beginning (September 1)				\$ 3,076,769	\$ 81	\$ 3,076,850
PA	Prior Period Adjustments				106,042	-	106,042
	Net Assets - Beginning, as restated				<u>\$ 3,182,811</u>	<u>\$ 81</u>	<u>\$ 3,182,892</u>
NE	Net Assets - Ending (August 31)				<u>\$ 7,890,413</u>	<u>\$ (6,055)</u>	<u>\$ 7,884,358</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
AUGUST 31, 2007

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
<b>ASSETS</b>					
1110 Cash and Cash Equivalents	\$ 24,893,383	\$ 3,458,955	\$ 7,045,927	\$ 1,263,565	\$ 36,661,830
1225 Property Taxes Receivable, Net	1,199,179	177,020	-	-	1,376,199
1240 Due from Other Governments	4,633,784	-	-	236,656	4,870,440
1260 Due from Other Funds	2,041	14,824	3,531	-	20,396
1290 Other Receivables	68,663	-	-	10,450	79,113
1300 Inventories	19,088	-	-	-	19,088
1410 Deferred Expenditures	1,643	-	-	-	1,643
1800 Restricted Assets	-	-	9,000,000	-	9,000,000
<b>1000 Total Assets</b>	<b>\$ 30,817,781</b>	<b>\$ 3,650,799</b>	<b>\$ 16,049,458</b>	<b>\$ 1,510,671</b>	<b>\$ 52,028,709</b>
<b>LIABILITIES</b>					
Current Liabilities:					
2110 Accounts Payable	\$ 224,612	\$ -	\$ 2,110,963	\$ 104,953	\$ 2,440,528
2150 Payroll Deductions and Withholdings	485,070	-	-	5,384	490,454
2160 Accrued Wages Payable	2,523,088	-	-	71,826	2,594,914
2170 Due to Other Funds	18,355	-	370	-	18,725
2180 Due to Other Governments	1,793,893	-	-	1,388	1,795,281
2300 Unearned Revenues	1,340,619	177,020	-	420,404	1,938,043
<b>2000 Total Liabilities</b>	<b>\$ 6,385,637</b>	<b>\$ 177,020</b>	<b>\$ 2,111,333</b>	<b>\$ 603,955</b>	<b>\$ 9,277,945</b>
<b>FUND BALANCES</b>					
Reserved Fund Balances:					
3410 Investments in Inventory	\$ 19,088	\$ -	\$ -	\$ -	\$ 19,088
3420 Debt Service	-	3,473,779	-	-	3,473,779
3450 Reserve for Food Service	-	-	-	752,880	752,880
3490 Other Reserves of Fund Balance	-	-	13,938,125	153,836	14,091,961
3600 Unreserved	24,413,056	-	-	-	24,413,056
<b>3000 Total Fund Balances</b>	<b>\$ 24,432,144</b>	<b>\$ 3,473,779</b>	<b>\$ 13,938,125</b>	<b>\$ 906,716</b>	<b>\$ 42,750,764</b>
<b>4000 Total Liabilities and Fund Balances</b>	<b>\$ 30,817,781</b>	<b>\$ 3,650,799</b>	<b>\$ 16,049,458</b>	<b>\$ 1,510,671</b>	<b>\$ 52,028,709</b>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE BALANCE SHEET (GOVERNMENTAL FUNDS)  
 TO THE STATEMENT OF NET ASSETS  
 AUGUST 31, 2007

Total fund balances - Balance Sheet (governmental funds)	\$	42,753,500
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.		150,317,221
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		1,373,463
The assets and liabilities of internal service funds are included in governmental activities in the SNA.		21,496
Payables for bond principal which are not due in the current period are not reported in the funds.		(116,732,883)
Payables for bond interest which are not due in the current period are not reported in the funds.		(132,197)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.		(71,451,807)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.		1,741,620
		<u>1,741,620</u>
Net assets of governmental activities - Statement of Net Assets	\$	<u>7,890,413</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, 2007

