



City of Copperas Cove

"The City Built for Family Living"

Finance Department

January 28, 2008

Mayor and City Council Members:

The Finance Department is pleased to submit the Monthly Financial Report for the month of December 2007. The 2007-08 Adopted Budget and Plan of Municipal Services was submitted to the Government Finance Officers Association (GFOA) along with an application for the Distinguished Budget Presentation Award. The notification to award recipients is usually provided in the April/May timeframe. A copy of the 2007-08 Adopted Budget and Plan of Municipal Services will be provided to City Council this week. The fiscal year 2006-07 annual audit process is ongoing. Lott, Vernon & Company, P.C., the City's auditors, are working with City finance staff to complete the annual audit and the Comprehensive Annual Financial Report.

Year-to-date revenues through December 2007 are exceeding expenditures in all of the major funds of the City with the exception of the General Fund. In the first quarter of FY 2007-08 only 25.4% of the ad valorem taxes were collected. The ad valorem taxes are primarily collected in December, January, and February. Operating expenses at the Golf Course do exceed the operating revenues by \$45,347, however, due to a transfer from the General Fund in October for \$59,072, the total Fund revenues exceed the total Fund expenses.

The key economic indicators provide some insight for the financial activity of the City. The dollar value of building permits issued, sales tax collections, and the number of utility accounts established continue to show an increase from the prior year. The unemployment rate in the Killeen/Fort Hood region is slightly up from December 2006 and the hotel occupancy tax collections are significantly below the prior year collections. The hotel occupancy tax collections will be evaluated to determine if there is a timing issue with the reporting of revenue from the various hotels. City staff will continue to monitor revenues and expenditures in all City funds and key economic indicators.

We hope the regular monitoring of the City's financial position will continue to provide the City Council with information that is useful for making sound policy decisions.

Respectfully submitted,

Wanda Bunting, CPA
Director of Financial Services

City of Copperas Cove
Financial Summary by Fund
December 31, 2007

GENERAL FUND

- December year-to-date revenues are below December year-to-date expenditures by \$363,736.
- Property tax revenue for December 2007 is \$1,186,990 or 42.4% below \$2,062,512 collected last December. Year-to-date property tax revenue is at \$1,491,645 or 37.0% below prior year-to-date collections.
- Year-to-date sales tax revenue of \$549,635 reflects a \$15,562 or 2.9% increase from the prior fiscal year.
- Year-to-date franchise tax revenue of \$89,983 is \$1,798 or 2.0% above prior year-to-date revenue.
- Interest earnings year-to-date of \$43,519 increased by \$1,213 or 2.9% over the prior fiscal year-to-date earnings.
- General Fund expenditures year-to-date of \$3,441,418 reflect an increase of 13.7% over prior year-to-date expenditures of \$3,025,700. This is partially due to SAFER grant expenditures originally recorded in the general fund that will be adjusted in January 2008.

WATER & SEWER FUND

- Year-to-date revenues are exceeding year-to-date expenses by \$530,044.
- Water revenue totaled \$333,785 for the month. This is \$18,962 or 5.4% below December 2006. Year-to-date water revenue is at \$1,121,434 which is below the prior year-to-date revenue by \$48,020 or 4.1%.
- Sewer revenue totaled \$273,487 for the month. This is \$6,548 or 2.3% below December 2006. Year-to-date sewer revenue is at \$843,105 which is below the prior year-to-date revenue by \$5,402 or 0.6%.
- Interest earnings year-to-date of \$28,290 decreased by \$5,293 or 15.8% below the prior fiscal year-to-date earnings.
- Connect fees produced revenues of \$5,235 for the month; \$15,300 year-to-date.
- Water tap fees year-to-date are \$15,670; \$11,049 below prior year-to-date. Sewer tap fees year-to-date are \$5,550; \$480 below prior year-to-date.
- Expenses year-to-date of \$1,553,673 reflect an increase of 15.3% over prior year-to-date expenses of \$1,347,165. The expenses for the current year are well within the budget for FY 2007-08.

SOLID WASTE FUND

- Year-to-date revenues are exceeding year-to-date expenses by \$133,471.
- Sanitary landfill fees for December 2007 are \$24,742; compared to \$37,422 in December 2006. Year-to-date revenue is at \$92,874 which is below the prior year-to-date revenue by \$8,044 or 8.0%.
- Refuse collection fees are \$191,724 for the month; an increase of \$10,041 over December 2006. Year-to-date revenue is at \$578,804 which is above the prior year-to-date revenue by \$27,384 or 5.0%.
- Interest earnings year-to-date of \$8,976 increased by \$2,092 or 30.4% above the prior fiscal year-to-date earnings.
- Expenses year-to-date of \$604,698 reflect an increase of 13.0% above prior year-to-date expenses of \$535,301. The expenses for the current year are well within the budget for FY 2007-08.

DRAINAGE UTILITY FUND

- Year-to-date revenues are exceeding year-to-date expenses by \$52,010.
- Drainage Utility fees for the month of December are \$68,963; an increase of \$2,515 or 3.4% above December 2006. Year-to-date revenue is at \$207,496 which is above the prior year-to-date revenue by \$5,973 or 3.0%.
- Expenses year-to-date of \$165,481 reflect an increase of 103.1% above prior year-to-date expenses of \$81,476. The expenses for the current year are well within the budget for FY 2007-08.

GOLF COURSE FUND

- Year-to-date revenues are exceeding year-to-date expenses by \$13,725. This is due to a budgeted transfer from the General fund in October for \$59,072. Net of the transfer, expenses are exceeding revenues by \$45,347.
- Revenues for the month of December totaled \$37,841, compared to revenues for December 2006 of \$31,488. Year-to-date operating revenues are at \$126,901 which is above the prior year-to-date operating revenues by \$17,317 or 15.8%.
- Expenses for the month are \$51,280; \$10,449 below December 2006 expenses. Year-to-date expenses of \$172,248 reflect a decrease of 9.5% below prior year-to-date expenses of \$190,341.

City of Copperas Cove
Economic Indicators Summary
December 31, 2007

Unemployment Rate

- The unemployment rate for the month of December 2007 was 4.7%, which is slightly up from December 2006, recorded at 4.5%.

Sales Tax Collections

- Sales tax collections for December 2007 totaled \$163,496, compared to December 2006 collections of \$151,566. Year to date, sales tax collections are at \$549,635 or 2.9% above prior year-to-date collections of \$534,073.
- In addition to the City sales tax collected above, \$274,817 year-to-date was paid to the Copperas Cove Economic Development Corporation.

Water Customers

- During the month of December 2007 there were 12,841 active water accounts.
- December 2006 recorded 11,170 water customers, which indicates a 15.0% or 1,671 increase in water customers from December 2006 to December 2007.

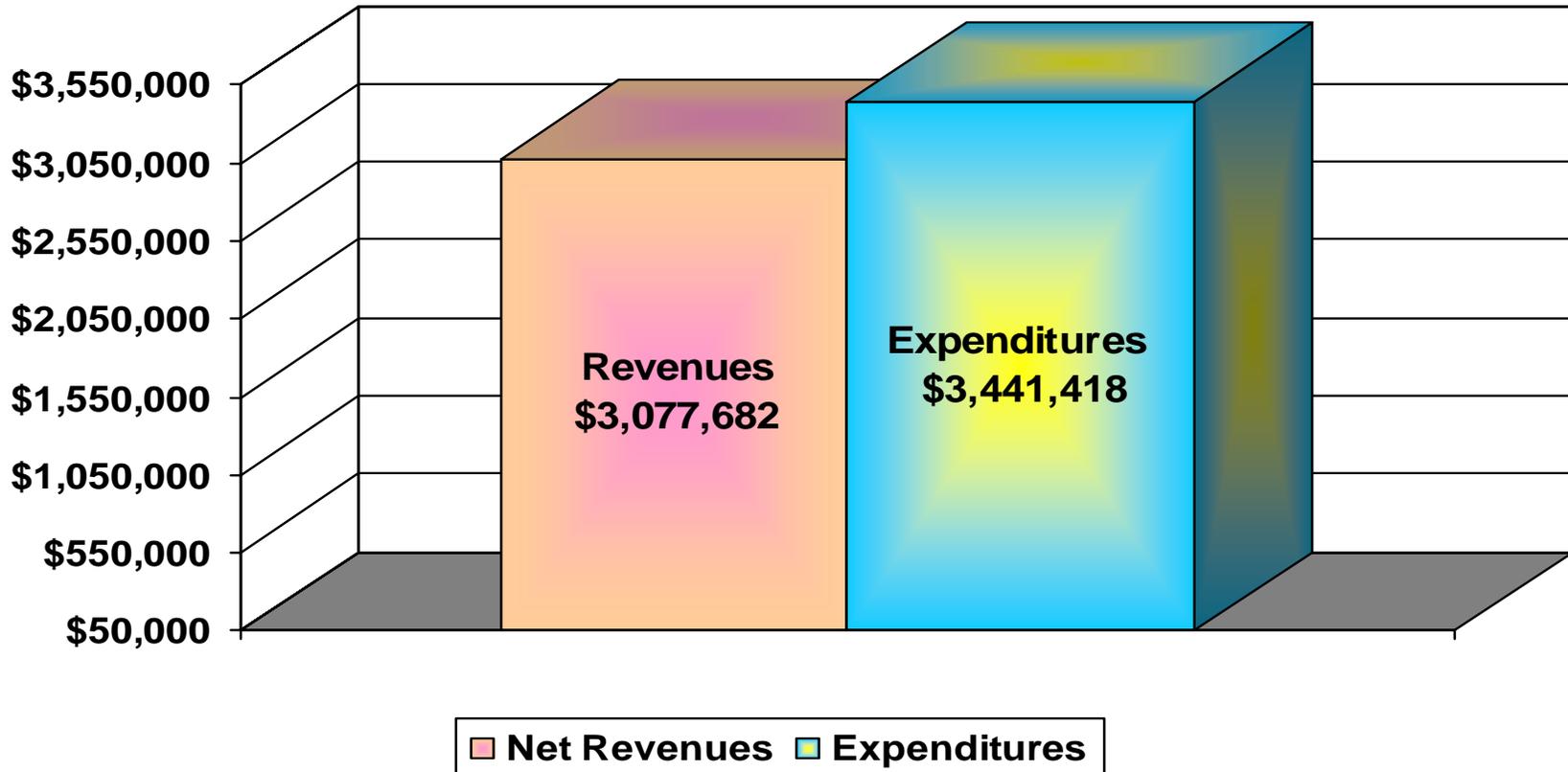
Building Permits

- The total dollar value of building permits issued for December 2007 was \$2,509,091 compared to \$2,458,344 in December 2006.
- 88 building permits were issued in December 2007 which is an increase of 11 compared to that issued in December 2006.

