

**COPPELL INDEPENDENT
SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 2025

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COPPELL INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2025

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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, 2025, 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 (attach list if necessary):

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Coppell Independent School District

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coppell Independent School District (District), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Coppell Independent School District as of August 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures including examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charges with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information section of exhibits presented in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2026, 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 solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

January 19, 2026
Greenville, Texas

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

Members of the Board
Coppell Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coppell Independent School District (District), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 19, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

January 19, 2026
Greenville, Texas

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Members of the Board
Coppell Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coppell Independent School District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2025. 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.

In our opinion, the District complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2025.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud, or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This Report

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

January 19, 2026
Greenville, Texas

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2025

Summary of Auditor's Results (Section I)

Financial Statements –

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

Federal Awards –

Internal control over major programs: Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Type of Auditor's report issued on compliance for major programs	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	None
Identification of major programs	Special Education Cluster: IDEA – B Formula B (84.027) IDEA – B Preschool (84.173)
Dollar threshold used to distinguish between Type A and Type B programs	\$ 750,000
Entity qualified as a low risk auditee	Yes
Pass-through Entity	Texas Education Agency

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2025

Financial Statement Findings (Section II)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2025

Federal Award Findings and Questioned Costs (Section III)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2025

Prior Year Findings (Section IV)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2025

Corrective Action Plans (Section V)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2025

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, 2025. 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 \$ 65,814,856. This was a decrease in the fund balance from the prior year in the amount of \$ 6,621,559. The unassigned general fund balance decreased \$ 7,580,227 from the prior year, while other committed fund balance increased \$ 958,668.
- The District's implementation of GASB Statement 68 and Statement 75 requires the recording of the District's proportionate share of the TRS-retirement plan and TRS – Care OPEB plan liabilities. The current year changes totaling \$ 293,506 contributed to the ending net position increase.
- Since the District is subject to recapture payments to the state, the District frequently elects to pay for capital improvement items with bonded debt. The District's debt management practice is to utilize appropriate bond instruments, depending upon the circumstances at each instance. The District elected to issue Capital Appreciation Bonds in various refunding series. The implementation of GASB 34 brings the accretion of interest related to these bonds onto the District's books as shown in Note E – Long-Term Obligations. The accreted interest of \$ 44,344,127 is treated as a liability, and flows through the statement of net position as a decrease in the District's net asset value. The necessity to issue long-term debt instruments to meet capital improvement requirements of facilities, and the recording of depreciation of assets has resulted in negative unrestricted net position of \$ 40,709,190 in the governmental activities.
- General revenues accounted for \$ 198,640,138, or 90.50% of all fiscal year 2025 revenue. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$ 20,844,037 or 9.50% of total fiscal year 2025 revenues.
- The District had approximately \$ 199,219,604 in expenses related to governmental activities; of which \$ 8,724,646 of these expenses were offset by program-specific charges for services. Operating grants and contributions totaling \$ 12,119,391 provided additional support for specific related expenses. General revenues of \$ 198,640,138 provided for the remaining cost of these programs, resulting in a \$ 20,264,571 increase in net position for the year's activity.
- The COVID–19 pandemic required the District to adapt traditional educational services to allow for state and federal mandates. Additional federal funding sources have been obtained to provide for supplemental costs for those adaptations. The District will continue to monitor the available resources to ensure the students and employees are provided with the best opportunities to succeed in their education. COVID-19 federal grants have expired, and future grant funding could be reduced.
- The District issued \$ 70,664,999 of additional debt to continue refurbishing existing facilities and expansion of others.

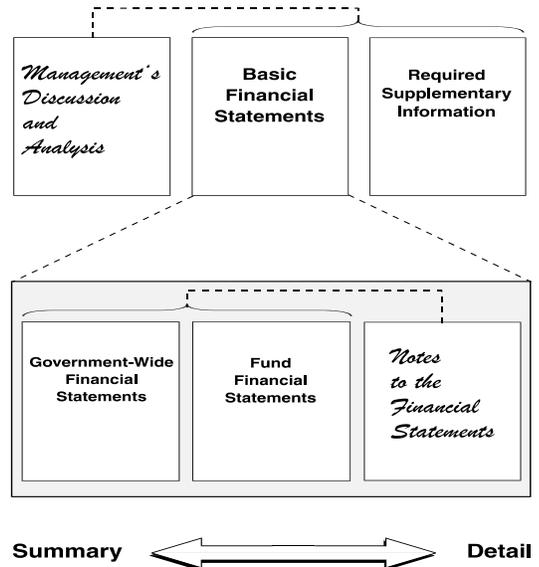
COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2025

GOVERNMENT-WIDE STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The District has the following kinds of funds:

- Governmental funds—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.
- Proprietary funds—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities.
- Fiduciary funds—The District is the trustee, or fiduciary, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2025

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$ 22,218,806 at August 31, 2025.

Coppell Independent School District's Net Position			Table A-1
	Governmental Activities		Percent Change 2024-2023
	2025	2024	
Assets:			
Cash and Investments	\$ 167,418,107	\$ 161,671,043	3.55%
Other Assets	6,815,020	7,593,797	-10.26%
Capital Assets less Accumulated Depreciation	<u>432,061,472</u>	<u>369,854,065</u>	16.82%
Total Assets	<u>\$ 606,294,599</u>	<u>\$ 539,118,905</u>	12.46%
Total Deferred Outflows of Resources	<u>\$ 29,965,961</u>	<u>\$ 30,352,857</u>	-1.27%
Liabilities:			
Current Liabilities	\$ 20,180,134	\$ 22,383,429	-9.84%
Long-term Liabilities	<u>569,351,494</u>	<u>514,271,193</u>	10.71%
Total Liabilities	<u>\$ 589,531,628</u>	<u>\$ 536,654,622</u>	9.85%
Total Deferred Inflows of Resources	<u>\$ 24,510,126</u>	<u>\$ 30,862,905</u>	-20.58%
Net Position:			
Net Investment In Capital Assets	\$ 42,915,401	\$ 29,142,732	47.26%
Restricted	20,012,595	12,733,114	57.17%
Unrestricted	<u>(40,709,190)</u>	<u>(39,921,611)</u>	1.97%
Total Net Position	<u>\$ 22,218,806</u>	<u>\$ 1,954,235</u>	1036.96%

Approximately \$ 18,693,444 of the District's restricted net position represents funds available for debt retirement. These funds are restricted for retirement of tax supported debt. The unrestricted net asset represents resources available to fund the programs of the District next year.

CHANGES IN NET POSITION

The District's total revenues were \$ 219,484,175. 81% of the District's revenue comes from local property taxes (See Table A-2). 11% comes from state aid and federal grants, while 8% relates to charges for services and investment earnings.

The total cost of all programs and services was \$ 199,219,604. 48% of these expenses were for instruction and instructional related support services. Because of the District's property wealth, payments are required to be sent to the state totaling \$ 24,625,943 or 12.36%.

The District's base tax collections (current and delinquent) percentage for FY 2025 is 94.62%. The total tax collections (base tax plus penalty and interest) percentage for FY 2025 was 94.84%.

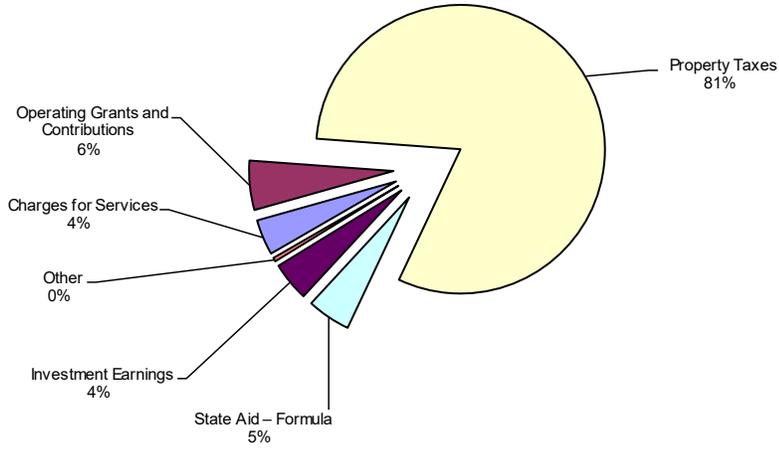
COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2025

GOVERNMENTAL ACTIVITIES

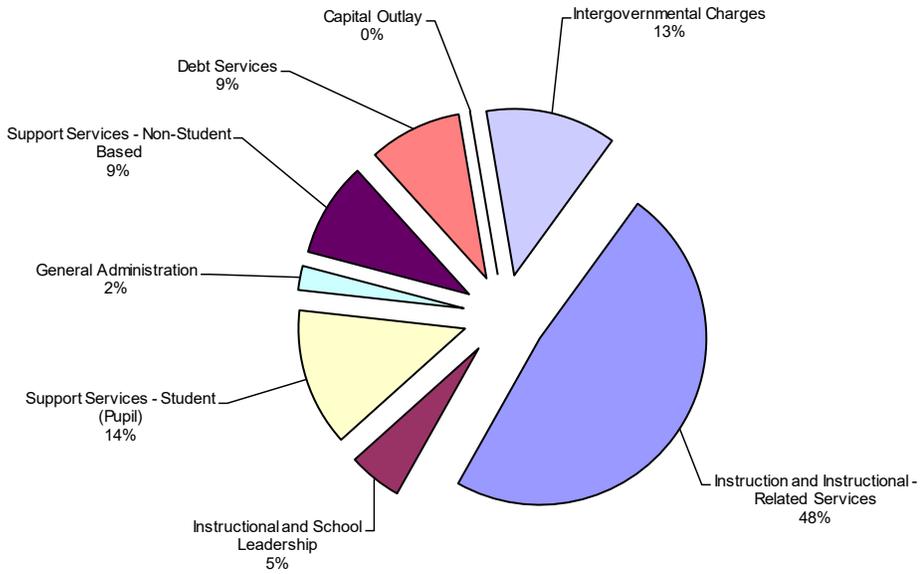
Changes in Coppell Independent School District's Net Position				Table A-2
	Governmental Activities		Percent Change	
	2025	2024	2024-2023	
Program Revenues:				
Charges for Services	\$ 8,724,646	\$ 8,675,291	0.57%	
Operating Grants and Contributions	12,119,391	16,926,672	-28.40%	
General Revenues:				
Property Taxes	177,445,042	172,061,407	3.13%	
State Aid – Formula	10,672,658	7,947,470	34.29%	
Investment Earnings	9,581,656	13,519,393	-29.13%	
Other	940,782	834,155	12.78%	
Total Revenues	\$ 219,484,175	\$ 219,964,388	-0.22%	
Expenses:				
Instruction	\$ 90,855,210	\$ 109,062,833	-16.69%	
Instructional Resources and Media Services	2,095,659	2,240,827	-6.48%	
Curriculum and Staff Development	2,974,031	3,448,762	-13.77%	
Instructional Leadership	2,904,600	2,822,949	2.89%	
School Leadership	7,469,359	6,998,119	6.73%	
Guidance, Counseling and Evaluation Services	8,793,105	8,737,720	0.63%	
Social Work Services	169,457	269,461	-37.11%	
Health Services	1,796,756	1,691,576	6.22%	
Student Transportation	6,231,500	5,719,903	8.94%	
Food Services	5,871,165	6,184,560	-5.07%	
Co-curricular/Extracurricular Activities	3,828,643	4,811,409	-20.43%	
General Administration	4,672,929	4,324,165	8.07%	
Facilities Maintenance and Operations	11,631,666	10,648,678	9.23%	
Security and Monitoring Services	1,503,547	1,779,498	-15.51%	
Data Processing Services	4,624,449	7,805,018	-40.75%	
Community Services	581,301	466,392	24.64%	
Debt Service	17,961,145	17,814,052	0.83%	
Contracted Instructional Services between Schools	24,625,943	22,360,852	10.13%	
Payments to Juvenile Justice Alternative Ed. Prgm.	3,000	3,000	0.00%	
Other Intergovernmental Charges	626,139	610,853	2.50%	
Total Expenses	\$ 199,219,604	\$ 219,603,462	-9.28%	
Increase (Decrease) in Net Position	\$ 20,264,571	\$ 360,926	-5514.61%	
Net Position - Beginning (September 1)	1,954,235	1,593,309	-22.65%	
Net Position - Ending (August 31)	\$ 22,218,806	\$ 1,954,235	1036.96%	

COPPELL INDEPENDENT SCHOOL DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED AUGUST 31, 2025

Government-wide Revenue for Fiscal Year 2025 - See Table A-2



Government-wide Expenses for Fiscal Year 2025 - Table A-2



**COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2025**

- 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 \$ 199,219,604.
- However, the amount that our taxpayers paid for these activities through local property taxes was \$ 177,445,042.
- Some of the cost was paid by those who directly benefited from the programs \$ 8,724,646, or
- By grants and contributions \$ 12,119,391.