Data	10	50	60	98	
Control	General	Debt	Capital	Other	Total
Codes	Fund	Service	Projects	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
<b>REVENUES</b>					
5700 Local and Intermediate Sources	\$ 95,443,864	\$ 15,471,785	\$ 826,215	\$ 3,442,999	\$ 115,184,863
5800 State Program Revenues	14,300,615	-	-	1,211,839	15,512,454
5900 Federal Program Revenues	32,052	-	-	2,377,647	2,409,699
<b>5020 Total Revenues</b>	<b>\$ 109,776,531</b>	<b>\$ 15,471,785</b>	<b>\$ 826,215</b>	<b>\$ 7,032,485</b>	<b>\$ 133,107,016</b>
<b>EXPENDITURES</b>					
Current:					
0011 Instruction	\$ 42,411,746	\$ -	\$ 117,898	\$ 2,447,558	\$ 44,977,202
0012 Instructional Resources and Media Services	1,108,323	-	-	88	1,108,411
0013 Curriculum and Staff Development	232,152	-	-	196,424	428,576
0021 Instructional Leadership	1,581,918	-	-	14,936	1,596,854
0023 School Leadership	4,165,176	-	-	336	4,165,512
0031 Guidance, Counseling and Evaluation Services	2,105,630	-	-	439,819	2,545,449
0033 Health Services	599,271	-	-	-	599,271
0034 Student (Pupil) Transportation	767,062	-	-	-	767,062
0035 Food Services	-	-	-	3,806,043	3,806,043
0036 Extracurricular Activities	1,735,014	-	-	-	1,735,014
0041 General Administration	2,936,759	-	-	41,350	2,978,109
0051 Plant Maintenance and Operations	7,926,898	-	1,193,028	-	9,119,926
0052 Security and Monitoring Services	166,444	-	-	-	166,444
0053 Data Processing Services	1,468,702	-	1,392,668	-	2,861,370
0061 Community Services	159,294	-	-	943	160,237
0071 Principal on Long-term Debt	-	9,656,647	-	-	9,656,647
0072 Interest on Long-term Debt	-	6,369,551	-	-	6,369,551
0073 Bond Issuance Cost and Fees	-	703,228	-	-	703,228
0081 Capital Outlay	-	-	8,271,616	-	8,271,616
0091 Contracted Instructional Services between Schools	35,762,179	-	-	-	35,762,179
0093 Payments for Shared Service Arrangements	42,850	-	-	-	42,850
0095 Payments to Juvenile Justice Alternative Ed. Prgm.	13,910	-	-	-	13,910
<b>6030 Total Expenditures</b>	<b>\$ 103,183,328</b>	<b>\$ 16,729,426</b>	<b>\$ 10,975,210</b>	<b>\$ 6,947,497</b>	<b>\$ 137,835,461</b>
<b>1100 Excess (Deficiency) of Revenues Over</b>					
<b>(Under) Expenditures</b>	<b>\$ 6,593,203</b>	<b>\$ (1,257,641)</b>	<b>\$ (10,148,995)</b>	<b>\$ 84,988</b>	<b>\$ (4,728,445)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
7911 Capital-Related Debt Issued (Regular Bonds)	\$ -	\$ 43,600,747	\$ -	\$ -	\$ 43,600,747
7916 Premium or Discount on Issuance of Bonds	-	23,026,025	-	-	23,026,025
8949 Other Uses	-	(65,929,611)	-	-	(65,929,611)
<b>7080 Net Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 697,161</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 697,161</b>
<b>1200 Net Changes in Fund Balances</b>	<b>\$ 6,593,203</b>	<b>\$ (560,480)</b>	<b>\$ (10,148,995)</b>	<b>\$ 84,988</b>	<b>\$ (4,031,284)</b>
0100 Fund Balance - Beginning (September 1)	\$ 17,733,218	\$ 4,034,259	\$ 24,087,120	\$ 821,408	\$ 46,676,005
1300 Prior Period Adjustment	105,723	-	-	320	106,043
Fund Balance - Beginning, as restated	\$ 17,838,941	\$ 4,034,259	\$ 24,087,120	\$ 821,728	\$ 46,782,048
<b>3000 Fund Balance - Ending (August 31)</b>	<b>\$ 24,432,144</b>	<b>\$ 3,473,779</b>	<b>\$ 13,938,125</b>	<b>\$ 906,716</b>	<b>\$ 42,750,764</b>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED AUGUST 31, 2007

Net change in fund balances - total governmental funds	\$ (4,031,284)
<p>Amounts reported for governmental activities in the statement  of activities ("SOA") are different because:</p>	
Capital outlays are not reported as expenses in the SOA.	8,895,774
The depreciation of capital assets used in governmental activities is not reported in the funds.	(5,241,516)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	529,466
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	66,520,310
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	(56,970,126)
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(133,688)
The accretion of interest on capital appreciation bonds is not reported in the funds.	(4,978,078)
(Increase) decrease in accrued interest from beginning of period to end of period.	102,629
The net revenue (expense) of internal service funds is reported with governmental activities.	<u>14,115</u>
Change in net assets of governmental activities - statement of activities	<u>\$ 4,707,602</u>

The accompanying notes are an integral part of this statement.

COPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FUND NET ASSETS - PROPRIETARY FUND  
AUGUST 31, 2007

Data Control Codes		Nonmajor Enterprise Fund	Nonmajor Internal Service Fund
		Tennis Court Fund	Print Shop Fund
		<u>          </u>	<u>          </u>
	<b>ASSETS</b>		
	Current Assets:		
1110	Cash and Cash Equivalents	\$ (6,055)	\$ 20,397
1260	Due from Other Funds	<u>          -</u>	<u>          370</u>
	Total Current Assets	<u>\$ (6,055)</u>	<u>\$ 20,767</u>
	Noncurrent Assets:		
	Capital Assets:		
1530	Furniture and Equipment	\$ -	\$ 22,464
1570	Accumulated Depreciation	<u>          -</u>	<u>          (21,186)</u>
	Total Noncurrent Assets	<u>\$ -</u>	<u>\$ 1,278</u>
<b>1000</b>	<b>Total Assets</b>	<b><u>\$ (6,055)</u></b>	<b><u>\$ 22,045</u></b>
	<b>LIABILITIES</b>		
	Current Liabilities:		
2150	Payroll Deduction and Withholdings	\$ -	\$ (5)
2160	Accrued Wages Payable	<u>          -</u>	<u>          554</u>
<b>2000</b>	<b>Total Liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ 549</u></b>
	<b>NET ASSETS</b>		
3900	Unrestricted Net Assets	<u>\$ (6,055)</u>	<u>\$ 21,496</u>
<b>3000</b>	<b>Total Net Assets</b>	<b><u>\$ (6,055)</u></b>	<b><u>\$ 21,496</u></b>

The accompanying notes are an integral part of this statement.

COPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET ASSETS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

Data		Nonmajor Enterprise Fund	Nonmajor Internal Service Fund
Control		Tennis Court	Print Shop
<u>Codes</u>		<u>Fund</u>	<u>Fund</u>
	<b>OPERATING REVENUES</b>		
5700	Local and Intermediate Sources	\$ 43,737	\$ 68,219
5800	State Program Revenues	<u>1,505</u>	<u>1,165</u>
<b>5020</b>	<b>Total Revenues</b>	<b><u>\$ 45,242</u></b>	<b><u>\$ 69,384</u></b>
	<b>OPERATING EXPENSES</b>		
6100	Payroll Costs	\$ 51,378	\$ 20,524
6200	Professional and Contracted Services	-	12,359
6300	Supplies and Materials	-	19,177
6400	Other Operating Costs	<u>-</u>	<u>3,209</u>
<b>6030</b>	<b>Total Expenses</b>	<b><u>\$ 51,378</u></b>	<b><u>\$ 55,269</u></b>
1300	Change in Net Assets	\$ (6,136)	\$ 14,115
0100	Total Net Assets - Beginning	<u>81</u>	<u>7,381</u>
<b>3000</b>	<b>Total Net Assets</b>	<b><u><u>\$ (6,055)</u></u></b>	<b><u><u>\$ 21,496</u></u></b>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

	Nonmajor Enterprise Fund	Internal Service Fund
	Tennis Court Fund	Print Shop Fund
Cash Flows from Operating Activities:		
Cash Receipts from Customers	\$ 45,409	\$ -
Cash Receipts (Payments) for Quasi -external Operating Transactions with Other Funds	-	68,219
Cash Payments to Employees for Services	(49,873)	(19,359)
Cash Payments to Other Suppliers for Goods and Services	-	(31,885)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (4,464)</u>	<u>\$ 16,975</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	\$ (4,464)	\$ 16,975
Cash and Cash Equivalents, Beginning (September 1)	(1,591)	3,422
<b>Cash and Cash Equivalents, Ending (August 31)</b>	<b><u>\$ (6,055)</u></b>	<b><u>\$ 20,397</u></b>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	(6,136)	14,115
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	-	3,209
Change in Assets and Liabilities:		
Decrease (Increase) in Interfund Receivables	-	(337)
Decrease (Increase) in Receivables	1,672	-
Increase (Decrease) in Accounts Payable	-	(561)
Increase (Decrease) in Payroll Deductions	-	(5)
Increase (Decrease) in Accrued Wages Payable	-	554
Net Cash Provided by (Used for) Operating Activities	<u>\$ (4,464)</u>	<u>\$ 16,975</u>

The accompanying notes are an integral part of this statement.



COPPELL INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
AUGUST 31, 2007

Data Control Codes		Agency Funds
	<b>ASSETS</b>	
1110	Cash and Cash Equivalents	\$ 712,708
1290	Other Receivables	1,689
<b>1000</b>	<b>Total Assets</b>	<b>\$ 714,397</b>
	<b>LIABILITIES</b>	
	Current Liabilities:	
2110	Accounts Payable	\$ 2,989
2170	Due to Other Funds	2,041
2190	Due to Student Groups	709,367
<b>2000</b>	<b>Total Liabilities</b>	<b>\$ 714,397</b>
	<b>NET ASSETS</b>	
<b>3000</b>	<b>Total Net Assets</b>	<b>\$ -</b>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

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, 2007

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, 2007

A. Summary of Significant Accounting Policies (Continued)

*Governmental Fund Financial Statements* – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital lease are reported as other financing sources.

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

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

3. Budgetary Data

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

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><u>-0-</u></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 \$ 500 is used.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

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, 2007

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, 2007, 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 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, 2007

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.

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, 2007, 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 *				\$ 4,920,019
MBIA *				4,133,215
TexSTAR *				6,949,905
LOGIC *				7,883,126
TexPool *				<u>9,124,106</u>
Total				<u>\$ 33,010,371</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 \$ 9,144,535.
- c. Largest cash, savings and time deposit combined account balances amounted to \$ 3,960,363, and occurred during the month of May 2007.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$ 102,997.

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.



COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

B. Deposits, Securities, and Investments (Continued)

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 \$ 1.370 to fund general operations and \$ .229 for the payment of principal and interest on long term debt. The rates were levied on property assessed totaling \$ 6,342,768,417.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

D. Capital Assets

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 15,445,256	\$ 718,671	\$ -0-	\$ 16,163,927
Total capital assets not being depreciated	<u>\$ 15,445,256</u>	<u>\$ 718,671</u>	<u>\$ -0-</u>	<u>16,163,927</u>
Capital assets being depreciated:				
Buildings and Improvements	\$ 155,367,795	\$ 4,125,928	\$ -0-	\$ 159,493,723
Equipment	25,868,633	3,929,074	-0-	29,797,707
Vehicles	797,332	122,101	-0-	919,433
Total capital assets being depreciated	<u>\$ 182,033,760</u>	<u>\$ 8,177,103</u>	<u>\$ -0-</u>	<u>\$ 190,210,863</u>
Less accumulated depreciation for:				
Buildings and Improvements	\$ 35,410,399	\$ 3,102,568	\$ -0-	\$ 38,512,967
Equipment	14,884,802	2,079,683	-0-	16,964,485
Vehicles	516,365	62,474	-0-	578,839
Total accumulated depreciation	<u>\$ 50,811,566</u>	<u>\$ 5,244,725</u>	<u>\$ -0-</u>	<u>\$ 56,056,291</u>
Total capital assets being depreciated, net	<u>\$ 131,222,194</u>	<u>\$ 2,932,378</u>	<u>\$ -0-</u>	<u>\$ 134,154,572</u>
Governmental activities capital assets, net	<u>\$ 146,667,450</u>	<u>\$ 3,651,049</u>	<u>\$ -0-</u>	<u>\$ 150,318,499</u>

Depreciation was charged to functions as follows:

Instruction	\$ 3,449,757
Instructional Resources and Media Services	123,478
Curriculum and Staff Development	65,796
School Leadership	65,344
Instructional Leadership	164,491
Guidance, Counseling and Evaluation Services	113,153
Health Services	12,203
Student (Pupil) Transportation	25,462
Food Services	120,407
Extracurricular Activities	593,364
General Administration	124,715
Plant Maintenance and Operations	91,830
Data Processing Services	294,229
Community Services	496
Total	<u>\$ 5,244,725</u>

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

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	\$ 129,288,867	\$ 43,600,748	\$ 53,057,463	\$ 119,832,152	\$ 8,424,567
Loans Payable	200,000	-0-	200,000	-0-	-0-
Accreted Interest Payable	62,478,597	9,197,074	223,862	71,451,809	-0-
Unamortized Premium (Discount)	92,170	(1,152,254)	(36,735)	(1,023,349)	-0-
Refunding Gain (Loss)	-0-	(2,182,385)	(106,463)	(2,075,922)	-0-
Total Governmental Activities	<u>\$ 192,059,634</u>	<u>\$ 49,463,183</u>	<u>\$ 53,338,127</u>	<u>\$ 188,184,690</u>	<u>\$ 8,424,567</u>

Bonds

The District issued Coppell Independent School District Unlimited Tax Refunding Bonds, Series 2007A and 2007B, totaling \$ 5,613,251 and \$ 37,987,495, respectively. The proceeds from these bonds were used to refund selected maturities of the following outstanding series:

Unlimited Tax Refunding Bonds, Series 1992

Unlimited Tax School Building and Refunding Bonds, Series 1996

Unlimited Tax School Building and Refunding Bonds, Series 1997

Unlimited Tax School Building and Refunding Bonds, Series 1999

The bonds are dated January 1, 2007 and were issued January 18, 2007. The proceeds including premium less issuance costs were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the refunded debt. The refunding meets the requirements of an insubstance defeasance and the debt has been removed from the District's long term debt. The maturities of refunded debt will be called on various dates with all maturities refunded on the final call date of February 15, 2017.

As a result of the refunding, the District decreased its debt service requirements by \$ 415,150 with a net present value savings of approximately \$ 597,021.

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, 2007, \$ 29,974,823 of bonds outstanding are considered defeased.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

E. Long Term Obligations (Continued)

Bond Summary

The following bonded debt issues are outstanding at August 31, 2007:

<u>Description</u>	<u>Rate</u>	<u>Balance</u>
Unlimited Tax Refunding Bonds, Series 1992	4.00%-6.10%	\$ 6,310,156
Unlimited Tax Refunding Bonds, Series 1995	5.00%-7.00%	9,314,788
Unlimited School Building & Refunding Bonds, Series 1996	3.80%-5.50%	823,981
Unlimited School Building & Refunding Bonds, Series 1999	4.40%-5.95%	16,621,539
Unlimited School Building & Refunding Bonds, Series 2001	5.25%-5.67%	12,025,940
Unlimited Tax Refunding Bonds, Series 2002	3.66%	5,430,000
Unlimited School Building Bonds, Series 2004	2.90%	250,000
Unlimited School Building Bonds, Series 2006	4.50%	26,310,000
Unlimited Tax Refunding Bonds, Series 2007A	3.80%-4.21%	4,758,252
Unlimited Tax Refunding Bonds, Series 2007B	3.75%-4.09%	37,987,496
Total		<u>\$ 119,832,152</u>

Debt service requirements on bonded debt at August 31, 2007, are as follows:

<u>Year Ending</u> <u>August 31</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 8,424,567	\$ 6,998,181	\$ 15,422,748
2009	8,433,782	6,615,695	15,049,477
2010	5,254,829	10,875,337	16,130,166
2011	4,182,796	11,350,813	15,533,609
2012	3,843,805	11,699,855	15,543,660
2013-2017	25,518,918	52,270,454	77,789,372
2018-2022	40,044,633	36,871,619	76,916,252
2023-2027	18,758,007	39,407,318	58,165,325
2028-2030	5,370,815	34,229,184	39,599,999
Totals	<u>\$ 119,832,152</u>	<u>\$ 210,318,456</u>	<u>\$ 330,150,608</u>

Authorized Debt

Voters in the District have authorized the District to issue additional debt totaling \$ 23,040,000 that at August 31, 2007 was unissued.