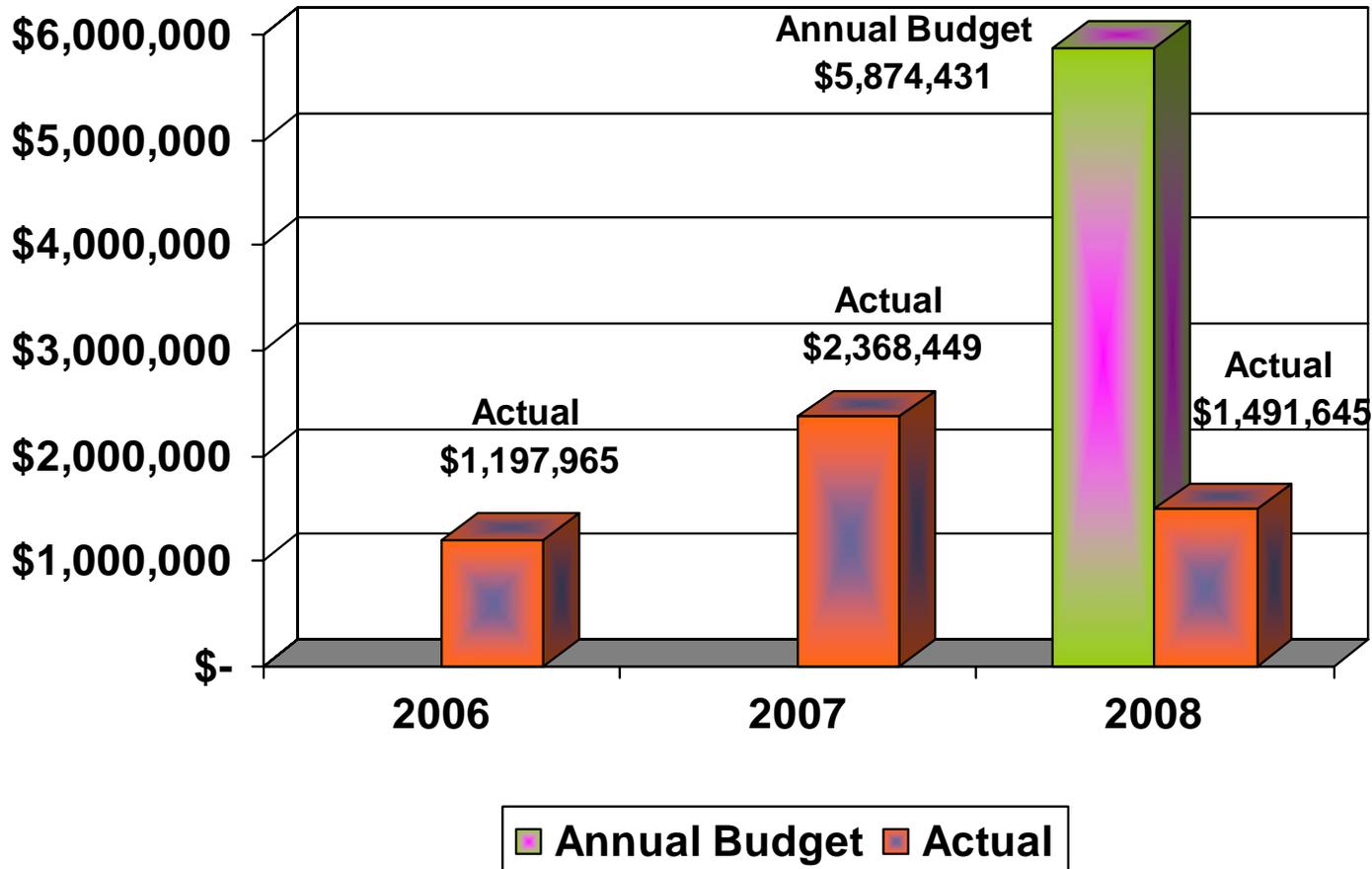
Hotel Occupancy Tax Revenue

- Hotel occupancy tax collections for December 2007 was \$7,578 compared to \$9,318 collected in December 2006. Year to date, hotel occupancy tax collections are at \$21,050 or 31.4% below prior year-to-date collections of \$30,669.
- The hotel occupancy tax revenue is being researched in Finance and will be monitored closely throughout the year.

City of Copperas Cove General Fund Revenues vs. Expenditures FYTD (October through December)



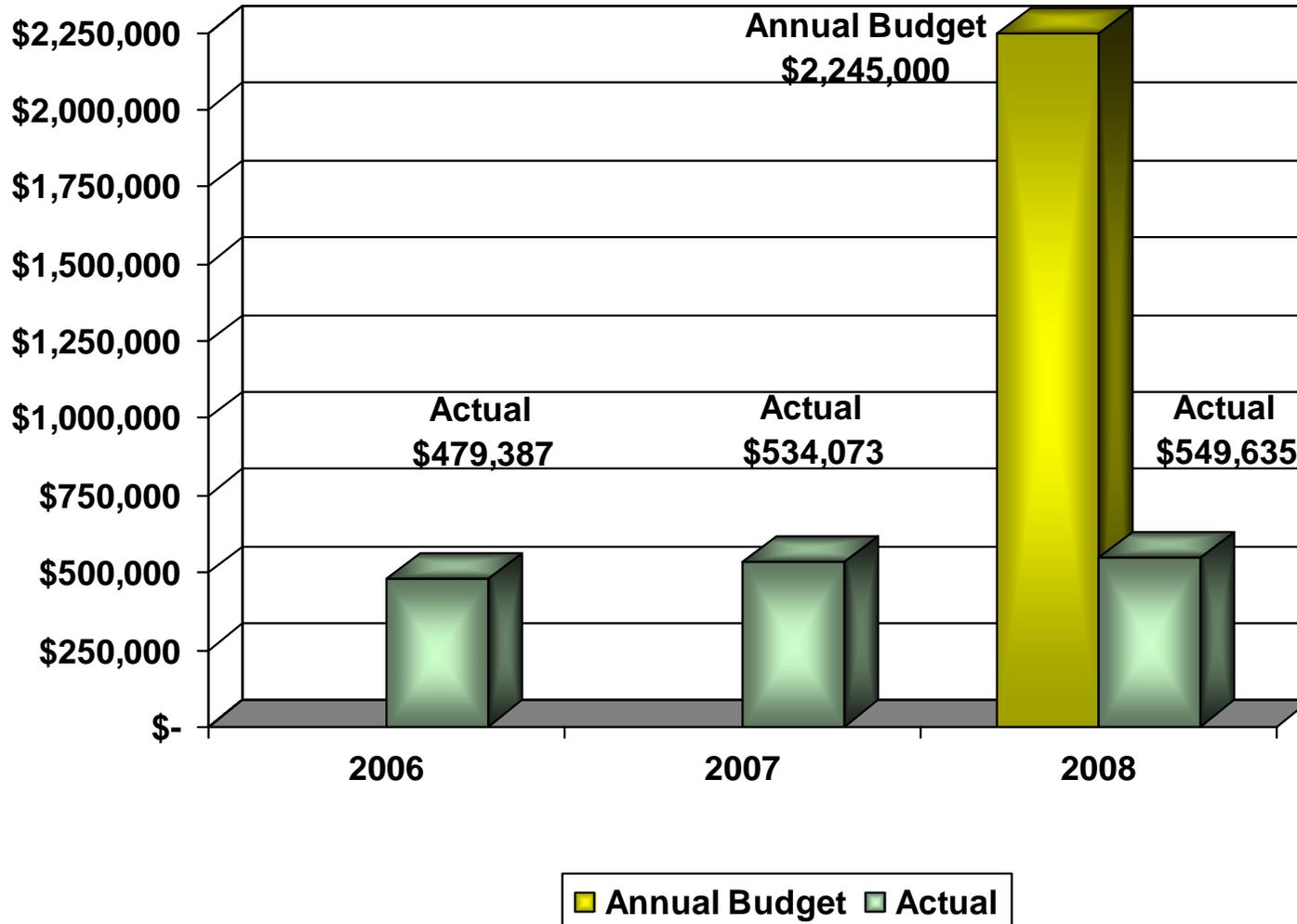
City of Copperas Cove General Fund Property Tax Revenue Trends FYTD (October through December)



➤ Property Tax revenue through 12/31/07 was **\$1,491,645**

➤ **\$876,804** or 37.0% below prior year-to-date revenue

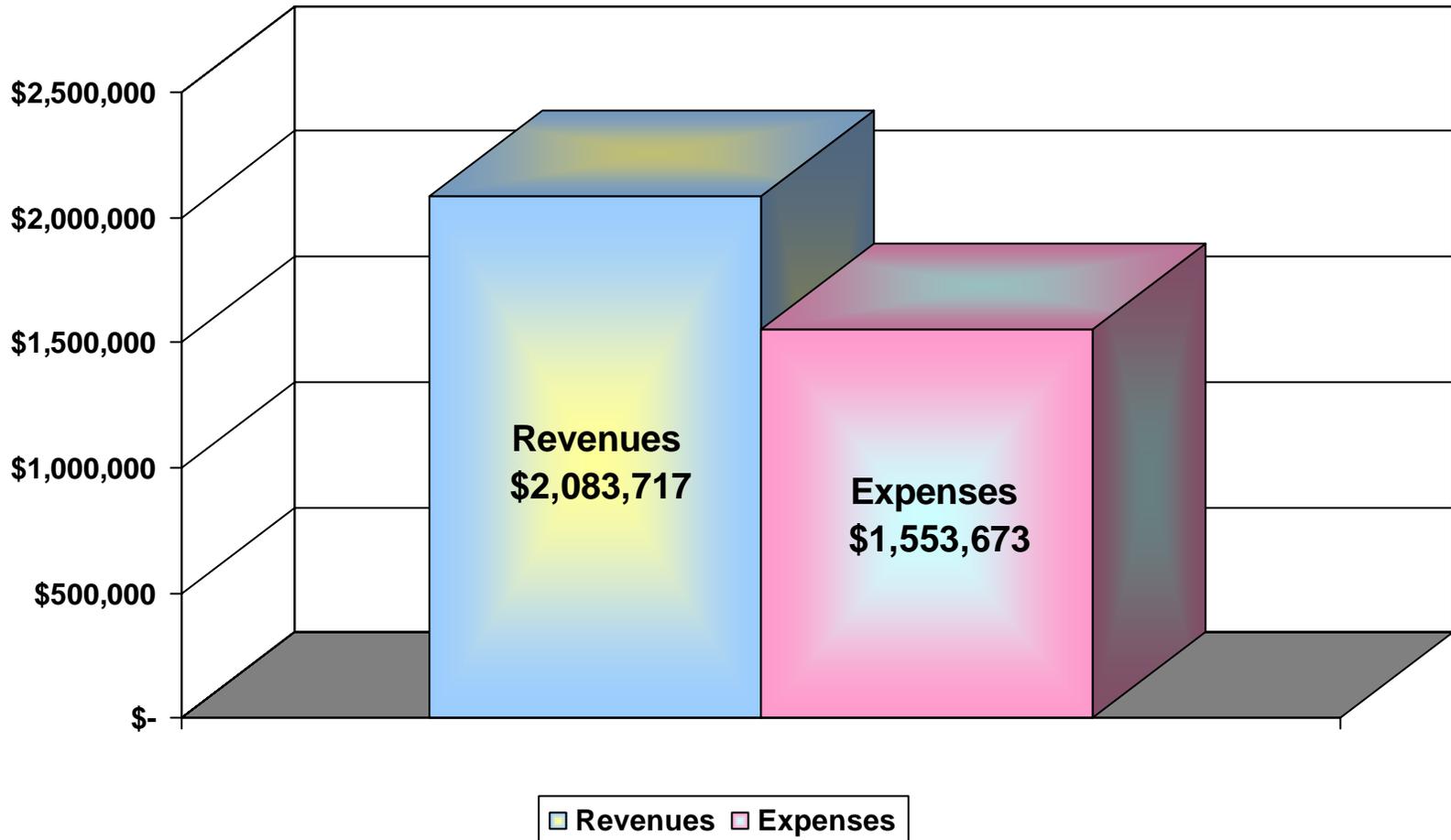
City of Copperas Cove Sales Tax Revenue Trends FYTD (October through December)