Coppell Independent School District's Net Cost of Selected District Functions Governmental Activities							Table A-3
	Total Cost of Services			%	Net Cost of Services		%
	2025	2024	Change		2025	2024	
Instruction	\$ 90,855,210	\$ 109,062,833	-16.69%	\$ 84,544,979	\$ 99,702,610	-15.20%	
School Leadership	7,469,359	6,998,119	6.73%	7,146,988	6,601,090	8.27%	
General Administration	3,828,643	4,811,409	-20.43%	4,578,574	4,185,931	9.38%	
Facilities Maintenance and Operations	4,672,929	4,324,165	8.07%	10,876,124	9,852,487	10.39%	
Debt Service	17,893,691	17,631,229	1.49%	15,382,241	15,008,115	2.49%	
Contracted Instructional Services	24,625,943	22,360,852	-53.60%	24,625,943	22,360,852	10.13%	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues in the governmental funds totaled \$ 222,487,764. This represents an increase of \$ 986,361 from the prior year revenues of \$ 221,501,403. The change represents a reduction in local property taxes collected due to changes in assessed property values and tax rates related to economic growth. State mandated tax rate compression and the expansion of the state homestead exemption resulted in the decreased collection amount. Other local revenue sources increased to offset costs in the District. State funding increased to assist in the offset of tax collection reductions.

Expenditures in the governmental funds totaled \$ 290,865,171. This represents an increase of \$ 20,870,589 from the prior year expenditures of \$ 269,994,582. The majority of this change is a result of increased capital outlay expenditures related to construction and other improvement projects in progress in the District as well as increased recapture payments to the state.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Trustees adopted a General Fund Budget deficit of \$8,113,633.

Public school expenditures are heavily weighted toward human capital with over 80% of the total budget, not including recapture, dedicated to salaries and benefits. State public school funding formulas have no mechanism to adjust for inflation, leaving Districts that experience increasing labor and supply costs with few options to address and budget deficits but to rely on increased local support or initiate significant measures to reduce overall expenditures.

The impact of inflation on supplies and wages and lack of additional funding to adjust to these rising costs were significant challenges that the District continued to face in 2024-2025. To retain teachers and highly qualified staff the District continued to prioritize cost-of-living increases and other benefits. The District continued to need to use contracted services, especially in Special Education, to provide all required services despite the premium paid for such services. Wages for custodial and transportation contracted services, which are adjusted based upon indices such as the Consumer Price Index, continued to rise.

The District's tax revenues were negatively impacted by an increase in tax refunds due to a significant increase in property appraisal lawsuits settled by the Dallas Central Appraisal District (DCAD). DCAD has seen a large rise in the number of lawsuits filed to protest property appraisal, especially in the commercial market and through firms that specialize in such suits.

The District proposed a 3.17 cent increase in the Maintenance & Operations tax rate through a Voter-Approval Tax Ratification Election (VATRE) held in November 2024. The proposition would have increased tax collections by nearly \$11 million and net revenue to the District of approximately \$2.4 million. The law requires that the District adopt the higher rate and then reduce it if voters do not approve the measure in November. The measure did not pass. Consequently, budgeted revenue was reduced to reflect lower tax collections.

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2025

SHARS (School Health and Related Services) revenue was reduced due to changes in the reimbursements allowed under that program. The District implemented changes to adapt to new requirements under the SHARS program to increase reimbursement.

The District realized interest earnings on invested funds due to high interest rates including the nearly \$24 million in tax revenue recaptured by the state that was invested until mid-August when the payment was due. Additional revenue was realized through increased facility rentals (\$600k) and one-time sale of surplus technology devices (\$991k). Actual total revenues net approximately \$978k under the final adopted budget or 0.6%.

District expenditures were approximately \$1.5 million less than the final adopted budget with a large portion being the reduction of recapture, due mainly to lower tax revenues. The District worked to reduce staffing costs through attrition throughout the school year and reduced facility maintenance costs, administrative, and instructional costs. The District realized a deficit of just over \$6.6 million for the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At year end, the District invested \$ 596,148,791 in a broad range of capital assets, including land, equipment, buildings, and vehicles (See Table A-4).

Coppell Independent School District's Capital Assets			Table A-4
	Governmental Activities		Total Percentage Change 2024-2023
	2025	2024	
Land	\$ 47,335,031	\$ 47,335,031	0.00%
Construction in Progress	38,836,760	20,663,547	0.00%
Buildings and Improvements	449,796,036	396,429,330	13.46%
Equipment	48,939,800	49,997,809	-2.12%
Vehicles	10,810,425	11,359,078	-4.83%
Right of Use Lease Assets	430,739	430,739	0.00%
Totals at historical cost	\$ 596,148,791	\$ 526,215,534	13.29%
Less accumulated depreciation	(164,087,319)	(156,361,469)	4.94%
Net Capital Assets	<u>\$ 432,061,472</u>	<u>\$ 369,854,065</u>	16.82%

DEBT

At year-end, the District had \$ 496,658,407 in debt outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the basic financial statements.

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

Coppell Independent School District's Debt			Table A-5
	Governmental Activities		Total Percentage Change 2024-2023
	2025	2024	
Bonds Payable	\$ 418,395,193	\$ 365,286,195	14.54%
Right of Use Leases Payable	96,058	217,192	-55.77%
Other Debt Payable	78,167,156	82,055,193	-4.74%
Total Debt Payable	<u>\$ 496,658,407</u>	<u>\$ 447,558,580</u>	10.97%

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2025

ECONOMIC FACTORS

Despite the increase in the homestead exemption from \$100k - \$140k, plus additional exemptions for those over 65 and disabled, the District continues to experience growth in taxable assessed property values. In total, certified taxable values grew from \$16,809,816,483 to \$18,555,768,528 in 2024, a \$1,745,952,045 increase. Overall values grew by 10.39% over prior year with residential growth at 12.08% and commercial property growth at 11.32%. Commercial and business personal property comprise over 58% of the total value. Residential property, single-family and multi-family, is strong as is office, commercial warehousing, and distribution property within the District. The Cypress Waters development continues to construct multi-family housing. The developer's intention is to continue to build 250 apartment homes per year and have a total of 8 – 10 million sq ft of office space including two hotels. The entire development is planned to be built out within 15 – 20 years.

The enrollment yield of students from the Cypress Waters development is limited due to contractual obligations to keep 75% of apartment homes at one-bedroom. The yield from Cypress Waters is currently .194 students per multi-family unit where the yield of students throughout Coppel ISD is .436 students per multi-family unit. At this time, the Cypress Waters development is producing about 280 elementary students and 290 secondary students with the anticipation of adding approximately 24 elementary and 24 secondary students each year based on the current yields.

The District's 2024-25 enrollment was 13,233 at the fall snapshot date compared to 13,414 in the prior year, a loss of 181 students. The Pre-Kindergarten and Kindergarten grade enrollments remain lower than previous years contributing to lower overall growth and predicted future declines in total enrollment. Recent demographic studies indicate that the District reached peak enrollment in 2023-24 and will experience declines in enrollment of 1% to 2% each year over the next 5 years, with an estimated enrollment of 12,200 in school year 2029-30.

Despite Coppel ISD being a highly desirable, destination District, the pricing of housing within the District is likely limiting buyers with elementary-aged children. Instead, growth in enrollment at the secondary grade levels is expected as younger cohorts work through each grade level which will offset some of the softening of enrollment in the elementary grades. The recent legislation allowing Educational Savings Accounts may impact the District as families choose to take funds to private schools especially in the lower grades. In addition, the District's demographer continues to cite the state-wide trend toward home-schooling and alternate schooling arrangements as factors that the District will need to consider as it plans for the future.

In 2011-2012 the Board of Trustees began to allow students that live in the City of Coppel, but not within the school District's boundaries, to attend Coppel ISD. Their acceptance was initially limited to two of the District's lower enrollment elementary schools but was expanded to include one of the high schools. The District has annually received additional funding revenue for these students between \$1.5 million and \$2 million. State funding is derived from the student's attendance at Coppel ISD, not the location of their home or taxing school entity.

The 86th Texas Legislative Session was held during 2019 and produced new funding formulas for public schools. Tax rates have been compressed annually based upon the growth of taxable property values over the state average. Coppel ISD's maintenance & operations tax rate has been compressed from \$1.17 in 2018 to \$0.7552 in 2024, a reduction of 41.48 pennies. There continues to be room for additional compression in future years.

In May 2023, voters approved four bond referendums totaling \$321,511,000 to allow the District to build and maintain facilities, purchase buses and student/staff technology devices, and refresh or renovate aging elementary school buildings. The District issued the first set of bonds for a total of \$74,021,000 in July 2023 and the second set of bonds for a total of \$72,000,000 in February 2025. The Interest & Sinking tax rate was decreased, due to strong property value growth, by .0039 to support the issuance of this debt. The debt service tax rate provides funds to pay the principal and interest due on the District's debt.