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](http://www.trs.state.tx.us), under the TRS publication heading.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

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, 2007, 2006, and 2005 were \$ 3,278,064, \$ 2,791,694, and \$ 2,859,963, respectively. Contributions from private grants and from the District for salaries above the statutory minimum for the periods ended August 31, 2007, 2006, and 2005 were \$ 680,448, \$ 477,074, and \$ 515,620, 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 \$ 2,831,620 are reflected in the basic financial statements.

G. Risk Management

Health Care

During the year ended August 31, 2007, employees of the Coppell Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of \$ 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, 2006 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 2007, 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, 2007, 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.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

G. Risk Management (Continued)

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 May 31, 2007, the Fund carries a discounted reserve of \$ 79,312,456 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended August 31, 2007, 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, 2006, are available at the TASB offices and have been filed with the Texas State Board of Insurance of Austin.

H. 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 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. An additional action has named the District and others referencing abuse of process. The condemnation case is set for trial in February 2008 and the abuse of process case has not been set.

The District is plaintiff along with others pursuing the set aside of zoning changes allowed in a development located within the District. The case is awaiting rulings on various motions. The District intends to vigorously pursue its case and defend against any counter claims or damages sought by the defendants.

At August 31, 2007, the \$ 9,000,000 payment has been recorded as a restricted asset. No other amounts can be estimated on any potential claims or damages against the District.

I. 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 increased the beginning net assets in the amount of \$ 106,042.

J. Commitments and Contingencies

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2007, 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.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

K. Interfund Balances and Activities

Interfund Receivables and Payables

The composition of interfund balances as of August 31, 2007, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency Fund	\$ 2,041
Debt Service Fund	General Fund	14,824
Capital Projects Fund	General Fund	3,531
Internal Service Fund	Capital Projects Fund	370
Total		<u>\$ 20,766</u>

L. Revenue from Local and Intermediate Sources

During the year ended August 31, 2007 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	\$ 87,385,083	\$ 14,606,439	\$ -0-	\$ -0-	\$ 101,991,522
Property Tax Collections – Delinquent Penalties, Interest and Other	970,428	148,749	-0-	-0-	1,119,177
Tax-Related Income	600,410	75,715	-0-	-0-	676,125
Investment Income	2,259,648	640,882	821,215	54,013	3,775,758
Food Service Income	-0-	-0-	-0-	3,120,257	3,120,257
Gifts and Bequests	3,203,646	-0-	5,000	120,307	3,328,953
Extracurricular Activities	261,744	-0-	-0-	-0-	261,744
Other	762,905	-0-	-0-	148,422	911,327
Total Local Revenue	<u>\$ 95,443,864</u>	<u>\$ 15,471,785</u>	<u>\$ 826,215</u>	<u>\$ 3,442,999</u>	<u>\$ 115,184,863</u>

M. Subsequent Event

In the months subsequent to the District's fiscal year end, the Board of Trustees approved the issuance of Coppel Independent School District Unlimited Tax School Building Bonds, Series 2007, totaling \$ 23,040,000. The proceeds from these bonds will be used to acquire, construct, renovate and equip existing school buildings, to purchase school sites and to pay the costs associated with the issuance of the bonds. The bonds are dated August 15, 2007, and were issued September 25, 2007.

COPPELL INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007

N. Commitments under Leases

Commitments under operating (noncapitalized) lease agreements for equipment provide for minimum future rental payments as of August 31, 2007, as follows:

<u>Year Ended August 31</u>	<u>Total Requirements</u>
2008	\$ 271,006
2009	191,693
2010	191,693
2011	63,689
2012	<u>63,689</u>
Total	<u>\$ 781,770</u>
Rental Expenditures in Fiscal Year 2007	<u>\$ 409,012</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

P. General Fund Federal Revenue Sources

The District recorded federal revenue in the General Fund from the following federal programs or services:

Medicaid Reimbursement	\$ 6,039
Indirect Costs:	
ESEA Title I Part A (84.010)	2,403
IDEA-B, Formula (84.027)	<u>23,610</u>
Total	<u>\$ 32,052</u>



REQUIRED SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED AUGUST 31, 2007