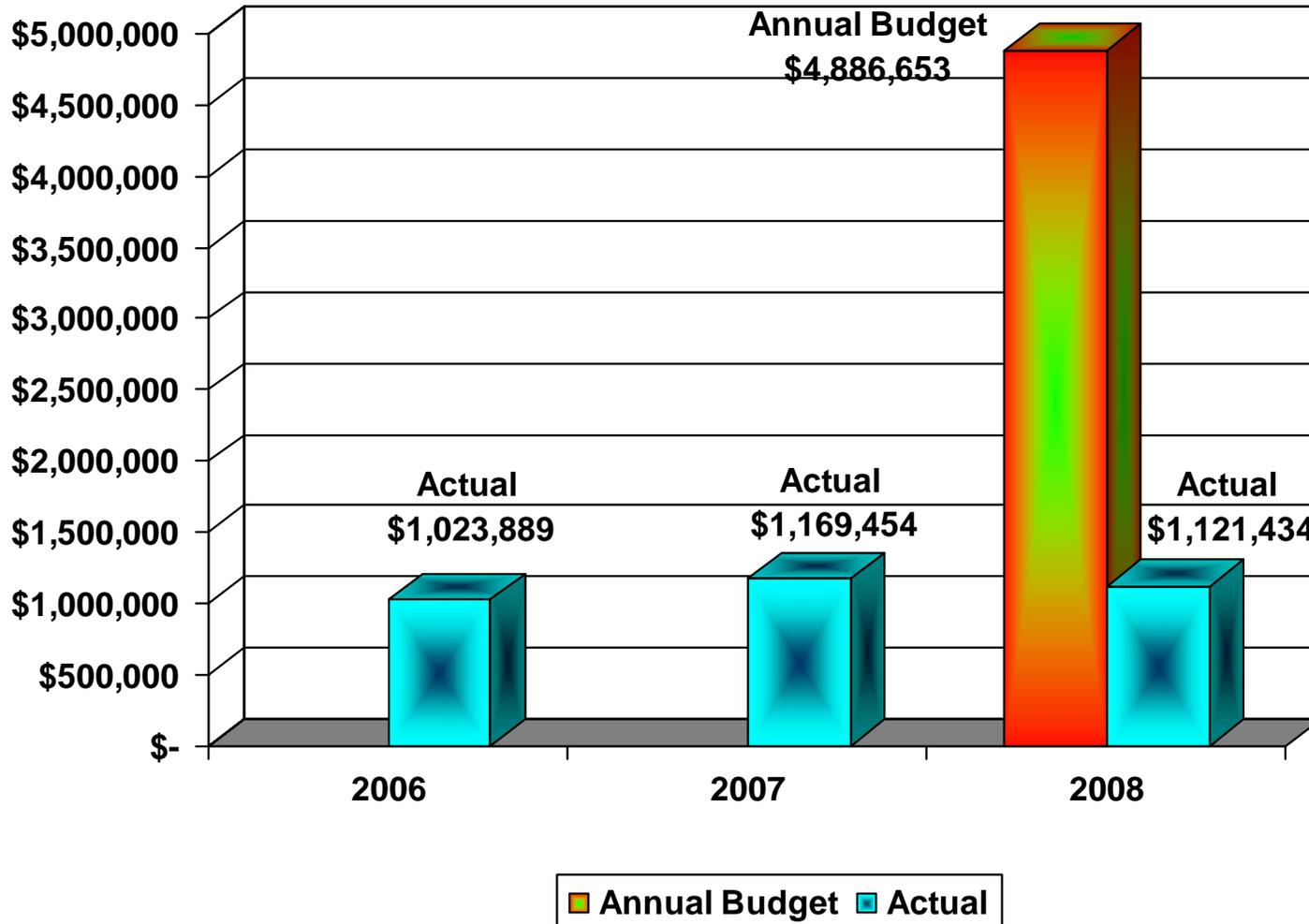
➤ Sales Tax Revenue through 12/31/07 was **\$549,635**

➤ **\$15,562** or 2.9% above prior year-to-date Sales Tax Revenue

City of Copperas Cove Water & Sewer Fund Revenues vs. Expenses FYTD (October through December)

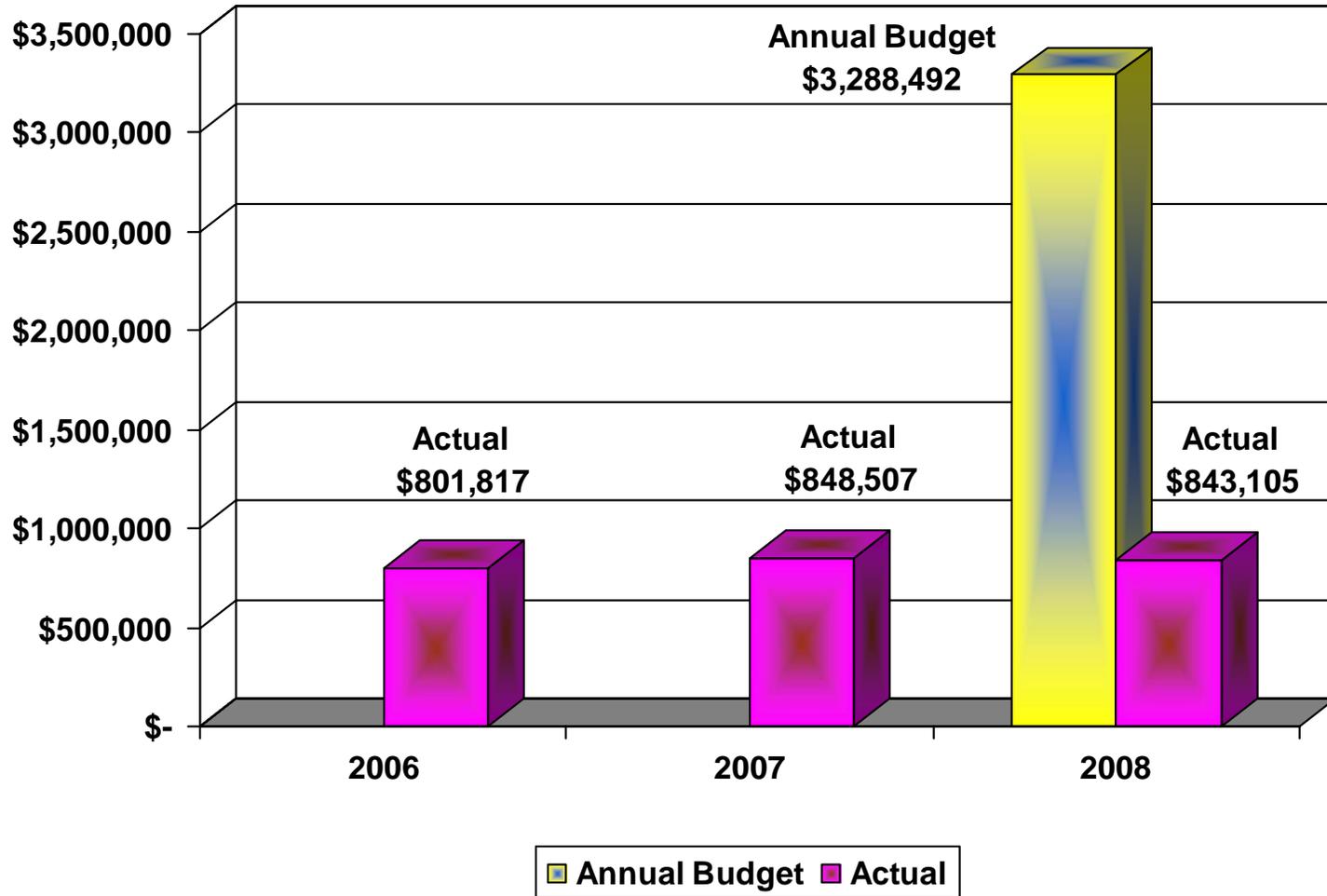


City of Copperas Cove Water Revenue Trends FYTD (October through December)