In 2024-25, Coppel ISD paid over \$24 million of property tax revenue to the state in the form of recapture, increasing the total amount of local property tax revenue returned to the state since the inception of recapture in 1992 to over \$800 million.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2025

Data Control Codes	1	Governmental Activities
ASSETS		
1110	Cash and Investments	\$ 167,418,107
1225	Property Taxes Receivable, Net	2,281,037
1240	Due from Other Governments	3,456,531
1250	Accrued Interest	178,730
1267	Due from Fiduciary	63,758
1290	Other Receivables	646,979
1300	Inventories	187,985
Capital Assets:		
1510	Land	47,335,031
1520	Buildings and Improvements, Net	324,533,820
1530	Furniture and Equipment, Net	21,260,975
1550	Right of Use Assets, Net	94,886
1580	Construction in Progress	38,836,760
1000	Total Assets	\$ 606,294,599
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Outflows - Undesignated	\$ 3,815,772
1705	Deferred Outflows - Pensions	12,609,198
1706	Deferred Outflows - OPEB	13,540,991
1700	Total Deferred Outflows of Resources	\$ 29,965,961
LIABILITIES		
2110	Accounts Payable	\$ 7,873,512
2140	Interest Payable	709,441
2165	Accrued Liabilities	9,374,558
2177	Due to Fiduciary	980
2180	Due to Other Governments	1,336,078
2300	Unearned Revenues	885,565
Noncurrent Liabilities:		
2501	Due within one year	19,640,567
2502	Due in more than one year	477,017,840
2540	Net Pension Liability	45,730,059
2545	Net OPEB Liability	26,963,028
2000	Total Liabilities	\$ 589,531,628
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflows - Pensions	\$ 1,193,145
2606	Deferred Inflows - OPEB	23,316,981
2600	Total Deferred Inflows of Resources	\$ 24,510,126
NET POSITION		
3200	Net Investment in Capital Assets	\$ 42,915,401
Restricted For:		
3820	Federal and State Programs	1,022,162
3850	Debt Service	18,693,444
3890	Other Purposes	296,989
3900	Unrestricted	(40,709,190)
3000	Total Net Position	\$ 22,218,806

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2025

Data	1	3	4	6
Control	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Codes Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
11 Instruction	\$ 90,855,210	\$ 1,968,686	\$ 4,341,545	\$ (84,544,979)
12 Instructional Resources and Media Services	2,095,659	-	45,458	(2,050,201)
13 Curriculum and Staff Development	2,974,031	-	244,729	(2,729,302)
21 Instructional Leadership	2,904,600	-	104,809	(2,799,791)
23 School Leadership	7,469,359	10,540	311,831	(7,146,988)
31 Guidance, Counseling and Evaluation Services	8,793,105	675,563	2,141,119	(5,976,423)
32 Social Work Services	169,457	-	3,963	(165,494)
33 Health Services	1,796,756	-	45,408	(1,751,348)
34 Student Transportation	6,231,500	20,820	11,945	(6,198,735)
35 Food Services	5,871,165	4,440,871	1,069,756	(360,538)
36 Co-curricular/Extracurricular Activities	3,828,643	639,831	133,054	(3,055,758)
41 General Administration	4,672,929	6,500	87,855	(4,578,574)
51 Facilities Maintenance and Operations	11,631,666	712,565	42,977	(10,876,124)
52 Security and Monitoring Services	1,503,547	-	773,050	(730,497)
53 Data Processing Services	4,624,449	249,270	74,004	(4,301,175)
61 Community Services	581,301	-	108,984	(472,317)
72 Interest on Long-term Debt	17,312,390	-	2,578,904	(14,733,486)
73 Debt Issuance Costs and Fees	648,755	-	-	(648,755)
91 Contracted Instructional Services between Schools	24,625,943	-	-	(24,625,943)
95 Payments to Juvenile Justice Alternative Ed. Prgm.	3,000	-	-	(3,000)
99 Other Intergovernmental Charges	626,139	-	-	(626,139)
TG Total Governmental Activities	<u>\$ 199,219,604</u>	<u>\$ 8,724,646</u>	<u>\$ 12,119,391</u>	<u>\$ (178,375,567)</u>
TP Total Primary Government	<u>\$ 199,219,604</u>	<u>\$ 8,724,646</u>	<u>\$ 12,119,391</u>	<u>\$ (178,375,567)</u>
General Revenues:				
MT Property Taxes, Levied for General Purpose				\$ 133,646,639
DT Property Taxes, Levied for Debt Service				43,798,403
IE Investment Earnings				9,581,656
SF State Aid-Formula Grants				10,672,658
MI Miscellaneous				940,782
TR Total General Revenues				<u>\$ 198,640,138</u>
CN Change in Net Position				\$ 20,264,571
NB Net Position - Beginning (September 1)				<u>1,954,235</u>
NE Net Position - Ending (August 31)				<u>\$ 22,218,806</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
 BALANCE SHEET - GOVERNMENTAL FUNDS
 AUGUST 31, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	onmf Other Governmental Funds	98 Total Governmental Funds	
ASSETS						
1110	Cash and Investments	\$ 75,366,796	\$ 18,394,474	\$ 70,385,291	\$ 3,271,546	\$ 167,418,107
1225	Property Taxes Receivable, Net	1,782,895	498,142	-	-	2,281,037
1240	Due from Other Governments	2,042,553	228,008	-	1,185,970	3,456,531
1260	Accrued Interest	178,730	-	-	-	178,730
1260	Due from Other Funds	17,971	407,583	-	46,490	472,044
1290	Other Receivables	568,420	5,055	-	73,504	646,979
1300	Inventories	-	-	-	187,985	187,985
1000	Total Assets	\$ 79,957,365	\$ 19,533,262	\$ 70,385,291	\$ 4,765,495	\$ 174,641,413
LIABILITIES						
Current Liabilities:						
2110	Accounts Payable	\$ 495,408	\$ -	\$ 7,217,082	\$ 161,020	\$ 7,873,510
2150	Payroll Deductions and Withholdings	(35,056)	-	-	-	(35,056)
2160	Accrued Wages Payable	9,276,966	-	-	132,648	9,409,614
2170	Due to Other Funds	408,563	-	-	703	409,266
2180	Due to Other Governments	1,336,080	-	-	-	1,336,080
2300	Unearned Revenue	324,847	130,377	-	430,341	885,565
2000	Total Liabilities	\$ 11,806,808	\$ 130,377	\$ 7,217,082	\$ 724,712	\$ 19,878,979
DEFERRED INFLOWS OF RESOURCES						
2620	Deferred Lease Revenue	\$ 2,335,701	\$ 498,142	\$ -	\$ -	\$ 2,833,843
2600	Total Deferred Inflows of Resources	\$ 2,335,701	\$ 498,142	\$ -	\$ -	\$ 2,833,843
FUND BALANCES						
Nonspendable Fund Balances:						
3410	Inventories	\$ -	\$ -	\$ -	\$ 187,985	\$ 187,985
Restricted Fund Balances:						
3450	Federal/State Funds Grants	-	-	-	917,732	917,732
3480	Retirement of Long-Term Debt	-	18,904,743	-	-	18,904,743
3490	Other Restrictions of Fund Balance	-	-	63,168,209	296,989	63,465,198
Committed Fund Balances:						
3510	Construction	1,000,000	-	-	-	1,000,000
3520	Claims and Judgment	750,000	-	-	-	750,000
3530	Capital Expenditures for Equipment	1,000,000	-	-	-	1,000,000
3545	Other Committed Fund Balance	9,011,273	-	-	2,638,077	11,649,350
3600	Unassigned	54,053,583	-	-	-	54,053,583
3000	Total Fund Balances	\$ 65,814,856	\$ 18,904,743	\$ 63,168,209	\$ 4,040,783	\$ 151,928,591
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 79,957,365	\$ 19,533,262	\$ 70,385,291	\$ 4,765,495	\$ 174,641,413

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET (GOVERNMENTAL FUNDS)
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2025

Total fund balances - Balance Sheet (governmental funds)	\$ 151,928,591
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not reported in the funds.	431,966,586
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	2,281,037
Payables for bond principal which are not due in the current period are not reported in the funds.	(418,395,194)
Payables for right of use leases which are not due in the current period are not reported in the funds.	(96,058)
Payables for debt interest which are not due in the current period are not reported in the funds.	(709,441)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	4,368,578
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(45,730,059)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(1,193,145)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	12,609,198
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(44,344,126)
Bond premiums are amortized in the SNA but not in the funds.	(33,823,029)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(26,963,028)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(23,316,981)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	13,540,991
Right of use lease assets used in governmental activities are not reported in the funds.	<u>94,886</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 22,218,806</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, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	onmf Other Governmental Funds	98 Total Governmental Funds
REVENUES					
5700 Local and Intermediate Sources	\$ 140,127,620	\$ 45,227,675	\$ 2,972,890	\$ 7,529,623	\$ 195,857,808
5800 State Program Revenues	17,739,973	2,201,940	-	1,971,514	21,913,427
5900 Federal Program Revenues	351,057	376,964	-	3,988,508	4,716,529
5020 Total Revenues	\$ 158,218,650	\$ 47,806,579	\$ 2,972,890	\$ 13,489,645	\$ 222,487,764
EXPENDITURES					
Current:					
0011 Instruction	\$ 90,168,358	\$ -	\$ 1,898,595	\$ 2,982,559	\$ 95,049,512
0012 Instructional Resources and Media Services	1,636,038	-	339,520	40,515	2,016,073
0013 Curriculum and Staff Development	2,680,273	-	-	166,680	2,846,953
0021 Instructional Leadership	2,738,234	-	-	33,013	2,771,247
0023 School Leadership	6,944,767	-	-	187,108	7,131,875
0031 Guidance, Counseling and Evaluation Services	5,985,813	-	-	2,572,501	8,558,314
0032 Social Work Services	161,045	-	-	-	161,045
0033 Health Services	1,592,918	-	-	128,185	1,721,103
0034 Student Transportation	5,742,268	-	1,000	-	5,743,268
0035 Food Services	-	-	168,531	5,478,946	5,647,477
0036 Co-curricular/Extracurricular Activities	2,781,262	-	711,503	422,556	3,915,321
0041 General Administration	4,409,694	-	3,014	1,057	4,413,765
0051 Facilities Maintenance and Operations	10,326,859	-	232,071	477,532	11,036,462
0052 Security and Monitoring Services	888,056	-	9,156	935,566	1,832,778
0053 Data Processing Services	3,938,022	-	2,648,787	-	6,586,809
0061 Community Services	455,202	-	-	103,765	558,967
0071 Principal on Long-term Debt	119,462	17,556,002	-	1,672	17,677,136
0072 Interest on Long-term Debt	8,669	24,008,167	-	368	24,017,204
0073 Debt Issuance Cost and Fees	-	17,599	631,156	-	648,755
0081 Capital Outlay	-	-	63,276,025	-	63,276,025
0091 Contracted Instructional Services between Schools	24,625,943	-	-	-	24,625,943
0095 Payments to Juvenile Justice Alternative Ed. Prgm	3,000	-	-	-	3,000
0099 Other Intergovernmental Charges	626,139	-	-	-	626,139
6030 Total Expenditures	\$ 165,832,022	\$ 41,581,768	\$ 69,919,358	\$ 13,532,023	\$ 290,865,171
1100 Excess (Deficiency) of Revenues Over Expenditures	\$ (7,613,372)	\$ 6,224,811	\$ (66,946,468)	\$ (42,378)	\$ (68,377,407)
OTHER FINANCING SOURCES (USES)					
7911 Capital Related Debt Issued (Regular Bond)	\$ -	\$ -	\$ 70,664,999	\$ -	\$ 70,664,999
7912 Sale of Real or Personal Property	991,813	-	-	-	991,813
7916 Premium or Discount on Issuance of Bonds	-	1,261,983	1,966,157	-	3,228,140
7080 Net Other Financing Sources (Uses)	\$ 991,813	\$ 1,261,983	\$ 72,631,156	\$ -	\$ 74,884,952
1200 Net Changes in Fund Balances	\$ (6,621,559)	\$ 7,486,794	\$ 5,684,688	\$ (42,378)	\$ 6,507,545
0100 Fund Balance - Beginning (September 1)	72,436,415	11,417,949	57,483,521	4,083,161	145,421,046
3000 Fund Balance - Ending (August 31)	\$ 65,814,856	\$ 18,904,743	\$ 63,168,209	\$ 4,040,783	\$ 151,928,591