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
5700	\$ 93,188,161	\$ 93,828,145	\$ 95,443,864	\$ 1,615,719
5800	13,993,390	13,746,990	14,300,615	553,625
5900	5,000	5,000	32,052	27,052
<b>5020</b>	<b>\$ 107,186,551</b>	<b>\$ 107,580,135</b>	<b>\$ 109,776,531</b>	<b>\$ 2,196,396</b>
<b>EXPENDITURES</b>				
Instruction and Instructional Related Services:				
0011	\$ 45,297,200	\$ 44,145,177	\$ 42,411,746	\$ 1,733,431
0012	1,104,352	1,151,163	1,108,323	42,840
0013	308,989	366,478	232,152	134,326
	<b>\$ 46,710,541</b>	<b>\$ 45,662,818</b>	<b>\$ 43,752,221</b>	<b>\$ 1,910,597</b>
Instructional and School Leadership:				
0021	\$ 1,554,796	\$ 1,600,746	\$ 1,581,918	\$ 18,828
0023	4,144,106	4,189,814	4,165,176	24,638
	<b>\$ 5,698,902</b>	<b>\$ 5,790,560</b>	<b>\$ 5,747,094</b>	<b>\$ 43,466</b>
Support Services - Student (Pupil):				
0031	\$ 2,692,593	\$ 2,374,784	\$ 2,105,630	\$ 269,154
0033	612,902	635,988	599,271	36,717
0034	904,390	1,004,390	767,062	237,328
0036	1,744,690	1,886,190	1,735,014	151,176
	<b>\$ 5,954,575</b>	<b>\$ 5,901,352</b>	<b>\$ 5,206,977</b>	<b>\$ 694,375</b>
Administrative Support Services:				
0041	\$ 3,250,977	\$ 3,156,677	\$ 2,936,759	\$ 219,918
	<b>\$ 3,250,977</b>	<b>\$ 3,156,677</b>	<b>\$ 2,936,759</b>	<b>\$ 219,918</b>
Support Services - Nonstudent Based:				
0051	\$ 8,591,702	\$ 8,629,209	\$ 7,926,898	\$ 702,311
0052	175,657	185,657	166,444	19,213
0053	1,495,475	1,570,475	1,468,702	101,773
	<b>\$ 10,262,834</b>	<b>\$ 10,385,341</b>	<b>\$ 9,562,044</b>	<b>\$ 823,297</b>
Ancillary Services:				
0061	\$ 96,855	\$ 161,855	\$ 159,294	\$ 2,561
	<b>\$ 96,855</b>	<b>\$ 161,855</b>	<b>\$ 159,294</b>	<b>\$ 2,561</b>
Intergovernmental Charges:				
0091	\$ 34,015,065	\$ 35,990,065	\$ 35,762,179	\$ 227,886
0093	99,500	109,500	42,850	66,650
0095	15,610	30,610	13,910	16,700
	<b>\$ 34,130,175</b>	<b>\$ 36,130,175</b>	<b>\$ 35,818,939</b>	<b>\$ 311,236</b>
<b>6030</b>	<b>\$ 106,104,859</b>	<b>\$ 107,188,778</b>	<b>\$ 103,183,328</b>	<b>\$ 4,005,450</b>
1100	\$ 1,081,692	\$ 391,357	\$ 6,593,203	\$ 6,201,846
1200	\$ 1,081,692	\$ 391,357	\$ 6,593,203	\$ 6,201,846
0100	\$ 17,733,218	\$ 17,733,218	\$ 17,733,218	\$ -
1300	-	-	105,723	105,723
	<b>\$ 17,733,218</b>	<b>\$ 17,733,218</b>	<b>\$ 17,838,941</b>	<b>\$ 105,723</b>
<b>3000</b>	<b>\$ 18,814,910</b>	<b>\$ 18,124,575</b>	<b>\$ 24,432,144</b>	<b>\$ 6,307,569</b>

OTHER SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
YEAR ENDED AUGUST 31, 2007

Tax Roll Year	Last Ten Years Ended August 31	1 Tax Rates Maintenance	2 Debt Service	3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2006	20 Current Year's Total Levy	30 Maintenance Tax Collections	30a Debt Service Tax Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2007
XXXX	1998 and Prior Years	Various	Various	Various	\$ 44,478	\$ -	\$ 4,779	\$ 523	\$ (11,989)	\$ 27,187
1998	1999	1.452440	0.147560	3,380,862,188	33,583	-	769	78	-	32,736
1999	2000	1.454297	0.145703	3,937,459,872	66,606	-	1,037	104	1	65,466
2000	2001	1.452000	0.148000	4,409,913,062	115,667	-	1,133	115	10,497	124,916
2001	2002	1.465000	0.190000	4,792,368,338	154,833	-	96,093	12,462	68,899	115,177
2002	2003	1.495000	0.210000	5,187,755,953	140,080	-	144,831	20,350	135,600	110,499
2003	2004	1.500000	0.235000	5,440,440,000	231,795	-	120,836	18,924	128,302	220,337
2004	2005	1.500000	0.235000	5,910,792,683	194,905	-	141,575	22,171	104,873	136,032
2005	2006	1.500000	0.229000	6,045,593,233	387,662	-	334,917	51,110	127,659	129,294
2006	2007	1.370000	0.229000	6,342,768,417	-	101,420,867	87,603,476	14,641,477	1,391,551	567,465
<b>1000</b>	<b>TOTALS</b>				<b>\$ 1,369,609</b>	<b>\$ 101,420,867</b>	<b>\$ 88,449,446</b>	<b>\$ 14,767,314</b>	<b>\$ 1,955,393</b>	<b>\$ 1,529,109</b>