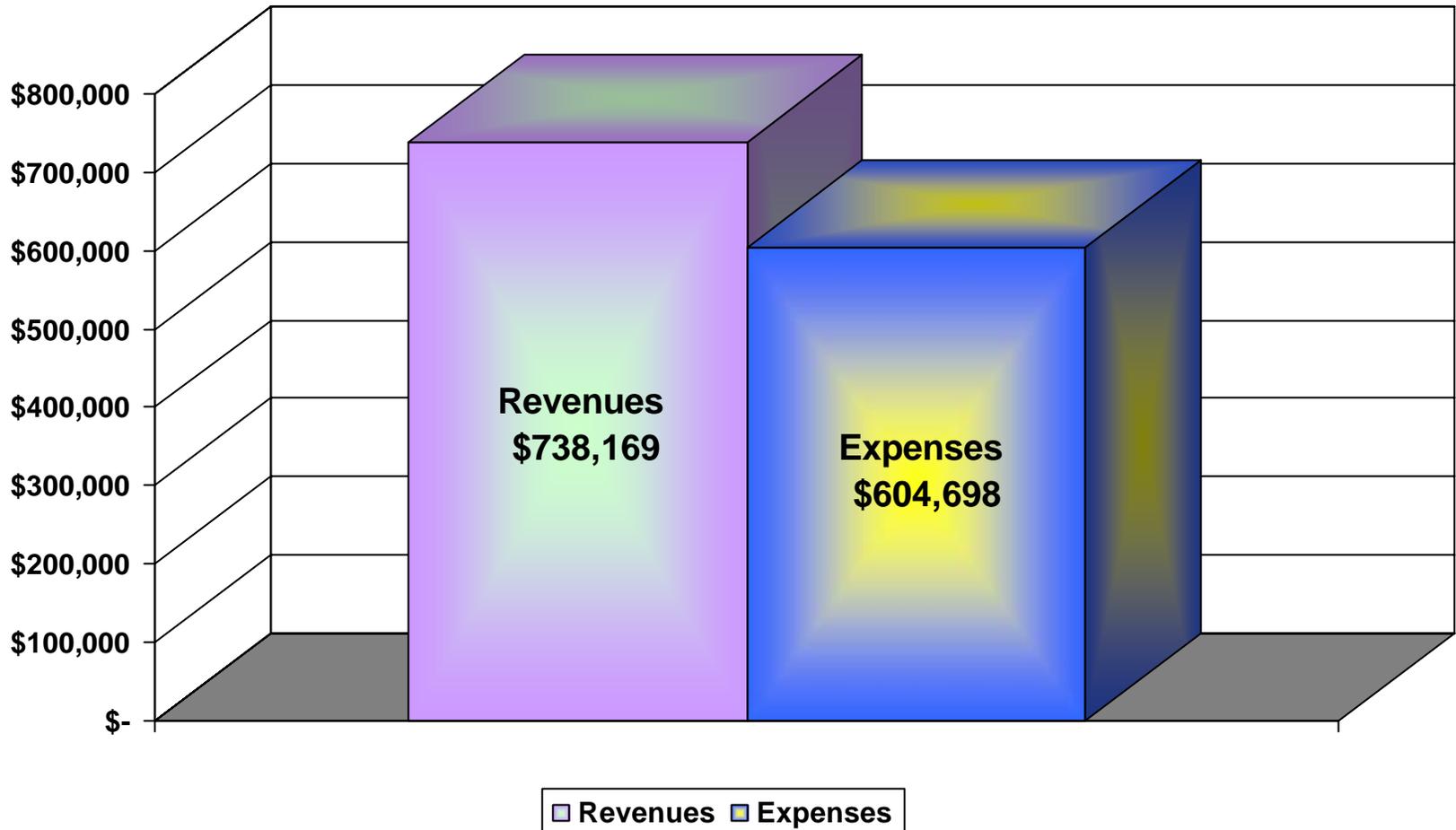
- Water Revenue through 12/31/07 was **\$1,121,434**
- **\$48,020** or 4.1% below prior year-to-date revenue

City of Copperas Cove Sewer Revenues FYTD (October through December)

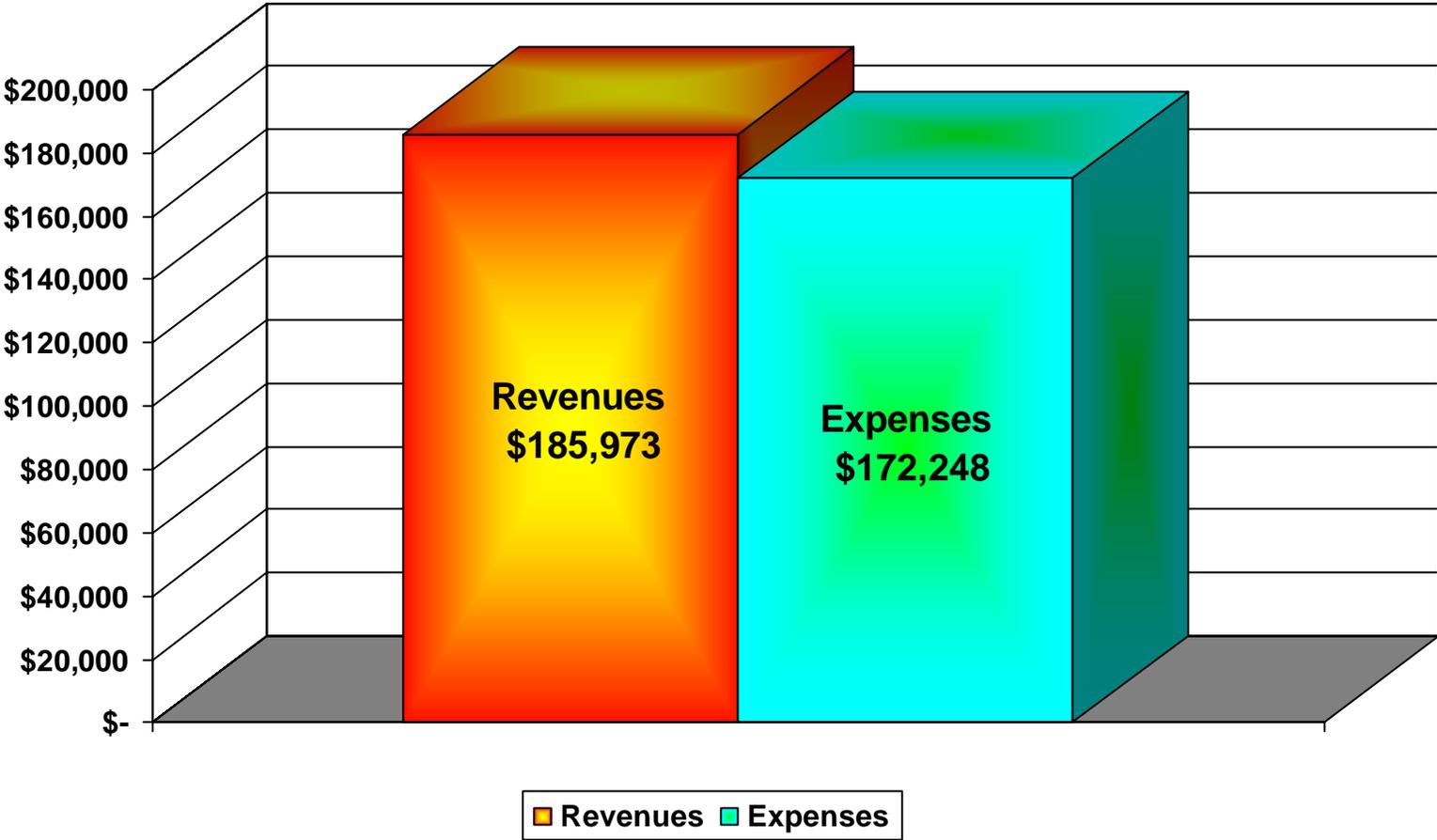


- Sewer Revenue through 12/31/07 was **\$843,105**
- **\$5,402** or 0.6% below prior year-to-date revenue

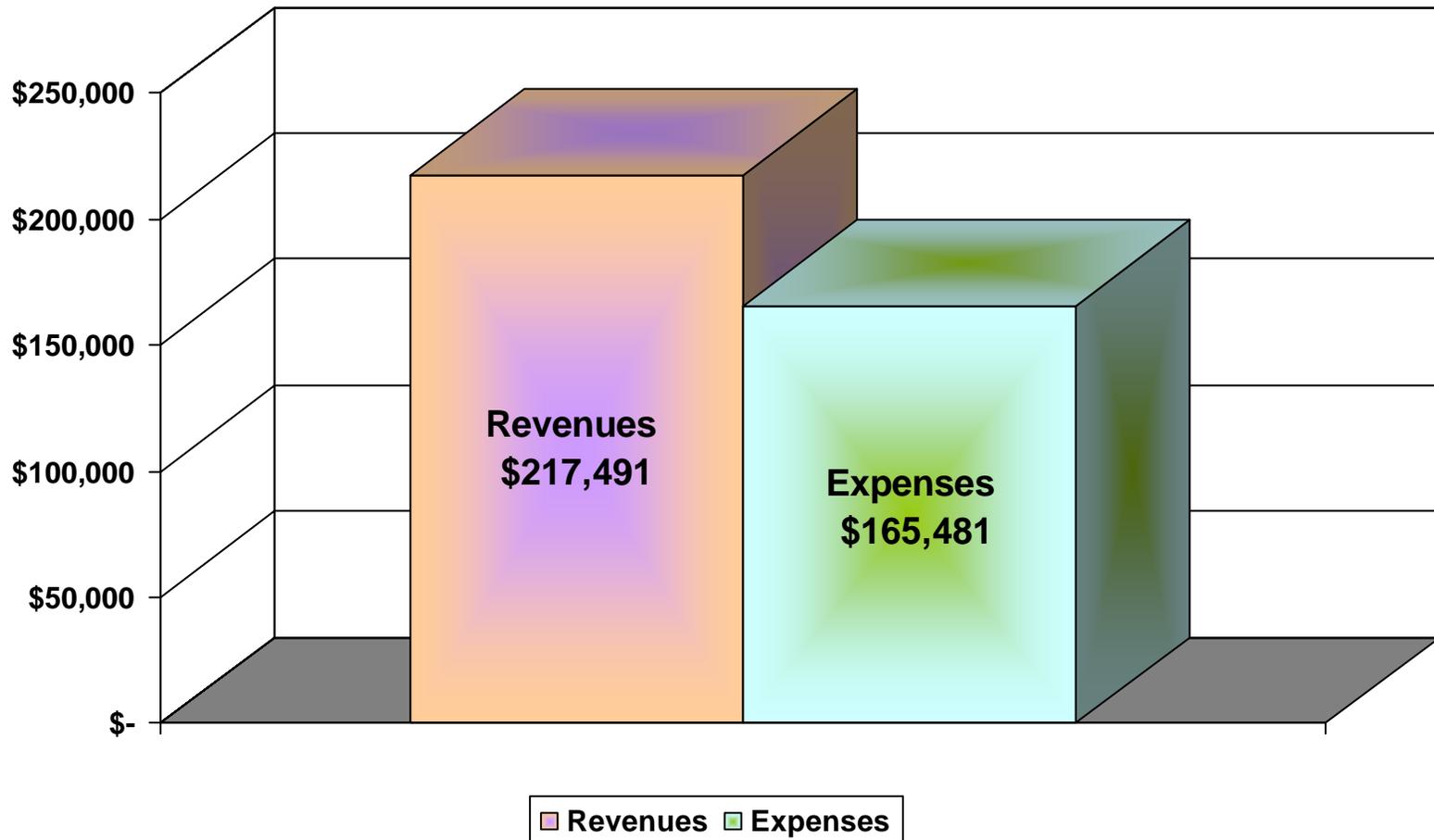
City of Copperas Cove Solid Waste Fund Revenues vs. Expenses FYTD (October through December)