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, 2025

Net change in fund balances - total governmental funds	\$ 6,507,545
<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.	75,258,714
The depreciation of capital assets used in governmental activities is not reported in the funds.	(12,424,095)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(627,212)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	517,476
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	249,826
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	1,788,480
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	17,556,002
Repayment of right of use principal is an expenditure in the funds but is not an expense in the SOA.	121,134
The accretion of interest on capital appreciation bonds is not reported in the funds.	5,019,599
(Increase) decrease in accrued interest from beginning of period to end of period.	(103,265)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(70,664,999)
Bond premiums are reported in the funds but not in the SOA.	(3,228,140)
Pension contributions in the CY are de-expended and recorded as deferred resource outflows.	4,245,016
Pension contributions deferred in the prior year were expended in the current year	(4,218,220)
Pension expense is recorded in the SOA but not in the funds.	(2,850,320)
OPEB contributions in the CY are de-expended and recorded as deferred resource outflows.	791,705
OPEB contributions deferred in the prior year were expended in the current year	(806,762)
OPEB expense is recorded in the SOA but not in the funds.	<u>3,132,087</u>
Change in net position of governmental activities - statement of activities	<u>\$ 20,264,571</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
AUGUST 31, 2025

Data Control Codes	Custodial Funds
<u> </u>	<u> </u>
ASSETS	
1110 Cash and Investments	\$ 755,095
1260 Due from Other Funds	<u>22,382</u>
1000 Total Assets	<u>\$ 777,477</u>
LIABILITIES	
Current Liabilities:	
2110 Accounts Payable	\$ 2,427
2170 Due to Other Funds	<u>85,160</u>
2000 Total Liabilities	<u>\$ 87,587</u>
NET POSITION	
Restricted for:	
3800 Other Purposes	<u>\$ 689,890</u>
3000 Total Net Position	<u><u>\$ 689,890</u></u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
YEAR ENDED AUGUST 31, 2025

Data Control Codes		Custodial Funds
	ADDITIONS	
5744	Donations	\$ 5,695
5755	Fundraising Activities	745,449
5799	Revenue Collections	<u>2,527,987</u>
5020	Total Additions	<u>\$ 3,279,131</u>
	DEDUCTIONS	
6490	Administration Disbursements	\$ 70
6399	Group Activities	712,596
6499	Revenue Disbursements	<u>2,533,611</u>
6030	Total Deductions	<u>\$ 3,246,277</u>
1300	Changes in Net Position	\$ 32,854
0100	Net Position, Beginning (September 1)	<u>657,036</u>
3000	Net Position - Ending (August 31)	<u><u>\$ 689,890</u></u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

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

2. Basis of Presentation – Basis of Accounting

a. Basis of Presentation

Government-wide Statements – The statement of net position (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.

The District reports on 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 the accumulation of resources for, and the payment of general long-term Debt principal, interest, and related costs.

Capital Projects Fund- This fund accounts for local funds set aside by the Board and are committed for future construction and improvement projects.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

A. Summary of Significant Accounting Policies (Continued)

In addition, the District reports the following fund types:

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

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

b. Measurement Focus – Basis of Accounting

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

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally measurable until 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.

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, 2025

A. Summary of Significant Accounting Policies (Continued)

4. Encumbrance Accounting

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

End-of-year outstanding encumbrances that were provided for in the subsequent year's budget are:

General Fund	\$	-0-
Special Revenue Fund		-0-
Debt Service Fund		-0-
Total	\$	-0-

5. Financial Statement Amounts

Cash and Investments

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

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

Fund Balance

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

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

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

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

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

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

A. Summary of Significant Accounting Policies (Continued)

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

	General	Debt Service	Capital Projects	Other Governmental	Total
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ 187,985	\$ 187,985
Restricted					
Retirement of Long Term Debt	-	18,904,743	-	-	18,904,743
Capital Projects	-	-	63,168,209	-	63,168,209
Child Nutrition Program	-	-	-	917,732	917,732
Education Foundation Grants	-	-	-	568	568
AP Testing Funds	-	-	-	283,817	283,817
Tennis Fund	-	-	-	12,604	12,604
Committed					
Capital Improvements	1,000,000	-	-	-	1,000,000
Claims and Judgements	750,000	-	-	-	750,000
Capital Expenditures for Equipment	1,000,000	-	-	-	1,000,000
Residential Set Asides	512,141	-	-	-	512,141
Local Child Nutrition	-	-	-	267,304	267,304
Campus Activity Funds	-	-	-	2,146,151	2,146,151
Athletic Activity Funds	-	-	-	224,622	224,622
Future Budget Deficits	8,499,132	-	-	-	8,499,132
Unassigned	54,053,583	-	-	-	54,053,583
Totals	<u>\$ 65,814,856</u>	<u>\$ 18,904,743</u>	<u>\$ 63,168,209</u>	<u>\$ 4,040,783</u>	<u>\$ 151,928,591</u>

Inventories

On government-wide financial statements, inventories are presented at cost using the weighted average method and are expensed when used. On fund financial statements, inventories of governmental funds are 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.

Prepaid Items

Certain payments to vendors reflect cost applicable to future accounting years and are recorded as prepaid items. Prepaid items are recorded as expenditures when the items are consumed or occur.

Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	15-50
Vehicles	5-10
Other Equipment	3-15

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.

Unearned Revenues

Unearned revenues include state funds received but have not been earned in the year. The balance will be earned in the future year and not returned as liabilities.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

A. Summary of Significant Accounting Policies (Continued)

Right of Use Assets and Liabilities

GASB Statement 87, *Leases* created new financial statement accounts "Right of Use" assets and similar offsetting liabilities. A "right of use" asset accounts for the net present value of future payments attached to a leased asset. Common examples of "Right of Use" assets are copiers, printers, and other types of equipment that the District does not take ownership of but uses under the lease agreement. The assets value will be amortized over the life of the lease using a straight-line method. The liability offsetting the "Right of Use" is presented as lease payable.

Subscription-Based Information Technology Arrangements (SBITA)

GASB Statement 96, *Subscription-Based Information Technology Arrangements* created new financial statement assets and offsetting liabilities. A SBITA asset accounts for the net present value of future payments required for right of use subscription assets. To the extent relevant, the standards for SBITA's are based on the standards established by GASB Statement 87, *Leases*. A SBITA is defined as a contract that conveys control of the right of use of another party's information technology (software) as specified in the contract for a period of time in an exchange or exchange-like transaction. The asset will be amortized over the life of the contract allowing the use of the information technology over a straight line method. The asset is included in the financial statement caption right of use asset with the offsetting liability identified as SBITA payable.

Unearned Revenues

Unearned revenues include state funds received but have not been earned in the year. The balance will be earned in the future year and not returned as liabilities.

6. Deferred Outflows and Inflows of Resources

The District implemented GASB Statement Number 68, *Accounting and Financial Reporting for Pensions* and GASB Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits and Other Pensions*. In addition to assets and liabilities, the government-wide Statement of Net Position and governmental fund Balance Sheet report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future year and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future year and will not be recognized as an inflow of resources (revenue) until that time. The District reports certain deferred inflows and outflows related to pensions on the government-wide Statement of Net Position. At the governmental fund level, earned but unavailable revenue is reported as a deferred inflow of resources.

The District also implemented GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which amends the transition provisions of GASB 68. GASB 71 requires that, at transition, governments recognize a beginning deferred outflow of resource for pension contributions made subsequent to the measurement date of the beginning Net Pension Liability. Implementation is reflected in the financial statements and the prior year adjustment.

7. 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.

8. Interfund Activities

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

A. Summary of Significant Accounting Policies (Continued)

9. 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, accumulate and is recorded as an expense as it incurs.

10. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement System of Texas (TRS) and additions to/ deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expenses, and information about assets, liabilities, and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit term. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

12. Use of Estimates

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

13. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued various new accounting standards to better meet the information needed for users of financial statements by improving accounting and financial reporting. The GASB does this by issuing statements that cover various issues identified as needing additional clarification or direction to maintain standardization and comparability of financial information. During the year, the GASB issued no new standards. The following statements with varying effective dates noted are to be implemented in the coming periods:

Statement 103: *Financial Reporting Model Improvements* (Effective FY beginning after June 15, 2025)

14. 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.

15. 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 is presented in the accounting code section of the *Guide*. Mandatory codes are utilized in the form provided in that section.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

B. Deposits, Securities, and Investments

Cash Deposits

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 District (FDIC) insurance. At year end all District cash deposits appear to have been adequately covered by FDIC insurance or by pledged collateral held by the District or the depository in the District's name. The District's deposits appear to have been properly secured throughout the year.

Investments

The District's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The Act requires specific training reporting and establishment of local policies. The District appears to be in compliance with all the requirements of the Act.

The PFIA (Government Code Chapter 256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement and publicize an investment policy. That policy must address the following areas (1) safety of principal and liquidity, (2) portfolio diversifications, (3) allowable investments, (4) acceptable risk level, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the state maturity date of portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preference for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The PFIA governs the District's investment policies and types of investments.

The District's management believes that it complies with the requirements of the PFIA and the District's investment policies.

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

The following table lists the District's investments at year end:

	<u>Fair Value/ Amortized Cost</u>	<u>Average Weighted Maturity (Days)</u>
Governmental Activities:		
Investments:		
TexPool	\$ 60,143	37
Lone Star Investment Pool	53,191,682	39
LOGIC	16,301,668	47
TexasCLASS	86,303,576	87
TexSTAR	125,281	36
TexasTERM	8,995,141	43
Total	\$ 164,977,491	

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

B. Deposits, Securities, and Investments (Continued)

Lone Star Investment Pool

The Lone Star Investment Pool (Lone Star) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the PFIA, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASB), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated AAAM by Standard and Poor's. Lone Star has no limitations or restrictions on withdrawals. The District is invested in the Corporate Overnight Plus Fund of Lone Star. Lone Star has 3 different funds: Government Overnight, Corporate Overnight and Corporate Overnight Plus. Government and Corporate Overnight maintain a net asset value of one dollar and the Corporate Overnight Plus maintains a net Asset value of 50 cents. The Government Overnight and Corporate Overnight Funds value all investments at amortized cost and are operated in accordance with GASB 79. The Corporate Overnight Plus Fund values all investments at fair value and is operated in accordance with GASB 72.

Texas Local Government Investment Pool

The District invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the PFIA, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to Texpool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard and Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which approximates market value of the securities. The stated objective of TexPool is to maintain a stable average of \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

LOGIC

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

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

Day to day administration of LOGIC will be performed by First Southwest Asset Management, Inc. and JPMorgan Chase Investment Management, Inc. First Southwest will provide administrative, participant support and marketing services. JPMorgan Chase will provide investment management, custody, fund accounting, and transfer agency services.

Portfolios will maintain an AAA or equivalent rating from at least one nationally recognized rating agency in compliance with the requirements of the Public Funds Investment Act. Class A Units of LOGIC I are currently rated AAAM by Standard & Poor's.

Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS)

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

B. Deposits, Securities, and Investments (Continued)

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

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

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

Texas Short Term Asset Reserve Program (TexSTAR)

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

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

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

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

Texas TERM

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

An Advisory Board is responsible for the overall management of TexasTERM. With respect to TexasTERM, the Advisory Board's responsibilities include formulation and implementation of its investment and operating policies. The Advisory Board selects and oversees the activities of the Investment Advisor/Administrator and the Custodian for TexasTERM and monitors TexasTERM investment performance and the method of valuing its shares. Board members serve a term of two years. Annually, Board members are elected by the Participants for positions for staggered two-year term.