COPPELL INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST  
 GENERAL AND SPECIAL REVENUE FUNDS  
 YEAR ENDED AUGUST 31, 2007

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			\$ 378,917	\$ 1,631,064			\$ 2,009,981
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	\$ 65,658						\$ 65,658
6212	Audit Services				\$ 21,500			\$ 21,500
6213	Tax Appraisal and Collection		\$ 388,591					\$ 388,591
621X	Other Prof. Services				\$ 668			\$ 668
6220	Tuition and Transfer Payments							\$ -
6230	Education Service Centers				\$ 23,747			\$ 23,747
6240	Contr. Maint. And Repair					\$ 25,985		\$ 25,985
6250	Utilities							\$ -
6260	Rentals				\$ 16,160			\$ 16,160
6290	Miscellaneous Contr.			\$ 1,763	\$ 155,277			\$ 157,040
6310	Operational Supplies, Materials							\$ -
6320	Textbooks and Reading	\$ 60		\$ 347	\$ 5,408			\$ 5,815
6330	Testing Materials							\$ -
63XX	Other Supplies, Materials			\$ 1,928	\$ 43,386			\$ 45,314
6410	Travel, Subsistence, Stipends	\$ 16,084		\$ 11,833	\$ 42,667			\$ 70,584
6420	Ins. And Bonding Costs							\$ -
6430	Election Costs	\$ 5,556						\$ 5,556
6490	Miscellaneous Operating	\$ 2,731		\$ 36,518	\$ 89,650			\$ 128,899
6500	Debt Service							\$ -
6600	Capital Outlay						\$ 12,611	\$ 12,611
<b>TOTAL</b>		<b>\$ 90,089</b>	<b>\$ 388,591</b>	<b>\$ 431,306</b>	<b>\$ 2,029,527</b>	<b>\$ 25,985</b>	<b>\$ 12,611</b>	<b>\$ 2,978,109</b>

Total expenditures for General and Special Revenue Funds: (9) \$ 110,130,825

LESS: Deductions and Unallowable Costs

FISCAL YEAR	
Total Capital Outlay (6600)	(10) \$ 616,890
Total Debt & Lease (6500)	(11) \$ -
Plant Maintenance (Function 51, 6100-6400)	(12) \$ 7,815,192
Food (Function XX, 6341 and 6499)	(13) \$ 1,327,475
Stipend (6413)	(14) \$ -
Column 4 (above) - Total Indirect Cost	\$ 2,029,527
Subtotal	11,789,084
Net Allowed Direct Cost	\$ 98,341,741

CUMULATIVE	
Total Cost of Buildings Before Depreciation (1520)	(15) \$ 159,493,723
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) \$ 30,717,140
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, 2007

**“UNAUDITED”**

Data Control Code	Explanation	Amount
1.	Total General Fund Balance August 31, 2007 (Exhibit C-1 object 3000 for the General Fund only)	\$ <u>24,432,144</u>
2.	Total General Fund Reserve Fund Balance (from Exhibit C-1 – total of object 3400s for the General Fund only)	\$ <u>19,088</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.	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	\$ <u>8,500,000</u>
5.	Estimated of <b>one</b> month’s average cash disbursements during the regular school session ( 9/1/07 - 5/31/08)	\$ <u>10,315,500</u>
6.	Estimate of delayed payments from state sources (58XX) including August payment delay	\$ <u>2,800,000</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>250,000</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>21,884,588</u>
11.	Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (1-10)	\$ <u>2,547,556</u>

The District is in the beginning phase of a construction program begun 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.

COPPELL INDEPENDENT SCHOOL DISTRICT  
SCHOOL BREAKFAST AND NATIONAL SCHOOL LUNCH PROGRAM  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED AUGUST 31, 2007

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 3,111,475	\$ 3,111,475	\$ 3,192,436	\$ 80,961
5800	State Program Revenues	98,121	98,121	96,457	(1,664)
5900	Federal Program Revenues	484,720	484,720	486,565	1,845
<b>5020</b>	<b>Total Revenues</b>	<b>\$ 3,694,316</b>	<b>\$ 3,694,316</b>	<b>\$ 3,775,458</b>	<b>\$ 81,142</b>
<b>EXPENDITURES</b>					
Current:					
0030	Support Services - Student (Pupil):				
0035	Food Services	\$ 3,867,128	\$ 3,937,128	\$ 3,806,043	\$ 131,085
	Total Support Services - Student (Pupil)	\$ 3,867,128	\$ 3,937,128	\$ 3,806,043	\$ 131,085
<b>6030</b>	<b>Total Expenditures</b>	<b>\$ 3,867,128</b>	<b>\$ 3,937,128</b>	<b>\$ 3,806,043</b>	<b>\$ 131,085</b>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (172,812)	\$ (242,812)	\$ (30,585)	\$ 212,227
1200	Net Change in Fund Balance	\$ (172,812)	\$ (242,812)	\$ (30,585)	\$ 212,227
0100	Fund Balances - Beginning (September 1)	783,465	783,465	783,465	-
<b>3000</b>	<b>Fund Balances - Ending (August 31)</b>	<b>\$ 610,653</b>	<b>\$ 540,653</b>	<b>\$ 752,880</b>	<b>\$ 212,227</b>