City of Copperas Cove Golf Course Fund Revenues vs. Expenses FYTD (October through December)



City of Copperas Cove Drainage Fund Revenues vs. Expenses FYTD (October through December)



**CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
GENERAL FUND**

As of December 31, 2007 (FY 2007-08)

Description	Adopted Budget	Current Month Dec. 2007	Total Year to Date	Percent Year to Date
BEGINNING FUND BALANCE				
Unreserved, Designated	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
Unreserved, Undesignated	2,384,115	1,264,724	2,279,959	
TOTAL BEG. FUND BALANCE	\$ 3,384,115	\$ 2,264,724	\$ 3,279,959	
GENERAL FUND REVENUE				
Taxes				
Current Ad Valorem Taxes	\$ 5,874,431	\$ 1,186,990	\$ 1,491,645	25.39%
Delinquent Ad Valorem Taxes	47,000	4,546	31,836	67.74%
Penalty & Interest	38,000	49,436	56,742	149.32%
Sales Tax	2,245,000	163,496	549,635	24.48%
Franchise Tax	1,346,208	2	89,983	6.68%
TXU Settlement	35,633	0	0	0.00%
Mixed Drink Tax	17,000	0	2,872	16.89%
Bingo Tax	110,000	0	22,717	20.65%
Wrecker Impound Charges	0	0	0	N/A
Fuel Refund Claim	0	0	0	N/A
Used Oil Revenue-Safety Clean/H&H	700	95	95	13.50%
Subtotal Taxes	\$ 9,713,972	\$ 1,404,566	\$ 2,245,524	23.12%
Licenses & Permits				
License-Bicycle	\$ 100	\$ -	\$ 2	2.00%
License-Contractors	45,000	12,145	15,515	34.48%
License-Animal	4,000	184	1,095	27.38%
Permits-Building	90,000	3,529	18,196	20.22%
Permits-House Moving	200	0	0	0.00%
Permits - Street Cuts	9,000	0	1,640	18.22%
Permits-Electrical	23,000	1,315	4,560	19.83%
Permits-Solicitors	2,500	25	830	33.20%
Permits-Natural Gas Lines	2,000	205	555	27.75%
Permits-Garage Sales	7,000	160	1,720	24.57%
Permits-Plumbing	30,000	1,660	6,616	22.05%
Permits-Mechanical	18,000	815	2,960	16.44%
License-Taxicabs	1,000	300	300	30.00%
Permits-Car Wash	500	0	30	6.00%
Permits-Signs	1,500	0	105	7.00%
Permits-Swimming Pools	900	0	85	9.44%
Permit-Ambulance License	0	0	0	N/A
Wrecker License	600	510	510	85.00%
Permit-Certificate of Occupancy	2,000	80	400	20.00%
Permits-Mobile Home Parks	0	0	0	N/A
Permits-Beverage Cartage	0	0	0	N/A
Permits-Alarms	6,200	480	500	8.06%
False Alarm Penalties	400	100	800	200.00%
Permits-Alcohol License	600	150	270	45.00%
Senior Center Revenue	0	0	0	N/A
Permits-Well/Gas Drilling	0	2,000	2,000	N/A
Subtotal Licenses & Permits	\$ 244,500	\$ 23,658	\$ 58,689	24.00%

**CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
GENERAL FUND**

As of December 31, 2007 (FY 2007-08)

Description	Adopted Budget	Current Month Dec. 2007	Total Year to Date	Percent Year to Date
Services & Charges				
Swimming Pool Receipts	\$ 52,400	\$ -	\$ -	0.00%
Community Building Rental	21,000	(2,990)	7,985	38.02%
Misc. Library Receipts	14,500	897	2,961	20.42%
Animal Shelter Fees	40,000	1,859	7,007	17.52%
Ambulance Fee Revenue ⁽¹⁾	776,818	41,711	160,416	20.65%
Copy Machines	5,200	402	1,211	23.29%
Mowing Revenue	20,000	4,327	10,462	52.31%
Sale of City Maps	600	50	249	41.50%
Service Charge-NSF Checks	12,000	1,250	2,925	24.38%
Plat Filing Fee Revenue	6,500	400	1,100	16.92%
RV Park Fees	12,000	670	2,265	18.88%
Police Auction	0	0	0	N/A
Contract Fire Revenue	0	0	0	N/A
Police Overtime Reimbursement	20,000	1,235	8,767	43.84%
Police Restitution Revenue	3,000	301	929	30.97%
Festival Reimbursements	13,094	203	203	1.55%
Special Events-Seniors	1,500	0	596	39.73%
Library Meeting Room Rental	1,500	1,080	2,153	143.50%
Open Records Revenue	1,000	10	154	15.45%
Senior Games	1,500	0	0	N/A
Fax Machine Fees	700	88	248	35.49%
Pool Rental Revenue	4,000	0	0	0.00%
Contract EMS Revenue	0	0	0	N/A
Re-Inspection Fees	700	0	50	N/A
Micro Chip of Animals Revenue	7,175	103	390	5.43%
Subtotal Services & Charges	\$ 1,015,187	\$ 51,596	\$ 210,070	20.69%
⁽¹⁾ Recorded net of billing fees.				
Fines & Forfeitures				
Municipal Court Fines	\$ 161,500	\$ 8,327	\$ 23,115	14.31%
Traffic Violation Fines	404,600	23,977	69,223	17.11%
Library Fines	16,500	1,103	4,050	24.55%
Arrest Warrant Income	138,500	6,763	20,008	14.45%
Child Safety Fund	12,800	722	2,260	17.66%
City's % of State Court Fines	57,500	0	13,110	22.80%
HB 70 Fees	14,000	847	2,627	18.77%
Arresting Officer Fees	33,000	1,824	5,579	16.91%
CCISD Liaison Funding	101,508	25,377	25,377	25.00%
Admin Fee-Teen Court	1,500	50	250	16.67%
Admin Fee-Defensive Driving	8,600	730	2,250	26.16%
Rezone Request Fees	3,000	0	400	13.33%
Variance Request Fees	300	0	110	36.67%
Subtotal Fines & Forfeitures	\$ 953,308	\$ 69,720	\$ 168,359	17.66%
Administration Reimb.				
Admin. Reimb.-W & S Fd	\$ 792,500	\$ 66,042	\$ 198,125	25.00%
Admin. Reimb.-Solid Waste Fd	428,000	35,667	107,000	25.00%
Admin. Reimb.-Drainage Utility Fd	80,000	6,667	20,000	25.00%
Subtotal Admin. Reimb.	\$ 1,300,500	\$ 108,375	\$ 325,125	25.00%

**CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
GENERAL FUND**

As of December 31, 2007 (FY 2007-08)

Description	Adopted Budget	Current Month Dec. 2007	Total Year to Date	Percent Year to Date
Miscellaneous Revenue				
Interest Earned Revenue	\$ 235,000	\$ 12,610	\$ 43,519	18.52%
Rental Income	20,000	1,440	4,320	21.60%
Sale of City Prop. & Equip.	0	0	0	N/A
Miscellaneous Police Revenue	3,000	0	693	23.08%
Miscellaneous Grant Revenue	1,500	0	0	0.00%
Miscellaneous Revenues	75,300	2,312	12,837	17.05%
Insurance Proceeds	3,000	468	468	15.58%
Food Workers' Permit	12,000	562	4,269	35.57%
Food Establishment Licenses	11,000	375	2,760	25.09%
Attorney Fees Revenue	0	0	0	N/A
Court Cost Revenue	0	0	0	N/A
Council Signage Donation	0	0	0	N/A
Maintenance & Landscape Revenue	2,100	1,050	1,050	N/A
Street Sign Revenue	2,400	0	0	
Auction Proceeds	5,000	0	0	0.00%
Subtotal Miscellaneous Rev.	\$ 370,300	\$ 18,817	\$ 69,915	18.88%
TOTAL G. F. REVENUE	\$ 13,597,767	\$ 1,676,731	\$ 3,077,682	22.63%

**CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
GENERAL FUND**

As of December 31, 2007 (FY 2007-08)

Description	Adopted Budget	Current Month Dec. 2007	Total Year to Date	Percent Year to Date
GENERAL FUND EXPENDITURES				
City Council	\$ 42,700	\$ 959	\$ 10,462	24.50%
City Manager	270,334	15,756	55,643	20.58%
City Secretary/Elections	147,339	8,975	26,601	18.05%
City Attorney	105,080	7,658	22,328	21.25%
Finance	506,924	65,692	146,684	28.94%
Grants Administration	62,546	0	0	0.00%
Human Resources	176,796	16,487	49,990	28.28%
Information Systems	197,219	12,457	50,228	25.47%
Municipal Court	361,583	22,575	99,527	27.53%
Police	4,378,484	306,550	1,043,916	23.84%
Public Information Office	0	4,044	11,088	N/A
Animal Control	213,593	14,678	48,301	22.61%
Fire/EMS	3,000,931	268,822	889,722	29.65%
Emergency Management	65,496	100	5,229	7.98%
Engineering	166,629	10,152	26,366	15.82%
Building & Development Services	281,485	21,512	75,240	26.73%
Streets	985,565	64,989	167,991	17.05%
Parks and Recreation	929,962	69,300	205,125	22.06%
Fleet Services	235,422	20,830	63,155	26.83%
Public Works	39,418	3,018	10,210	25.90%
Facility Maintenance	172,390	12,976	45,723	26.52%
Planning	188,868	11,534	48,085	25.46%
Library	519,730	41,618	135,147	26.00%
Code & Health	155,289	11,277	39,643	25.53%
Non-Departmental	371,815	13,274	165,018	44.38%
TOTAL GENERAL FUND EXPENDITURES	\$ 13,575,598	\$ 1,025,233	\$ 3,441,418	25.35%
ENDING FUND BALANCE				
Unreserved, Designated	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
Unreserved, Undesignated	\$ 2,406,284	\$ 1,916,222	\$ 1,916,222	
TOTAL ENDING FUND BALANCE	\$ 3,406,284	\$ 2,916,222	\$ 2,916,222	
IDEAL RESERVE FUND BALANCE	\$ 3,393,900	\$ 3,393,900	\$ 3,393,900	
OVER (UNDER) IDEAL RESERVE FUND BALANCE	\$ 12,384	\$ (477,678)	\$ (477,678)	

**CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
WATER & SEWER FUND
As of December 31, 2007 (FY 2007-08)**

Description	Adopted Budget	Current Month Dec. 2007	Total Year to Date	Percent Year to Date
BEGINNING FUND BALANCE				
Unreserved, Undesignated	\$ 2,029,827	\$ 2,176,924	\$ 1,730,982	
TOTAL BEGINNING FUND BALANCE	\$ 2,029,827	\$ 2,176,924	\$ 1,730,982	
W & S FUND REVENUES				
Operating Revenues				
Water Revenue	\$ 4,886,653	\$ 333,785	\$ 1,121,434	22.95%
Sewer Revenue	3,288,492	273,487	843,105	25.64%
Senior Discount	(140,300)	(9,958)	(33,041)	23.55%
Water Tap Fees	122,000	5,000	15,670	12.84%
Sewer Tap Fees	30,000	1,520	5,550	18.50%
Connect Fee	55,000	5,235	15,300	27.82%
Meter Box Reset Fee	0	150	300	N/A
Subtotal Operating Revenues	\$ 8,241,845	\$ 609,219	\$ 1,968,318	23.88%
Other Revenues				
Composting Sales Revenue	\$ 15,000	\$ 490	\$ 2,908	19.39%
Admin Reimb--Drainage	20,000	1,667	5,000	25.00%
Interest Revenue	140,000	10,067	28,290	20.21%
Sale of City Property	0	0	0	N/A
Late Charge For Billing	250,000	21,664	67,061	26.82%
Riser Forfeiture Revenue	3,000	230	230	N/A
Auction Proceeds	1,000	(4)	(45)	-4.47%
Insurance Proceeds	500	0	0	0.00%
Miscellaneous Revenues	50,000	4,174	11,955	23.91%
Subtotal Other Revenues	\$ 479,500	38,288	115,400	24.07%
TOTAL W & S FD REVENUES	\$ 8,721,345	\$ 647,507	\$ 2,083,717	23.89%
W & S FUND EXPENDITURES				
Water & Sewer Administration	\$ 152,025	\$ 12,417	\$ 41,202	27.10%
Utility Administration	517,891	50,639	142,145	27.45%
Water Distribution	1,126,698	122,861	281,366	24.97%
Sewer Collection	497,329	34,790	107,440	21.60%
Wastewater Treatment	1,013,042	132,878	314,809	31.08%
Composting	161,262	11,169	39,888	24.73%
Non-Departmental	4,714,017	198,650	626,824	13.30%
TOTAL W & S FUND EXPENDITURES	\$ 8,182,264	\$ 563,404	\$ 1,553,673	18.99%
ENDING FUND BALANCE				
Unreserved, Undesignated	\$ 2,568,908	\$ 2,261,026	\$ 2,261,026	
TOTAL ENDING FUND BALANCE	\$ 2,568,908	\$ 2,261,026	\$ 2,261,026	
IDEAL RESERVE FUND BALANCE	\$ 2,045,566	\$ 2,045,566	\$ 2,045,566	
OVER (UNDER) IDEAL RESERVE FUND BALANCE	\$ 523,342	\$ 215,460	\$ 215,460	

**CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
SOLID WASTE FUND
As of December 31, 2007 (FY 2007-08)**

Description	Adopted Budget	Current Month Dec. 2007	Total Year to Date	Percent Year to Date
BEGINNING FUND BALANCE				
Unreserved, Undesignated	\$ 653,725	\$ 876,211	\$ 769,842	
Unreserved, Designated	0	0	0	
TOTAL BEGINNING FUND BALANCE	\$ 653,725	\$ 876,211	\$ 769,842	
SOLID WASTE FUND REVENUE				
Operating Revenue				
Refuse Collection Fees	\$ 2,211,872	\$ 191,724	\$ 578,804	26.17%
Sanitary Landfill Fees	425,000	24,742	92,874	21.85%
Senior Discount	(38,325)	(3,157)	(9,478)	24.73%
Recycling Proceeds	35,000	4,922	11,618	33.20%
Sale of Scrap Metal	18,000	1,314	5,601	31.11%
Sale of Kraft Bags	9,500	1,136	2,654	27.94%
Container Reload Fees	13,500	339	799	5.92%
Return Service/Overload Container	1,000	0	29	2.85%
Roll-Off Rental Income	40,000	7,389	11,789	29.47%
Rear Load Dumpster Rental	800	167	410	51.25%
Auto Lid Locks	750	97	336	44.80%
Subtotal Operating Revenue	\$ 2,717,097	\$ 228,672	\$ 695,436	25.59%
Other Revenue				
Interest Revenue	\$ 33,000	\$ 3,029	\$ 8,976	27.20%
Late Charge For Billing	116,000	10,832	33,531	28.91%
Auction Proceeds	1,000	0	0	0.00%
Sale of City Property & Equip.	0	0	0	N/A
Cash over (short)	0	0	6	N/A
Miscellaneous Revenues	2,000	90	221	11.04%
Subtotal Other Revenue	\$ 152,000	\$ 13,952	\$ 42,734	28.11%
TOTAL SOLID WASTE REVENUE	\$ 2,869,097	\$ 242,624	\$ 738,169	25.73%
SOLID WASTE FUND EXPENDITURES				
Solid Waste Administration	\$ 205,723	\$ 15,507	\$ 57,294	27.85%
Solid Waste Collection - Residential	330,012	18,426	65,376	19.81%
Solid Waste Collection - Recycling	159,375	6,335	20,876	13.10%
Solid Waste Collection - Brush	117,174	6,482	27,754	23.69%
Solid Waste Collection - Commercial	379,273	20,023	79,811	21.04%
Solid Waste Disposal - Transfer Station	1,100,536	109,336	225,986	20.53%
Solid Waste Recycling - KCCB	22,200	484	3,634	16.37%
Non-Departmental	503,095	38,928	123,966	24.64%
TOTAL SOLID WASTE FUND EXPENDITURES	\$ 2,817,388	\$ 215,521	\$ 604,698	21.46%
ENDING FUND BALANCE				
Unreserved, Undesignated	\$ 705,434	\$ 903,314	\$ 903,314	
Unreserved, Designated	0	0	0	
TOTAL ENDING FUND BALANCE	\$ 705,434	\$ 903,314	\$ 903,314	
IDEAL RESERVE FUND BALANCE	\$ 704,347	\$ 704,347	\$ 704,347	
OVER (UNDER) IDEAL RESERVE FUND BALANCE	\$ 1,087	\$ 198,967	\$ 198,967	

**CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
DRAINAGE UTILITY FUND
As of December 31, 2007 (FY 2007-08)**

Description	Adopted Budget	Current Month Dec. 2007	Total Year to Date	Percent Year to Date
BEGINNING FUND BALANCE				
Unreserved, Undesignated	\$ 385,402	\$ 376,565	\$ 324,584	
TOTAL BEGINNING FUND BALANCE	\$ 385,402	\$ 376,565	\$ 324,584	
DRAINAGE UTILITY FUND REVENUE				
Drainage Utility Fee	\$ 841,839	\$ 68,963	\$ 207,496	24.65%
Maintenance Revenue	500	50	150	30.00%
Subtotal Drainage Utility Revenue	\$ 842,339	\$ 69,013	\$ 207,646	24.65%
Other Revenue				
Miscellaneous Revenue	\$ 1,900	\$ -	\$ -	0.00%
Interest Revenue	37,000	3,282	9,845	26.61%
Subtotal Other Revenue	\$ 38,900	\$ 3,282	\$ 9,845	25.31%
TOTAL DRAINAGE UTILITY REVENUE	\$ 881,239	\$ 72,295	\$ 217,491	24.68%
DRAINAGE UTILITY FUND EXPENDITURES				
Drainage Utility Fund	\$ 1,051,485	\$ 72,266	\$ 165,481	15.74%
TOTAL DRAINAGE UTILITY FUND EXPENDITURES	\$ 1,051,485	\$ 72,266	\$ 165,481	15.74%
ENDING FUND BALANCE				
Unreserved, Undesignated	\$ 215,156	\$ 376,594	\$ 376,594	
TOTAL ENDING FUND BALANCE	\$ 215,156	\$ 376,594	\$ 376,594	
IDEAL RESERVE FUND BALANCE	\$ 262,871	\$ 262,871	\$ 262,871	
OVER (UNDER) IDEAL RESERVE FUND BALANCE	\$ (47,715)	\$ 113,723	\$ 113,723	

**CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
GOLF COURSE FUND
As of December 31, 2007 (FY 2007-08)**

Description	Adopted Budget	Current Month Dec. 2007	Total Year to Date	Percent Year to Date
BEGINNING FUND BALANCE				
Unreserved, Undesignated	\$ 3,113	\$ 4,829	\$ (22,335)	
TOTAL BEGINNING FUND BALANCE	\$ 3,113	\$ 4,829	\$ (22,335)	
GOLF COURSE FUND REVENUE				
Green Fees	\$ 198,735	\$ 11,596	\$ 39,136	19.69%
Cart Rental Fees	172,000	10,584	35,603	20.70%
Membership Dues	107,425	3,310	5,545	5.16%
Cart Storage Fees	22,100	0	1,075	4.86%
Trail Fees	15,300	36	773	5.05%
Pro Shop Sales	101,000	5,285	15,016	14.87%
Handicap Fees	300	0	0	0.00%
Driving Range Fees	36,500	1,574	7,124	19.52%
Snack Bar Revenue F&B	62,000	3,096	12,898	20.80%
Snack Bar Revenue-Beer & Wine	25,000	250	3,416	13.66%
Transfer From General Fund	59,072	0	59,072	100.00%
Facility Rental Income	500	0	0	0.00%
Swimming Pool Receipts	500	500	500	100.00%
Interest Revenue	100	0	5	5.10%
Sale of City Property & Equipment	0	0	0	N/A
Winter Special Green Fees	0	0	0	N/A
Winter Special Cart Fees	0	0	0	N/A
Winter Special Lunch	0	0	0	N/A
Tournament Green Fees	18,000	144	2,632	14.62%
Tournament Cart Fees	14,500	273	1,981	13.66%
Contributions	0	0	0	N/A
Auction Proceeds	5,000	0	0	0.00%
Miscellaneous Receipts	260	(20)	(16)	-6.20%
TOTAL G. C. FD REVENUE	\$ 838,292	\$ 37,841	\$ 185,973	22.18%
GOLF COURSE FUND EXPENDITURES				
Golf Course	\$ 764,179	\$ 51,280	\$ 172,248	22.54%
TOTAL GOLF COURSE FUND EXPENDITURES	\$ 764,179	\$ 51,280	\$ 172,248	22.54%
ENDING FUND BALANCE				
Unreserved, Undesignated	\$ 77,226	\$ (8,610)	\$ (8,610)	
TOTAL ENDING FUND BALANCE	\$ 77,226	\$ (8,610)	\$ (8,610)	
IDEAL RESERVE FUND BALANCE	\$ 191,045	\$ 191,045	\$ 191,045	
OVER (UNDER) IDEAL RESERVE FUND BALANCE	\$ (113,819)	\$ (199,654)	\$ (199,654)	

**CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
OTHER FUNDS
As of December 31, 2007 (FY 2007-08)**

Fund Description	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
Special Revenue Funds:				
Recreation Activities Fund	\$ 88,185	\$ 18,263	\$ 39,238	\$ 67,211
Cemetery Fund	12,865	2,774	9,936	\$ 5,703
Library Gifts and Memorials	8,894	221	123	\$ 8,992
Small Business Revolving Loan Fund	197,521	552	-	\$ 198,073
Hotel Occupancy Tax Fund	56,405	22,828	30,229	\$ 49,003
Animal Shelter Fund	21,560	91	3,031	\$ 18,620
City-Wide Donation Fund	40,795	13,186	7,097	\$ 46,884
Municipal Court Fund	175,638	13,283	34,502	\$ 154,419
Sub-Total Special Revenue Funds:	\$ 601,863	\$ 71,197	\$ 124,156	\$ 502,021
** Beginning fund balance includes \$150,699 in notes receivables.				
Debt Service Fund:				
Tax Interest & Sinking Fund	\$ 143,493	\$ 377,561	\$ -	\$ 521,054
Sub-Total Debt Service Fund:	\$ 143,493	\$ 377,561	\$ -	\$ 521,054
Capital Projects Funds:				
2001 C.O. (Capital Equip./Improvement)	\$ 285,983	\$ 3,414	\$ -	\$ 289,397
2001 C.O. (Water/Wastewater Phase II)	434,649	5,483	13,374	426,758
2003 C.O. (CIP)	471,247	7,822	352,137	126,932
2003 C.O. (W/WW Phase III)	1,532,155	22,218	67,289	1,487,084
2005 C.O. (Water Infrastructure Project)	2,228,891	28,644	21,729	2,235,806
2006 Tax Notes (CIP)	1,015,058	10,215	209,477	815,796
2007 C.O. (Police Facility)	5,338,633	(441,214)	-	4,897,419
Sub-Total C.I.P. Funds:	\$ 11,306,616	\$ (363,418)	\$ 664,006	\$10,279,192
Total Other Funds	\$ 12,051,972	\$ 85,341	\$ 788,162	\$11,302,267

**City of Copperas Cove, Texas
2001 Certificates of Obligation
(Capital Equipment/Improvements)
As of December 31, 2007**

Account	Description	Budget	As of	
			FY 2006-07	FY 2007-08
Beginning Fund Balance				
90-300-0001	Fund Balance	\$ -	\$ -	\$ 285,983
Revenues				
90-390-1001	Bond Proceeds	\$ 1,915,000	\$ 1,914,227	\$ -
90-370-6001	Interest Income	-	82,505	3,414
90-370-6005	Miscellaneous Revenue	-	1,500	-
Total Revenues		<u>\$ 1,915,000</u>	<u>\$ 1,998,233</u>	<u>\$ 3,414</u>
Expenditures				
90-4606-9000-8600	Bond Issuance Costs	\$ 43,832	\$ 56,766	\$ -
90-4606-9000-6050	Inspection Services	-	3,263	-
90-4606-3500-xxxx	City-Wide Network	148,700	148,623	-
90-4606-4100-8500	Municipal Court	182,594	196,778	-
90-4606-4300-xxxx	Animal Control Facility	60,147	60,119	-
90-4606-4400-8500	Fire Station No. 3	179,509	215,496	-
90-4606-4400-8300	Fire Equipment	250,000	248,856	-
90-4606-5300-8400	Street Equipment	126,170	126,170	-
90-4606-5300-8400	Reliever Route ROW Acquisition	400,000	148,455	-
90-4606-5400-8505	Ogletree Improvements	364,548	394,604	-
90-4606-5600-8500	Public Works Facility (1/2)	159,500	113,119	-
Total Expenditures		<u>\$ 1,915,000</u>	<u>\$ 1,712,250</u>	<u>\$ -</u>
Ending Fund Balance				
90-300-0001	Fund Balance	<u>\$ -</u>	<u>\$ 285,983</u>	<u>\$ 289,397</u>

City of Copperas Cove, Texas
2001 Certificates of Obligation
(Phase II of Water/Wastewater CIP)
As of December 31, 2007

Account	Description	Budget	As of	
			FY 2006-07	FY 2007-08
Beginning Fund Balance				
91-300-0001	Fund Balance	\$ -	\$ -	\$ 434,649
Revenues				
91-390-1001	Bond Proceeds	\$ 6,485,000	\$ 6,482,383	\$ -
91-370-6001	Interest Income	-	324,782	5,483
91-370-6005	Miscellaneous Revenue	-	-	-
Total Revenues		<u>\$ 6,485,000</u>	<u>\$ 6,807,165</u>	<u>\$ 5,483</u>
Expenditures				
91-4607-9100-8600	Bond Issuance Costs	\$ 162,800	\$ 165,380	\$ -
91-4607-9100-6100	Advertising	-	191	-
91-4607-5600-6800	Professional Services	-	23,867	-
91-4607-9100-9032	Public Works Facility (1/2)	159,500	132,784	-
91-4607-9100-9034	Turkey Run Pumps & Tank	439,000	443,736	-
91-4607-9100-9036	Hogg Mt. Pumps & Tank	819,000	86,762	-
91-4607-9100-9038	Killeen/CC Water Line	3,073,700	3,211,692	-
91-4607-9100-9040	Turkey Run Tank Rehab.	180,000	275,763	-
91-4607-9100-xxxx	W. Hwy 190 Sewer Ext.	-	-	-
91-4607-9100-9042	Joint Pump Station	700,000	754,487	-
91-4607-9100-9044	Grimes Crossing Water Line	701,000	507,968	-
91-4607-9100-9046	Joes Road Water Line	50,000	68,981	-
91-4607-9100-9047	Wolfe Road	75,000	75,855	-
91-4607-9100-9048	Taylor Mountain Pump Stn	-	243,276	-
91-4607-9100-0952	Mickan Mountain Rehab	-	214,078	13,374
91-4607-9100-9054	Hughes Mountain Rehab	-	35,000	-
91-4607-9100-9050	South Wastewater Plant	-	93,380	-
91-4607-5100-xxxx	Salaries/Related Expense	125,000	37,041	-
91-4607-5600-6800	Professional Services	-	2,276	-
Total Expenditures		<u>\$ 6,485,000</u>	<u>\$ 6,372,516</u>	<u>\$ 13,374</u>
Ending Fund Balance				
91-300-0001	Fund Balance	<u>\$ -</u>	<u>\$ 434,649</u>	<u>\$ 426,758</u>

**City of Copperas Cove, Texas
2003 Certificates of Obligation
Tax Supported Capital Projects
As of December 31, 2007**

Account	Description	Budget	As of	
			FY 2006-07	FY 2007-08
Beginning Fund Balance				
70-300-0001	Fund Balance	\$ -	\$ -	\$ 471,247
Revenues				
70-390-1003	Bond Proceeds	\$ 4,190,000	\$ 4,190,000	\$ -
70-370-6001	Interest Income	-	214,451	7,822
70-370-6005	Miscellaneous Revenue	-	1,953	-
Total Revenues		<u>\$ 4,190,000</u>	<u>\$ 4,406,404</u>	<u>\$ 7,822</u>
Expenditures				
70-231-0920	Bond Issuance Costs	\$ 82,539	\$ 82,543	\$ -
70-231-0922	Unamortized Bond Discount	20,061	20,061	-
70-4615-4400-9021	Communications System	1,645,140	1,636,236	-
70-4615-4400-9023	Fire Department Pumper Truck	250,000	247,064	-
70-4615-5100-xxxx	Salary/Benefits	-	5,344	-
70-4615-4200-9039	Police Department Bldg. Repairs	20,000	22,537	-
70-4615-5300-9029	Improvements to FM 1113	320,000	363,398	11,331
70-4615-5400-9025	Renovation of Civic Center	130,000	132,691	-
70-4615-5400-9027	Construction of Skate Park	25,000	24,750	-
70-4615-5400-9033	Feeder Road	600,000	95,021	-
70-4615-5400-9035	City Hall Roof Repairs	20,000	11,441	-
70-4615-5400-9037	Human Resources Bldg. Repairs	95,000	92,661	-
70-4615-8500-9019	Construction of Big Divide	579,000	951,353	340,807
70-4615-8500-9043	Street Reconstruction	400,000	250,058	-
Total Expenditures		<u>\$ 4,186,740</u>	<u>\$ 3,935,157</u>	<u>\$ 352,137</u>
Ending Fund Balance				
70-300-0001	Fund Balance	<u>\$ 3,260</u>	<u>\$ 471,247</u>	<u>\$ 126,932</u>

City of Copperas Cove, Texas
2003 Certificates of Obligation
(Phase III of Water/Wastewater CIP)
As of December 31, 2007

Account	Description	Budget	As of	
			FY 2006-07	FY 2007-08
Beginning Fund Balance				
71-300-0001	Fund Balance	\$ -	\$ -	\$ 1,532,155
Revenues				
71-390-1003	Bond Proceeds	\$9,820,000	\$ 9,820,000	\$ -
71-370-6001	Interest Income	-	491,531	22,218
71-390-1001	Developer Contributions	-	21,086	-
71-370-6005	Miscellaneous Revenue	-	167,965	-
Total Revenues		<u>\$9,820,000</u>	<u>\$ 10,500,581</u>	<u>\$ 22,218</u>
Expenditures				
71-4615-xxxx-xxxx	Bond Issuance Costs	\$ 192,591	\$ 192,601	\$ -
71-4615-xxxx-xxxx	Bond Discount	46,809	46,809	-
71-4615-4400-9021	Communications System	195,680	181,613	-
71-4615-5100-xxxx	Salaries/Benefits	60,000	86,829	-
71-4615-8500-9001	Transfer To General Funds	-	65	-
71-4615-8500-9003	Meadow Brook Sewer Project	235,714	158,996	-
71-4615-8500-9005	Hwy 190 Sewer Project	162,430	177,948	-
71-4615-8500-9007	Mountain Top Water Project	460,000	533,933	57,824
71-4615-8500-9009	Big Divide (Sewer)	484,000	625,951	-
71-4615-8500-9011	Big Divide (Water)	1,710,000	824,215	-
71-4615-8500-9013	NE WW Plant Expansion	4,138,389	4,359,165	-
	Add'l Engineering-NE WW Plant	55,869	60,889	-
71-4615-8100-9041	Utility Admin. Bldg. Repairs	20,000	19,081	-
71-4615-8500-9014	South Plant-Fine Screens	101,500	101,500	-
71-4615-8500-xxxx	NE and NW Change Orders	48,231	-	-
71-4615-8500-9015	NW WW Plant Expansion	1,104,456	1,134,003	-
71-4615-8500-9017	4th Year Sewer Improvement	594,000	268,769	9,465
71-4615-8500-9021	Water Model Study	60,000	84,126	-
71-4615-8500-9029	FM 1113 Improvement (Sidewalk)	-	(10,066)	-
71-4615-8500-9031	Expansion of Constitution	122,000	122,000	-
Total Expenditures		<u>\$ 9,791,669</u>	<u>\$ 8,968,427</u>	<u>\$ 67,289</u>
Ending Fund Balance				
71-300-0001		<u>\$ 28,331</u>	<u>\$ 1,532,155</u>	<u>\$ 1,487,084</u>