TexasTERM purchases only investments of the type in which Texas local governments are permitted to invest their own funds. TexasTERM complies with statutory investment restrictions for Texas local governments as provided in the PFIA.

The Investment Advisor and Administrator for TexasTERM is PFM Asset Management LLC. The Custodian for TexasTERM is U. S. Bank, N. A.

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

B. Deposits, Securities, and Investments (Continued)

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

a. Credit Risk

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

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the Districts' name. At year end, the District was not exposed to custodial credit risk.

The largest combined balances of cash, saving and time deposit accounts amounted to \$ 7,496,840 and occurred in July 2025. The amount of bond or market value of securities pledged as of the date of the highest combine balance on deposit was \$ 8,679,946. The total amount of FDIC coverage at the time of the highest combined balance was \$ 500,000. J.P. Morgan Chase Bank of Coppell, Texas is the District's depository.

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. District investments are limited to short term maturities to limit any potential interest rate risk. 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. State statutes do not allow for foreign investments, this eliminating foreign currency rate risk. The District was not exposed to foreign currency risk.

f. Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements require judgement and considers factors specific to each asset or liability.

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 year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

C. Property Taxes (Continued)

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 \$ 0.7552 to fund general operations and \$ 0.2474 for the payment of principal and interest on long term debt. The rates were levied on property assessed totaling \$ 18,038,839,698. The District contracts with a tax attorney for the collection of all delinquent taxes. Delinquent taxes are subject to both penalty and interest plus a 20% delinquent tax attorney collection fee.

D. Capital Assets

Capital asset activities during the year were as follows:

	Beginning Balances	Increases	Decreases Reclassifications	Ending Balances
<u>Governmental Activities:</u>				
Capital Assets not being depreciated:				
Land	\$ 47,335,031	\$ -	\$ -	\$ 47,335,031
Construction in Progress	20,663,547	60,260,848	42,087,635	38,836,760
Total Capital Assets not being depreciated	\$ 67,998,578	\$ 60,260,848	\$ 42,087,635	\$ 86,171,791
Capital Assets being depreciated:				
Buildings and Improvements	\$ 396,429,330	\$ 53,366,706	\$ -	\$ 449,796,036
Vehicles	11,359,078	232,071	780,724	10,810,425
Equipment	49,997,809	3,486,724	4,544,733	48,939,800
Right of Use Leased Assets	430,739	-	-	430,739
Total Capital Assets being depreciated	\$ 458,216,956	\$ 57,085,501	\$ 5,325,457	\$ 509,977,000
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 117,885,619	\$ 7,376,597	\$ -	\$ 125,262,216
Vehicles	6,639,549	851,540	227,711	7,263,378
Equipment	31,610,942	4,085,464	4,470,534	31,225,872
Right of Use Leased Assets	225,359	110,494	-	335,853
Total Accumulated Depreciation	\$ 156,361,469	\$ 12,424,095	\$ 4,698,245	\$ 164,087,319
Total Capital Assets being depreciated, net	\$ 301,855,487	\$ 44,661,406	\$ 627,212	\$ 345,889,681
Governmental Activities Capital Assets, net	\$ 369,854,065	\$ 104,922,254	\$ 42,714,847	\$ 432,061,472

Depreciation and amortization was charged to governmental activities functions as follows:

Instruction	\$ 7,668,151
Instructional Resources and Media Services	139,150
Staff Development	227,361
Instructional Leadership	232,331
School Leadership	590,145
Guidance, Counseling and Evaluation Services	509,388
Social Work Services	13,667
Health Services	135,423
Student Transportation	488,267
Food Services	480,812
Co-curricular/Extracurricular Activities	236,058
General Administration	375,208
Facilities Maintenance and Operations	878,384
Security Services	75,787
Data Processing Services	335,451
Community Services	38,512
Totals	<u>\$ 12,424,095</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

E. Long Term Obligations

Long Term Obligation Activity

Long-term obligation activities during the year were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 365,286,195	\$ 70,665,000	\$ 17,556,002	\$ 418,395,193	\$ 19,544,509
Right of Use Leases	217,192	-	121,134	96,058	96,058
Accreted Interest Payable	49,363,726	3,179,399	8,198,998	44,344,127	-
Unamortized Premium (Discount)	32,691,467	3,228,139	2,096,577	33,823,029	-
Total Governmental Activities	\$ 447,558,580	\$ 77,072,538	\$ 27,972,711	\$ 496,658,407	\$ 19,640,567

Bonds

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

On March 25, 2025, the District issued "Coppell Independent School District Unlimited Tax School Building Bonds, Series 2025," totaling \$ 70,665,000 for construction of District facilities. These bonds incur an average interest cost over the life of the bonds at a rate of 4.122% and mature annually with semi-annual interest payments. The bonds will fully mature in 2055.

The following bonded debt issues are outstanding at year end:

Description	Interest Rate	Outstanding Balance
Unlimited Tax Refunding Bonds, Series 1995	5.00% - 7.00%	\$ 658,737
Unlimited School Building & Refunding Bonds, Series 2001	5.25% - 5.67%	7,446,964
Unlimited Tax Qualified School Construction Bonds, Taxable Series 2013B	5.00%	4,815,000
Unlimited Tax School Building Bonds, Series 2016A	2.38%	1,050,000
Unlimited Tax School Building Bonds, Series 2016B	3.06%	68,540,000
Unlimited Tax Refunding Bonds, Series 2016C	2.09%	9,640,000
Unlimited Tax Refunding Bonds, Series 2016D	1.42%	930,000
Unlimited Tax School Building & Refunding Bonds, Series 2018	3.52%	57,155,000
Unlimited Tax School Building Bonds, Series 2019	3.12%	60,795,000
Unlimited Tax Refunding Bonds, Series 2019A	2.35%	6,075,000
Unlimited Tax Refunding Bonds, Series 2020	1.92%	5,816,572
Unlimited Tax Refunding Bonds, Taxable Series 2020A	1.93%	16,975,000
Unlimited Tax Refunding Bonds, Taxable Series 2021	2.49%	41,652,920
Unlimited Tax School Building Bonds, Series 2023	4.030%	66,180,000
Unlimited Tax School Building Bonds, Series 2025	4.122%	70,665,000
Total		\$ 418,395,193

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

Year Ending August 31	Principal	Interest	Total Requirements
2026	\$ 19,544,509	\$ 24,587,030	\$ 44,131,539
2027	15,076,032	27,861,827	42,937,859
2028	14,866,665	27,511,955	42,378,620
2029	15,902,280	26,553,317	42,455,597
2030	15,260,707	26,132,656	41,393,363
2031-2035	85,455,000	63,212,870	148,667,870
2036-2040	86,575,000	44,303,329	130,878,329
2041-2045	86,860,000	26,672,605	113,532,605
2046-2050	49,595,000	11,197,920	60,792,920
2051-2054	29,260,000	3,269,851	32,529,851
Totals	\$ 418,395,193	\$ 281,303,360	\$ 699,698,553

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

E. Long Term Obligations (Continued)

In prior years, the District has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued, and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial purposes, the debt has been defeased and therefore removed as a liability from the basic financial statements. As of year-end, the amount of defeased debt outstanding but removed from the basic financial statements amounted to \$ 15,440,000 including current year defeased amounts.

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

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

<u>Purpose</u>	<u>Date of Authorization</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Remaining Unissued</u>
School Buildings/Buses	May 6, 2023	\$ 269,584,000	\$ 118,768,000	\$ 150,816,000
Technology	May 6, 2023	39,472,000	15,380,000	24,092,000
Athletic Improvements	May 6, 2023	9,524,000	8,942,000	582,000
Stadium	May 6, 2023	2,931,000	2,931,000	-

Right of Use - Leases

The District executed various agreements identified here as leases. Right of use leases are defined as obligations that are valued at the net present value of the obligations to be paid over a specified term with no transfer ownership upon completion of the term.

The District executed agreements for the use of copiers that are placed at various locations throughout the District. The agreements require 16 quarterly payments with the final payment to be made April 2026. The lease obligations incur an implicit rate of interest as noted below.

The following schedule lists the outstanding right of use leases at year end:

<u>Description/Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance Outstanding</u>
Cannon Financial - Copiers	6/30/2026	6.429%	\$ 463,285	\$ 96,058

Maturity requirements on the right of use lease agreements at year-end are as follows:

<u>Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 96,058	\$ 3,104	\$ 99,162
Totals	\$ 96,058	\$ 3,104	\$ 99,162

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

F. Defined Benefits Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

2. Pension Plan Fiduciary Net Position

Detailed information about the System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report(ACFR) that includes financial statements and required information. That report may be obtained on the internet at http://www.trs.texas.gov/pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2022 ACFR for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2024, and 2023.

Net Pension Liability	2024	2023
Total Pension Liability	\$ 271,627,434,294	\$ 255,860,886,500
Less: Plan Fiduciary Net Position	(210,543,258,495)	(187,170,535,558)
Net Pension Liability	\$ 61,084,175,799	\$ 68,690,350,942
Net Position as percentage of Total Pension Liability	77.51%	73.15%

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic cost-of-living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1) above.

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to retirees. The plan became actuarially sound in May 2019 when the 86th Texas Legislature approved the TRS Pension Reform Bill that provided gradual contribution increase from the state, participating employers, and active employees for fiscal year 2019 through 2024.

4. Contributions

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of TRS during the fiscal year.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

F. Defined Benefits Pension Plan (Continued)

Texas Government Code Section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the TRS's actuary.

	<u>Contribution Rates</u>	
	2024	2025
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%
Current Year Employer Contributions		\$ 4,245,016
Current Year Employer Contributions		\$ 8,357,732
Measurement Period NECE On-Behalf Contributions		\$ 5,437,680

Contributors to the plan include members, employers, and the State of Texas (State) as the only non-employed contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act.

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers, including public schools, are required to pay the employer contribution rate in the following instances:

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

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- A Public Education Employer contribution surcharge of 1.7% of the member's salary beginning in fiscal year 2024, gradually increasing to 2% in fiscal year 2025 on all covered payroll.

5. *Actuarial Assumptions*

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For full description of these assumption please see the actuarial valuation report dated November 22, 2022 and located at <https://www.trs.texas.gov>.

The total pension liability in the August 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Investment Rate	7.00%
Municipal Bond Rate - August 31, 2022	3.87% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Projection Period Ending August 31 in projection Period (100 years)	2123
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

F. Defined Benefits Pension Plan (Continued)

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2024, are summarized below:

Asset Class*	Target Allocation %**	Long -Term Expected Geometric Real Rate of Return***	Expected Contribution to Long- Term Portfolio Returns
Global Equity			
USA	18.00%	4.4%	1.0%
Non-US Developed	13.00%	4.2%	0.8%
Emerging Markets	9.00%	5.2%	0.7%
Private Equity*	14.00%	6.7%	1.2%
Stable Value			
Government Bonds	16.00%	1.9%	0.4%
Stable Value Hedge Funds	5.00%	3.0%	0.2%
Absolute Return*	0.00%	4.0%	0.0%
Real Return			
Real Estate	15.00%	6.6%	1.2%
Commodities	0.00%	2.5%	0.0%
Risk Parity	8.00%	4.0%	0.4%
Asset Allocation Leverage			
Cash	2.00%	1.0%	0.0%
Asset Allocation Leverage	(6.00%)	1.3%	-0.1%
Inflation Expectation			2.4%
Volatility Drag****			0.7%
Expected Return	<u>100%</u>		<u>7.9%</u>

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY2024 policy model.