NORTH HOPKINS INDEPENDENT SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED AUGUST 31, 2006

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
5700 Local and Intermediate Sources	\$ 15,076,235	\$ 15,076,235	\$ 15,471,785	\$ 395,550
<b>5020 Total Revenues</b>	<b>\$ 15,076,235</b>	<b>\$ 15,076,235</b>	<b>\$ 15,471,785</b>	<b>\$ 395,550</b>
<b>EXPENDITURES</b>				
Debt Service:				
0071 Principal on Long-term Debt	\$ 10,611,645	\$ 9,661,497	\$ 9,656,647	\$ 4,850
0072 Interest on Long-term Debt	5,414,060	6,364,701	6,369,551	(4,850)
0073 Bond Issuance Costs and Fees	11,200	707,869	703,228	4,641
Total Debt Service	<u>\$ 16,036,905</u>	<u>\$ 16,734,067</u>	<u>\$ 16,729,426</u>	<u>\$ 4,641</u>
<b>6030 Total Expenditures</b>	<b>\$ 16,036,905</b>	<b>\$ 16,734,067</b>	<b>\$ 16,729,426</b>	<b>\$ 4,641</b>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (960,670)</u>	<u>\$ (1,657,832)</u>	<u>\$ (1,257,641)</u>	<u>\$ 400,191</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
7911 Capital-Related Issued (Regular Bonds)	\$ -	\$ 43,600,748	\$ 43,600,747	\$ (1)
7916 Premium or Discount on Issuance of Bonds	-	23,026,026	23,026,025	(1)
8949 Other Uses	-	(65,929,612)	(65,929,611)	1
<b>7080 Net Other Financing Sources and (Uses)</b>	<u>\$ -</u>	<u>\$ 697,162</u>	<u>\$ 697,161</u>	<u>\$ (1)</u>
1200 Net Change in Fund Balance	\$ (960,670)	\$ (960,670)	\$ (560,480)	\$ 400,190
0100 Fund Balance - Beginning (September 1)	<u>4,034,259</u>	<u>4,034,259</u>	<u>4,034,259</u>	<u>-</u>
<b>3000 Fund Balance - Ending (August 31)</b>	<b><u>\$ 3,073,589</u></b>	<b><u>\$ 3,073,589</u></b>	<b><u>\$ 3,473,779</u></b>	<b><u>\$ 400,190</u></b>



COPPELL INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
 AS OF AUGUST 31, 2007

<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?	\$ 71,451,809

FEDERAL AWARDS SECTION

COPPELL INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED AUGUST 31, 2007

Federal Grantor/ Pass Through Grantor/ Program Title	(02) Federal CFDA Number	(2A) Pass-Through Grantor's Number	(03) Federal Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed through Education Service Center, Region X:			
ESEA Title III Part A - LEP	84.365	057-922	\$ 54,063
ESEA Title IV - Safe & Drug Free Schools	84.186	057-922	19,526
ESEA Title V Part A - Innovative Programs	84.298	057-922	9,988
ESEA Title II Part A - Teacher & Principal Training	84.367	057-922	105,104
ESEA Title II Part A - Teacher & Principal Training	84.367	057-922	8,450
Temporary Emergency Impact Aid	84.938	057-922	3,706
Total passed through Education Service Center, Region X			\$ 200,837
Passed through the Texas Education Agency:			
ESEA Title I Part A - Improving Basic Programs	84.010	07610101057922	\$ 146,585
IDEA-B Formula	84.027	076600010579226600	1,331,003
IDEA-B Formula	84.028	086600010579226600	97,483
ESEA Title VI - Summer School LEP	84.027	057-922	1,293
Vocational Education - Basic Grant	84.048	0742000605792210	37,802
Vocational Education - Basic Grant	84.049	0842000605792210	1,477
IDEA-B Preschool	84.173	076610010579226610	22,831
IDEA-B Preschool	84.173	086610010579226610	285
ESEA Title II Part D - Enhancing Education through Technology	84.318	07630001057922	1,486
Total passed through the Texas Education Agency			\$ 1,640,245
<b>Total Department of Education</b>			<b>\$ 1,841,082</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed through the Texas Education Agency:			
School Breakfast Program	10.553	057-922	\$ 35,930
National School Lunch Program	10.555	057-922	317,350
Total passed through the Texas Education Agency			\$ 353,280
Passed through the Texas Department of Human Services:			
Commodity Supplemental Food Program	10.565	057027A	133,285
<b>Total Department of Agriculture</b>			<b>\$ 486,565</b>
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>			
Passed through Education Service Center, Region XIV:			
Learn and Serve America	94.004	03KSWTX01	\$ 50,000
<b>Total Corporation for National and Community Service</b>			<b>\$ 50,000</b>
<b>Total Expenditure of Federal Awards</b>			<b>\$ 2,377,647</b>

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, 2007

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, 2007.