*** Capital Market Assumptions (CMA) come from 2024 SSA Study CMA Survey as of 12/31/2023

**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

F. Defined Benefits Pension Plan (Continued)

6. *Discount Rate Sensitivity Analysis*

The following presents the District's share of the net pension liability of the plan using the discount rate of 7.00% as well as what the District's share of the net pension liability would be if it were calculated using a discount rate that is 1 – percentage point lower (6.00%) or 1 – percentage point higher (8.00%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 73,042,491	\$ 45,730,059	\$ 23,099,767

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

At year end, the District reported a liability of \$ 45,730,059 for its proportionate share of the System's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 45,730,059
State's proportionate share that is associated with the District	58,941,501
Total	\$ 104,671,560

The net pension liability was measured as of August 31, 2023 and rolled to August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contribution to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

At August 31, 2024, the employer's proportion of the collective net pension liability was 0.0748640020%, which was an increase of 0.0049194961% from its proportion measured as of August 31, 2023.

Changes Since the Prior Actuarial Valuation

The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

Changes in Benefit Provisions Since Prior Measurement Date

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the Net Pension Liability of TRS. In addition, the legislature also provided for a cost of living adjustment (COLA) to retirees which was approved during the November 2023 election which was paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

Pension Expense

For the current year, the District recognized pension expense of \$ 14,113,035 and revenue of \$ 7,044,495 for support provided by the State.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

F. Defined Benefits Pension Plan (Continued)

At year end, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at year end:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual actuarial experiences	\$ 2,520,578	\$ 357,038
Changes of actuarial assumptions	2,361,141	316,548
Differences between projected and actual investment earnings	277,977	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	<u>3,204,486</u>	<u>519,559</u>
Total as of August 31, 2024 measurement date	\$ 8,364,182	\$ 1,193,145
Contributions paid to TRS subsequent to the measurement date	<u>4,245,016</u>	<u>-</u>
Total as of fiscal year end	<u>\$ 12,609,198</u>	<u>\$ 1,193,145</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending August 31</u>	<u>Pension Expense Amount</u>
2026	\$ 656,373
2027	5,494,403
2028	1,151,835
2029	(578,917)
2030	447,343
Thereafter	-

G. Other Post-Employment Defined Benefit Plans

1. *Plan Description*

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group health insurance coverage for participants as well as to amend benefit terms as needed un Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

2. *OPEB Plan Fiduciary Net Position*

Detailed Information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report (ACFR) that includes financial statements and required information. That report may be obtained on the internet at http://www.trs.texas.gov/pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

The components of the Net OPEB Liability of the TRS-Care plan as of August 31, 2024, and 2023 are as follows:

<u>Net OPEB Liability</u>	<u>2024</u>	<u>2023</u>
Total OPEB Liability	\$ 35,168,178,563	\$ 26,028,070,267
Less: Plan Fiduciary Net Position	<u>(4,816,646,311)</u>	<u>(3,889,765,203)</u>
Net OPEB Liability	<u>\$ 30,351,532,252</u>	<u>\$ 22,138,305,064</u>
Net Position as percentage of Net OPEB Liability	13.70%	14.94%

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

G. Other Post-Employment Defined Benefit Plans (Continued)

3 *Benefits Provided*

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers, and other educational Districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes, including automatic COLAs.

The premium rates for retirees are presented in the following table:

4. *Contributions*

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school Districts based upon public school District payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer (public school) contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual employer contribution rate is prescribed by the State Legislature in the General Appropriations Act. The following table shows contribution rates and amounts provided to the TRS-Care plan by type of contributor.

Contribution Rates		
	2024	2025
Active Employee		
Non-Employer Contributing Entity (State)	0.65%	0.65%
Employers	1.25%	1.25%
Federal/Private Funding remitted by Employers	0.75%	0.75%
	1.25%	1.25%
Current Year Employer Contributions		
Current year Member Contributions		\$ 791,705
Measurement Period NECE On-Behalf Contributions		\$ 658,489
		\$ 1,011,082

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS-Care OPEB program). When employers hire a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$ 535 per retiree.

The premium rates for retirees are reflected in the following table.

TRS-Care Monthly Premium Rates		
	Medicare	Non Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

G. Other Post-Employment Defined Benefit Plans (Continued)

5. *Actuarial Assumptions*

The actuarial valuation was performed as of August 31, 2023. Updated procedures were used to roll forward the total OPEB liability to August 31, 2024.

The actuarial valuation of TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, rates of retirement, termination, and disability including general inflation and salary increases are identical to those used in the respective TRS Pension valuation. These assumptions were developed in the experience study performed for TRS for the measurement period ended August 31, 2021. The following assumptions used for members of TRS are identical to the assumptions employed in the August 31, 2023 TRS annual pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Salary Increases
Rates of Disability	

The active mortality rates were based on PUB (2010) Amount-Weighted, Below-Median Income, Teacher male, and female tables (with a two year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from mortality projection scale MP – 2021.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on the Society of Actuaries 2013 Study "Health Care Costs - From Birth to Death."
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	2.95% to 8.95%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

Health Care Trend Rates

The initial medical trend rates were 7.75% for Medicare retirees and 7.00% for Non-Medicare retirees. There was an initial prescription drug trend rate of 7.75% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years.

Discount Rate

A single discount rate of 3.87% was used to measure the total OPEB liability. There was a decrease of 0.26% in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate.

6. *Discount Rate Sensitivity Analysis*

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% greater than the discount rate that was used (3.87%) in measuring the net OPEB liability as well as what the net OPEB liability would be if it were calculated using a discount rate of 1% less than the rate used.

	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 32,033,337	\$ 26,963,028	\$ 22,866,142

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

G. Other Post-Employment Defined Benefit Plans (Continued)

7. *Healthcare Cost Trend Rates Sensitivity Analysis*

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate (8.25%), as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 21,957,383	\$ 26,963,028	\$ 33,485,882

8. *OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At August 31, 2025, the District reported a liability of \$ 26,963,028 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective Net OPEB Liability	\$ 26,963,028
State's proportionate share that is associated with the District	33,784,308
Total	\$ 60,747,336

The net OPEB liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total OPEB Liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

At August 31, 2024, the District's proportion of the collective net OPEB liability was 0.0888358046%, which was an increase of 0.0045136956% from its proportion measured as of August 31, 2023.

Change Since the Prior Actuarial Valuation

The following were changed to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.

Changes of Benefit Terms Since the Prior Measurement Date

There were no changes in benefit terms since the prior measurement date.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

G. Other Post-Employment Defined Benefit Plans (Continued)

OPEB Expense

The amount of OPEB expense recognized by the District in the reporting period was \$ (6,716,662) and revenue of \$ (4,391,337) for support provided by the State.

At year end, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources at year:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 5,167,907	\$ 13,456,013
Changes in actuarial assumptions	3,450,949	8,797,724
Differences between projected and actual investment earnings	-	75,505
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	4,130,430	987,739
Total as of August 31, 2024 measurement date	\$ 12,749,286	\$ 23,316,981
Contributions paid to TRS subsequent to the measurement date	791,705	-
Total at fiscal year end	\$ 13,540,991	\$ 23,316,981

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year Ending August 31	OPEB Expense Amount
2025	\$ (3,026,973)
2026	(1,805,784)
2027	(2,585,958)
2028	(2,320,125)
2029	(1,288,939)
Thereafter	460,084

H. Medicare Part D Coverage

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2025, 2024 and 2023, the subsidy payments received by TRS-Care on behalf of the District were \$ 732,301, \$ 552,569, and \$ 500,573, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statement of the District.

I. Risk Management

Health Care

During the year end, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$ 350 per month per fulltime employee and \$ 240 per month per part time employee and employees, at their opinion, authorized payroll withholdings to provide dependents coverage under the Plan. All premiums were paid to Texas Retirement System of Texas (Blue Cross Blue Shield of Texas) . The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the District and Blue Cross Blue Shield of Texas 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 of Texas are available for the year ended December 31, 2024 and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

I. Risk Management (Continued)

Workers Compensation

During the year end, the District met its statutory worker's compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and 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 Members participating in the fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$ 2 million. The Fund uses the service of an independent actuary to determine reserve adequacy and fully funds the reserves. As of August 31, 2024, the Fund carries a discount reserve of \$ 50,247,590 for future development on reported claims and claims that have been insured but not yet reported. For the current year, 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 year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2024 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance Austin.

Unemployment Compensation Pool

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

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

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2024, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Property and Casualty

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

The Fund was created and operated under the provisions of the Interlocal Cooperation Act, Charter 791 of the Texas government Code. All Members participating in the Fund executed Interlocal Agreements that define the responsibilities of the parties.

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

I. Risk Management (Continued)

Liability Coverage Program

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

The Fund was created as is operating under the provisions of the Interlocal Cooperation Act, Charter 751 of the Texas Government Code. All members participating in the Fund executed Interlocal Agreements that define the responsibilities of the parties.

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

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

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 2025, the District purchased commercial insurance to cover these liabilities. There were no 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.

J. Litigation

The District appears to have no pending litigation as of August 31, 2025.

K. Commitments and Contingencies

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at year end, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

L. Subsequent Events

Management has evaluated all events or transactions that occurred after August 31, 2025 up through January 19, 2026, the date the financial statements were issued.

M. Shared Service Arrangements

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

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2025

N. Revenue from Local and Intermediate Sources

During the year, the District received revenue from local and intermediate in the District's major funds and aggregate non major funds consisting of the following:

	General	Debt Service	Capital Projects	Other Governmental	Total
Property Tax Collections	\$ 133,261,204	\$ 43,666,363	\$ -	\$ -	\$ 176,927,567
Investment Income	5,002,398	1,561,312	2,972,890	52,139	9,588,739
Tuition and Fees	17,600	-	-	261,134	278,734
Food Service Income	-	-	-	4,435,872	4,435,872
Gifts and Bequests	57,970	-	-	170,640	228,610
Facility Rentals	593,769	-	-	-	593,769
Co-curricular/Extracurricular Activities	392,848	-	-	233,434	626,282
Student Fees - Ride/Park/Technology	320,045	-	-	-	320,045
Tower Lease	68,841	-	-	-	68,841
Enterprising Services	-	-	-	2,326,902	2,326,902
Other	412,945	-	-	49,502	462,447
Totals	\$ 140,127,620	\$ 45,227,675	\$ 2,972,890	\$ 7,529,623	\$ 195,857,808

O. Receivables

During the year, the District received revenue from local and intermediate in the District's major funds and aggregate non major funds consisting of the following:

	General	Debt Service	Capital Projects	Other Governmental	Total
Due from Other Governments	\$ 2,042,553	\$ 228,008	\$ -	\$ 1,185,970	\$ 3,456,531
Property Taxes	1,980,994	553,491	-	-	2,534,485
Less Allowance for Uncollectible Property Taxes	(198,099)	(55,349)	-	-	(253,448)
Interest Receivables	178,730	-	-	-	178,730
Other Receivables	568,420	5,055	-	73,504	646,979
Net Receivables	\$ 4,572,598	\$ 731,205	\$ -	\$ 1,259,474	\$ 6,563,277

P. Interfund Balance and Activities

Interfund Receivables and Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	E-Commerce Clearing	\$ 17,268
Campus Activity Fund	E-Commerce Clearing	44,810
College Prep Testing Fund	E-Commerce Clearing	1,680
Student Custodial Fund	E-Commerce Clearing	21,402
Debt Service Fund	General Fund	407,583
General Fund	IDEA-B Formula Fund	703
Student Custodial Fund	General Fund	980
	Totals	\$ 494,426

REQUIRED SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2025

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final		Positive (Negative)	
REVENUES					
5700	Local and Intermediate Sources	\$ 150,913,969	\$ 140,790,875	\$ 140,127,620	\$ (663,255)
5800	State Program Revenues	15,510,549	17,991,700	17,739,973	(251,727)
5900	Federal Program Revenues	689,213	414,213	351,057	(63,156)
5020	Total Revenues	\$ 167,113,731	\$ 159,196,788	\$ 158,218,650	\$ (978,138)
EXPENDITURES					
Instruction and Instructional Related Services:					
0011	Instruction	\$ 90,088,682	\$ 90,621,940	\$ 90,168,358	\$ 453,582
0012	Instructional Resources and Media Services	1,640,384	1,641,501	1,636,038	5,463
0013	Curriculum and Staff Development	2,862,067	2,785,650	2,680,273	105,377
	Total Instruction and Instr. Related Services	<u>\$ 94,591,133</u>	<u>\$ 95,049,091</u>	<u>\$ 94,484,669</u>	<u>\$ 564,422</u>
Instructional and School Leadership:					
0021	Instructional Leadership	\$ 2,952,085	\$ 2,777,664	\$ 2,738,234	\$ 39,430
0023	School Leadership	7,053,344	7,046,606	6,944,767	101,839
	Total Instructional and School Leadership	<u>\$ 10,005,429</u>	<u>\$ 9,824,270</u>	<u>\$ 9,683,001</u>	<u>\$ 141,269</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	\$ 5,714,625	\$ 6,107,775	\$ 5,985,813	\$ 121,962
0032	Social Work Services	183,395	170,429	161,045	9,384
0033	Health Services	1,660,650	1,622,253	1,592,918	29,335
0034	Student Transportation	5,688,650	5,818,650	5,742,268	76,382
0036	Co-curricular/Extracurricular Activities	2,777,463	2,877,914	2,781,262	96,652
	Total Support Services - Student (Pupil)	<u>\$ 16,024,783</u>	<u>\$ 16,597,021</u>	<u>\$ 16,263,306</u>	<u>\$ 333,715</u>
Administrative Support Services:					
0041	General Administration	\$ 4,457,378	\$ 4,656,583	\$ 4,409,694	\$ 246,889
	Total Administrative Support Services	<u>\$ 4,457,378</u>	<u>\$ 4,656,583</u>	<u>\$ 4,409,694</u>	<u>\$ 246,889</u>
Support Services - Nonstudent Based:					
0051	Facilities Maintenance and Operations	\$ 10,863,674	\$ 10,879,640	\$ 10,326,859	\$ 552,781
0052	Security and Monitoring Services	1,026,889	975,520	888,056	87,464
0053	Data Processing Services	4,067,760	4,052,404	3,938,022	114,382
	Total Support Services - Nonstudent Based	<u>\$ 15,958,323</u>	<u>\$ 15,907,564</u>	<u>\$ 15,152,937</u>	<u>\$ 754,627</u>
Ancillary Services:					
0061	Community Services	\$ 327,251	\$ 492,207	\$ 455,202	\$ 37,005
	Total Ancillary Services	<u>\$ 327,251</u>	<u>\$ 492,207</u>	<u>\$ 455,202</u>	<u>\$ 37,005</u>
Debt Service					
0071	Principal on Long-Term Debt	\$ 130,200	\$ 115,200	\$ 119,462	\$ (4,262)
0072	Interest on Long-Term Debt	24,000	24,000	8,669	15,331
	Total Debt Service	<u>\$ 154,200</u>	<u>\$ 139,200</u>	<u>\$ 128,131</u>	<u>\$ 11,069</u>
Intergovernmental Charges:					
0091	Contracted Inst. Services betw een Public Schools	\$ 32,436,174	\$ 25,000,000	\$ 24,625,943	\$ 374,057
0093	Payments for Shared Service Agreements	60,000	-	-	-
0095	Payments to Juvenile Justice AEP	20,000	10,000	3,000	7,000
0099	Other Intergovernmental Charges	626,139	626,139	626,139	-
	Total Intergovernmental Charges	<u>\$ 33,142,313</u>	<u>\$ 25,636,139</u>	<u>\$ 25,255,082</u>	<u>\$ 381,057</u>
6030	Total Expenditures	\$ 174,660,810	\$ 168,302,075	\$ 165,832,022	\$ 2,470,053
1100	Excess(Deficiency) of Revenues Over Expenditures	<u>\$ (7,547,079)</u>	<u>\$ (9,105,287)</u>	<u>\$ (7,613,372)</u>	<u>\$ 1,491,915</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of Capital Assets	\$ -	\$ 991,654	\$ 991,813	\$ 159
7080	Net Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 991,654</u>	<u>\$ 991,813</u>	<u>\$ 159</u>
1200	Net Change in Fund Balance	\$ (7,547,079)	\$ (8,113,633)	\$ (6,621,559)	\$ 1,492,074
0100	Fund Balance - Beginning (September 1)	72,436,415	72,436,415	72,436,415	-
3000	Fund Balance - Ending (August 31)	\$ 64,889,336	\$ 64,322,782	\$ 65,814,856	\$ 1,492,074

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED AUGUST 31, 2025

	<u>2024*</u>	<u>2023*</u>	<u>2022*</u>	<u>2021*</u>	<u>2020*</u>
District's proportion of the net pension liability	0.0748640020%	0.0699445059%	0.0673540114%	0.0677255337%	0.0662628429%
District's proportionate share of the net pension liability	\$ 45,730,059	\$ 48,045,127	\$ 39,986,344	\$ 17,247,297	\$ 35,489,027
State's proportionate share of the net pension liability associated with the District	<u>58,941,501</u>	<u>64,944,625</u>	<u>57,639,771</u>	<u>27,358,321</u>	<u>57,736,949</u>
Total	<u>\$ 104,671,560</u>	<u>\$ 112,989,752</u>	<u>\$ 97,626,115</u>	<u>\$ 44,605,618</u>	<u>\$ 93,225,976</u>
District's covered-employee payroll (for Measurement Year)	\$ 102,171,271	\$ 92,475,363	\$ 86,190,150	\$ 85,957,112	\$ 83,436,629
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	44.76%	51.95%	46.39%	20.07%	42.53%
Plan fiduciary net position as a percentage of the total pension liability	77.51%	73.15%	75.62%	88.79%	75.54%
	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
District's proportion of the net pension liability	0.0712285187%	0.0677093588%	0.0661081694%	0.0638784790%	0.0670572000%
District's proportionate share of the net pension liability	\$ 37,026,811	\$ 37,268,874	\$ 21,137,831	\$ 24,138,727	\$ 23,703,828
State's proportionate share of the net pension liability associated with the District	<u>50,942,773</u>	<u>53,414,452</u>	<u>31,473,783</u>	<u>38,296,604</u>	<u>36,606,023</u>
Total	<u>\$ 87,969,584</u>	<u>\$ 90,683,326</u>	<u>\$ 52,611,614</u>	<u>\$ 62,435,331</u>	<u>\$ 60,309,851</u>
District's covered-employee payroll (for Measurement Year)	\$ 76,423,915	\$ 72,675,274	\$ 68,070,692	\$ 65,701,421	\$ 63,457,253
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	48.45%	51.28%	31.05%	36.74%	37.35%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%	78.43%

* The years above present data for the measurement period ending date. The measurement period represents the period for which the pension plan prepares its reports which provides a 12 month delay for financial reporting in accordance with GASB 68.

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 YEAR ENDED AUGUST 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 4,245,016	\$ 4,218,220	\$ 3,595,561	\$ 3,143,064	\$ 2,890,075
Contributions in relations to the contractual required contributions	<u>(4,245,016)</u>	<u>(4,218,220)</u>	<u>(3,595,561)</u>	<u>(3,143,064)</u>	<u>(2,890,075)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered employee payroll	\$ 101,305,740	\$ 102,171,271	\$ 92,475,363	\$ 86,190,150	\$ 85,957,112
Contributions as a percentage of covered employee payroll	4.19%	4.13%	3.89%	3.65%	3.36%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 2,733,895	\$ 2,492,978	\$ 2,281,357	\$ 2,165,747	\$ 2,028,934
Contributions in relations to the contractual required contributions	<u>(2,733,895)</u>	<u>(2,492,978)</u>	<u>(2,281,357)</u>	<u>(2,165,747)</u>	<u>(2,028,934)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered employee payroll	\$ 83,436,629	\$ 76,423,915	\$ 72,675,274	\$ 68,070,692	\$ 65,701,421
Contributions as a percentage of covered employee payroll	3.28%	3.26%	3.14%	3.18%	3.09%

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED AUGUST 31, 2025

	<u>2024*</u>	<u>2023*</u>	<u>2022*</u>	<u>2021*</u>
District's proportion of the Net OPEB Liability (Asset)	0.0888358046%	0.0843221090%	0.0846952907%	0.0867523653%
District's proportionate share of the Net OPEB Liability (Asset)	\$ 26,963,028	\$ 18,667,486	\$ 20,279,445	\$ 33,464,264
State's proportionate share of the Net OPEB Liability (Asset) associated with the District	33,784,308	22,525,191	24,737,737	44,834,656
	-	-	-	-
Total	<u>\$ 60,747,336</u>	<u>\$ 41,192,677</u>	<u>\$ 45,017,182</u>	<u>\$ 78,298,920</u>
	-	-	-	-
District's covered-employee payroll (for Measurement Year)	\$ 102,171,271	\$ 92,475,363	\$ 86,190,150	\$ 85,957,112
District's proportionate share of the Net OPEB Liability as a percentage of it's covered-employee payroll	26.39%	20.19%	23.53%	38.93%
Plan fiduciary net position as a percentage of the Total OPEB Liability	13.70%	14.94%	11.52%	6.18%
	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017 *</u>
District's proportion of the Net OPEB Liability (Asset)	0.0859978833%	0.0854355625%	0.0814574534%	0.0753404806%
District's proportionate share of the Net OPEB Liability (Asset)	\$ 32,691,679	\$ 40,403,523	\$ 40,672,452	\$ 32,762,749
State's proportionate share of the Net OPEB Liability (Asset) associated with the District	43,929,780	53,687,246	63,093,299	55,454,727
	-	-	-	-
Total	<u>\$ 76,621,459</u>	<u>\$ 94,090,769</u>	<u>\$ 103,765,751</u>	<u>\$ 88,217,476</u>
	-	-	-	-
District's covered-employee payroll (for Measurement Year)	\$ 83,436,629	\$ 76,423,915	\$ 72,675,274	\$ 68,070,692
District's proportionate share of the Net OPEB Liability as a percentage of it's covered-employee payroll	39.18%	52.87%	55.96%	48.13%
Plan fiduciary net position as a percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	0.91%

Note: Only eight years of data is presented in accordance with GASB 75 paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

* The years above present data for the measurement period ending date. The measurement period represents the period for which the pension plan prepares its reports which provides a 12 month delay for financial reporting in accordance with GASB 75

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED AUGUST 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contributions	\$ 791,705	\$ 806,762	\$ 731,470	\$ 695,680
Contributions in relations to the contractual required contributions	<u>(791,705)</u>	<u>(806,762)</u>	<u>(731,470)</u>	<u>(695,680)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 101,305,740	\$ 102,171,271	\$ 92,475,363	\$ 86,190,150
Contributions as a percentage of covered employee payroll	0.78%	0.79%	0.79%	0.81%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 677,688	\$ 653,633	\$ 606,331	\$ 558,774
Contributions in relations to the contractual required contributions	<u>(677,688)</u>	<u>(653,633)</u>	<u>(606,331)</u>	<u>(558,774)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 85,957,112	\$ 83,436,629	\$ 76,423,915	\$ 72,675,274
Contributions as a percentage of covered employee payroll	0.79%	0.78%	0.79%	0.77%

Note: Only eight years of data is presented in accordance with GASB 75, paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2025

A. Budget

The official budget was prepared for adoption for all Government Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or services purchased are documented by purchase orders or contracts. Under Texas law, appropriations lapse on August 31, and encumbrances outstanding at the time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

B. Defined Benefit Pension Plan

1. Changes of Assumptions Since the Prior Measurement Date

No actuarial assumptions and methods have been modified since the determination of the prior year net pension liability.

2. Changes of Benefit Terms Since the Prior Measurement Date

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

C. OPEB Healthcare Plan

1. Changes of Assumptions Since the Prior Measurement Date

The single discount rate changed from 4.13% as of last year to 3.87% at August 31, 2024.

2. Changes of Benefit Terms Since the Prior Measurement Date

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

OTHER SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 YEAR ENDED AUGUST 31, 2025

Tax Roll Year	Last Ten Year Ended August 31	1 Tax Rates		3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2024	20 Current Year's Total Levy	30 Maintenance Tax Collections	30a Debt Service Tax Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2025	Section 26.115 Refunds
		Maintenance	2 Debt Service								
XXXX	Various	Various	Various	Various	\$ 198,087	\$ -	\$ 194	\$ 45	\$ (19,923)	\$ 177,925	\$ -
2016	2017	1.170000	0.322700	10,301,841,696	76,141	-	3,484	961	12	71,708	-
2017	2018	1.170000	0.307700	10,877,707,180	127,484	-	3,422	900	7	123,169	-
2018	2019	1.170000	0.290500	11,883,985,279	83,317	-	3,304	820	(35)	79,158	-
2019	2020	1.068300	0.262600	12,729,014,309	91,568	-	7,306	1,796	(3,551)	78,915	-
2020	2021	1.051400	0.258600	13,084,845,496	136,650	-	17,036	4,190	(24,439)	90,985	-
2021	2022	1.047200	0.244800	13,993,884,635	235,407	-	35,300	8,252	10,083	201,938	-
2022	2023	0.986700	0.230600	15,399,628,686	434,786	-	(9,119)	(2,131)	(95,225)	350,811	-
2023	2024	0.802200	0.251300	16,444,196,880	576,072	-	(1,428,512)	(447,500)	(2,163,827)	288,257	-
2024	2025	0.755200	0.247400	18,038,839,698	-	186,575,719	135,685,045	42,659,239	(7,159,816)	1,071,619	-
1000 TOTALS					\$ 1,959,512	\$ 186,575,719	\$ 134,317,460	\$ 42,226,572	\$ (9,456,714)	\$ 2,534,485	\$ -

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHOOL BREAKFAST AND NATIONAL SCHOOL LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED AUGUST 31, 2025

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final		Positive (Negative)	
REVENUES					
5700	Local and Intermediate Sources	\$ 1,485,914	\$ 1,485,914	\$ 1,415,181	\$ (70,733)
5800	State Program Revenues	78,895	86,181	90,225	4,044
5900	Federal Program Revenues	1,049,077	1,049,077	982,985	(66,092)
5020	Total Revenues	<u>\$ 2,613,886</u>	<u>\$ 2,621,172</u>	<u>\$ 2,488,391</u>	<u>\$ (132,781)</u>
EXPENDITURES					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	\$ 2,594,196	\$ 2,750,482	\$ 2,241,415	\$ 509,067
	Total Support Services - Student (Pupil)	<u>\$ 2,594,196</u>	<u>\$ 2,750,482</u>	<u>\$ 2,241,415</u>	<u>\$ 509,067</u>
6030	Total Expenditures	<u>\$ 2,594,196</u>	<u>\$ 2,750,482</u>	<u>\$ 2,241,415</u>	<u>\$ 509,067</u>
1100	Excess (Deficiency) of Revenues Over Expenditures	\$ 19,690	\$ (129,310)	\$ 246,976	\$ 376,286
1200	Net Change in Fund Balance	\$ 19,690	\$ (129,310)	\$ 246,976	\$ 376,286
0100	Fund Balances - Beginning (September 1)	775,186	775,186	775,186	-
3000	Fund Balances - Ending (August 31)	<u><u>\$ 794,876</u></u>	<u><u>\$ 645,876</u></u>	<u><u>\$ 1,022,162</u></u>	<u><u>\$ 376,286</u></u>

COPPELL INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2025

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 45,964,232	\$ 45,366,232	\$ 45,227,675	\$ (138,557)
5800	State Program Revenues	2,060,643	2,060,643	2,201,940	141,297
5900	Federal Program Revenues	376,964	376,964	376,964	-
5020	Total Revenues	\$ 48,401,839	\$ 47,803,839	\$ 47,806,579	\$ 2,740
EXPENDITURES					
Debt Service:					
0071	Principal on Long-term Debt	\$ 25,523,238	\$ 17,556,002	\$ 17,556,002	\$ -
0072	Interest on Long-term Debt	22,864,601	24,008,168	24,008,167	1
0073	Debt Issuance Costs and Fees	14,000	18,000	17,599	401
	Total Debt Service	<u>\$ 48,401,839</u>	<u>\$ 41,582,170</u>	<u>\$ 41,581,768</u>	<u>\$ 402</u>
6030	Total Expenditures	\$ 48,401,839	\$ 41,582,170	\$ 41,581,768	\$ 402
1100	Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 6,221,669</u>	<u>\$ 6,224,811</u>	<u>\$ 3,142</u>
OTHER FINANCING SOURCES (USES)					
7916	Premium (Discount) on Issuance of Bonds	<u>\$ -</u>	<u>\$ 1,261,483</u>	<u>\$ 1,261,983</u>	<u>\$ 500</u>
7080	Net Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 1,261,483</u>	<u>\$ 1,261,983</u>	<u>\$ 500</u>
1200	Net Change in Fund Balance	\$ -	\$ 7,483,152	\$ 7,486,794	\$ 3,642
0100	Fund Balance - Beginning (September 1)	<u>11,417,949</u>	<u>11,417,949</u>	<u>11,417,949</u>	<u>-</u>
3000	Fund Balance - Ending (August 31)	<u>\$ 11,417,949</u>	<u>\$ 18,901,101</u>	<u>\$ 18,904,743</u>	<u>\$ 3,642</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
 AS OF AUGUST 31, 2025

<u>Data Control Codes</u>		<u>Response</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and /or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state or federal funds?	No
SF7	Did the school post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property value at a board meeting within 120 days before the school district adopted its budget? <input type="checkbox"/>	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 44,344,127

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REQUIRED RESPONSES TO
 STATE MANDATED PROGRAM REQUIREMENTS
 YEAR ENDED AUGUST 31, 2025

<u>Data Control Codes</u>		<u>Response</u>
<u>Section A: Compensatory Education Programs</u>		
<u>AP1</u>	Did your District expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
<u>AP2</u>	Does the District have written policies and procedures for its state compensatory education program?	Yes
<u>AP3</u>	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 1,784,783
<u>AP4</u>	List the actual direct program expenditures for state compensatory education programs during the District's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 1,165,195
<u>Section B: Bilingual Education Programs</u>		
<u>AP5</u>	Did your District expend any bilingual education program state allotment funds during the District's fiscal year?	Yes
<u>AP6</u>	Does the District have written policies and procedures for its bilingual education program?	Yes
<u>AP7</u>	List the total state allotment funds received for bilingual education programs during the District's fiscal year.	\$ 1,516,258
<u>AP8</u>	List the actual direct program expenditures for bilingual education programs during the District's fiscal year. (PIC's 25)	\$ 1,085,648

FEDERAL AWARDS SECTION

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2025

Federal Grantor/ Pass Through Grantor/ Program Title	(02) Federal ALN Number	(02A) Pass-Through Grantor's Number	(03) Funded Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through the Texas Education Agency:			
ESSA Title I Part A - Improving Basic Programs	84.010a	25610101057922	\$ 278,224
ESSA Title I Part A - Improving Basic Programs	84.010a	26610101057922	37,791
<i>Total ALN 84.010</i>			<u>316,015</u>
IDEA-B Formula - B*	84.027a	256600010579226600	2,124,294
IDEA-B, High Cost - B*	84.027a	66002406	9,808
<i>Total ALN 84.027</i>			<u>2,134,102</u>
IDEA-B Preschool - B*	84.173a	256610010439046610	25,749
<i>Total ALN 84.173</i>			<u>25,749</u>
Carl Perkins - Perkins V	84.048a	254200006057922	84,621
<i>Total ALN 84.048</i>			<u>84,621</u>
ESSA Title II Part A - Supporting Effective Education	84.367a	25694501057922	206,464
<i>Total ALN 84.367</i>			<u>206,464</u>
ESSA Title IV Part A - Student Support & Academic Achievement	84.424a	25680101057922	19,644
<i>Total ALN 84.424</i>			<u>19,644</u>
Summer School LEP	84.369	69552302	24,544
<i>Total ALN 84.369</i>			<u>24,544</u>
Total passed through Texas Education Agency			<u>2,811,139</u>
Passed through Education Service Center, Region 10:			
ESSA Title III, English Language Acquisition	84.365a	25671001057950	211,913
ESSA Title III, English Language Acquisition	84.365a	25671003057950	63,524
ESSA Title III, English Language Acquisition	84.365a	25671001057950	36,853
<i>Total ALN 84.365</i>			<u>312,290</u>
Total passed through Education Service Center, Region 10			<u>312,290</u>
Total Department of Education			<u>3,123,429</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Department of Agriculture:			
School Breakfast Program - A	10.553	00286	71,478
National School Lunch Program - A	10.555	00286	432,861
NSLP - Supply Chain Grant - A	10.565	00286	286,713
USDA Commodity Food Distribution	10.565	00286	191,933
Total Department of Agriculture			<u>982,985</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,106,414</u>

* Denotes Major Program

A - Child Nutrition Cluster - Cluster Total - \$ 504,339

B - Special Education Cluster - Cluster Total - \$ 2,159,851

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, 2025

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal 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 the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

B. Summary of Significant Accounting Policies

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds which are governmental fund types. Such expenditures are recognized following the cost principles contained in the Uniform Guidance; wherein certain types of expenditures are not allowed or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant.

C. Food Distribution

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and used. No provision has been made for amounts on hand on August 31, 2025.

D. Indirect Cost

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

E. Reconciliation of Federal Revenue with Financial Statements

The District records amounts received from the federal government or other recipients of federal grant as federal revenue in the financial statements. This reconciliation identifies the difference between the financial statement revenues and the schedule of expenditures of federal awards:

Total Federal Expenditures (Exhibit K-1)	\$	4,106,414
Qualified School Construction Bonds Interest		376,964
School Health and Related Services (SHARS)		233,151
Federal Revenue (Exhibit C-3)	\$	4,716,529