"Sewer (Skyline Valley Lift Station)" is now "Big Divide (Sewer)"
"Water (Ogletree Pass to Colorado)" is now "Big Divide (Water)"

City of Copperas Cove, Texas
2005 Certificates of Obligation
Water Projects
As of December 31, 2007

Account	Description	Budget	As of	
			FY 2006-07	FY 2007-08
Beginning Fund Balance				
93-300-0001	Fund Balance	\$ -	\$ -	\$ 2,228,891
Revenues				
93-390-1003	Bond Proceeds	\$ 3,080,000	\$ 3,050,000	\$ -
93-340-2001	Miscellaneous Revenue	-	-	-
93-370-6001	Interest Revenue	-	250,372	28,644
Total Revenues		\$ 3,080,000	\$ 3,300,372	\$ 28,644
Expenditures				
93-4616-5100-xxxx	Salary/Benefits	\$ -	\$ 458	\$ -
93-4615-8500-6100	Contractual Services	-	-	244
93-4616-8500-8600	Issuance Costs	89,000	62,050	-
93-4616-8500-9032	East Pump Station	1,380,000	178,500	1,400
93-4616-8500-9034	Turkey Run Pump Station	868,000	132,000	20,085
93-4616-8500-9036	Hogg Mountain Water Tank	743,000	698,473	-
Total Expenditures		\$ 3,080,000	\$ 1,071,481	\$ 21,729
Ending Fund Balance				
93-253-0001		\$ -	\$ 2,228,891	\$ 2,235,806

City of Copperas Cove, Texas
2006 Limited Tax Notes
Capital Equipment/Land & Professional Services
As of December 31, 2007

Account	Description	Budget	As of	
			FY 2006-07	FY 2007-08
Beginning Fund Balance				
73-300-0001	Fund Balance	\$ -	\$ -	\$ 1,015,058
Revenues				
73-390-1003	Bond Proceeds	\$ 1,260,000	\$ 1,260,000	\$ -
73-340-2001	Miscellaneous Revenue	-	-	-
73-370-6001	Interest Revenue	-	59,154	10,215
Total Revenues		<u>\$ 1,260,000</u>	<u>\$ 1,319,154</u>	<u>\$ 10,215</u>
Expenditures				
73-4617-4200-6800	Professional Services	\$ 600,000	\$ 15,331	\$ 12,344
73-4617-4200-8600	Land	400,000	-	197,133
73-4617-4400-8300	Ambulance	100,000	97,525	-
73-4617-5300-8300	Street Sweeper	160,000	199,298	-
73-4617-9900-9500	Bond Issuance Costs	-	(8,057)	-
Total Expenditures		<u>\$ 1,260,000</u>	<u>\$ 304,097</u>	<u>\$ 209,477</u>
Ending Fund Balance				
73-253-0001		<u>\$ -</u>	<u>\$ 1,015,058</u>	<u>\$ 815,796</u>

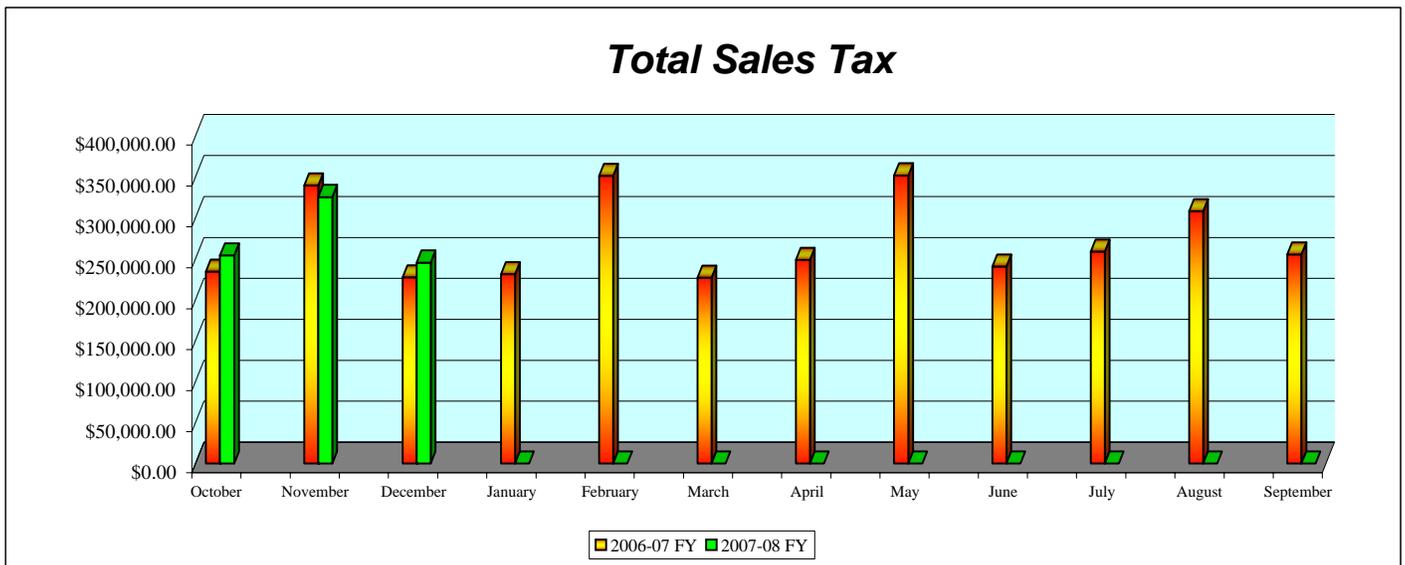
City of Copperas Cove, Texas
2007 Certificates of Obligation
Police Facility
As of December 31, 2007

Account	Description	Budget	As of	
			FY 2006-07	FY 2007-08
Beginning Fund Balance				
74-300-0001	Fund Balance	\$ -	\$ -	\$ 5,338,633
Revenues				
74-390-1001	Bond Proceeds	\$ 5,300,000	\$ 5,300,000	\$ -
74-370-6001	Interest Revenue	50,000	92,974	58,786
74-390-1002	Discount Note Proceeds	-	-	(500,000)
Total Revenues		<u>\$ 5,350,000</u>	<u>\$ 5,392,974</u>	<u>\$ (441,214)</u>
Expenditures				
74-4618-4200-2200	Postage	\$ -	\$ 23	\$ -
74-4618-4200-8600	Bond Issuance Costs	50,000	54,318	-
74-4617-4200-8500	Police Facility	5,300,000	-	-
Total Expenditures		<u>\$ 5,350,000</u>	<u>\$ 54,341</u>	<u>\$ -</u>
Ending Fund Balance				
74-253-0001		<u>\$ -</u>	<u>\$ 5,338,633</u>	<u>\$ 4,897,419</u>

**CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
SCHEDULE OF SALES TAX COLLECTIONS
(WITH COMPARATIVE COLLECTIONS IN FY 2006-07)
As of December 31, 2007 (FY 2007-08)**

Fiscal Year 2006-07	City's Revenue	EDC's Revenue	Total Sales Tax	Fiscal Year 2007-08	City's Revenue	EDC's Revenue	Total Sales Tax
October	\$156,182.25	\$78,091.13	\$234,273.38	October	\$169,247.52	\$84,623.76	\$253,871.28
November	\$226,324.55	\$113,162.28	\$339,486.83	November	\$216,891.12	\$108,445.56	\$325,336.68
December	\$151,566.28	\$75,783.14	\$227,349.42	December	\$163,496.24	\$81,748.12	\$245,244.36
January	\$154,062.22	\$77,031.11	\$231,093.33	January			\$0.00
February	\$234,096.96	\$117,048.48	\$351,145.44	February			\$0.00
March	\$151,231.18	\$75,615.59	\$226,846.77	March			\$0.00
April	\$165,791.41	\$82,895.71	\$248,687.12	April			\$0.00
May	\$234,485.52	\$117,242.76	\$351,728.28	May			\$0.00
June	\$160,309.35	\$80,154.68	\$240,464.03	June			\$0.00
July	\$172,527.88	\$86,263.94	\$258,791.82	July			\$0.00
August	\$205,359.88	\$102,679.94	\$308,039.82	August			\$0.00
September	\$170,015.51	\$85,007.76	\$255,023.27	September			\$0.00
Total	\$2,181,952.99	\$1,090,976.50	\$3,272,929.49	Total	\$549,634.88	\$274,817.44	\$824,452.32

NOTE 1 - Total revenues collected for sales tax by the month ending December 31, 2007, in FY 2007-08 was \$824,452.32 (\$549,634.88 City's revenues and \$274,817.44 EDC's revenues); total revenues collected for sales tax by the month ending December 31, 2006 in FY 2006-07 was \$801,109.63 (\$534,073.08 City's revenues and \$267,036.55 EDC's revenues).



CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
SCHEDULE OF CASH ACCOUNTS AND INVESTMENTS (By Account)
As of December 31, 2007 (FY 2007-08)

FUNDS IN INVESTMENT POOLS	
TEXSTAR	\$ 5,589,210.61
TEXPOOL	14,609,936.62
DISCOUNT NOTES	500,773.31
Subtotal on Funds in Investment Pools	<u>\$ 20,699,920.54</u>
 CHECKING ACCOUNTS	
1988 W&S Bond	\$0.00
1994 Fire G.O. Bond Issue	0.00
1994 Fire Station Retainage	0.00
1994 Landfill C O's	0.00
Caddy Shack - Pool Account	0.00
Drainage Utility Reserve	0.00
G.O. Bonds Interest & Sinking	0.00
Master Account	1,791,129.70
Payroll	4,286.56
Rental Rehab	15,058.57
Golf Course	0.00
State Revolving Fund 1994	0.00
State Revolving Fund 1994 - Cash in Escrow	0.00
W & S Interest & Sinking	0.00
Water & Sewer Revenue	0.00
Law Enforcement Block Grant	13,789.29
Certificate of Obligations Series 1997	0.00
Solid Waste Interest & Sinking	0.00
Library Retainage	0.00
Pending Forfeitures	17,653.71
Small Business Revolving Loan Fund	0.00
1998 G.O. Bond Issue	0.00
1998 G.O. Bond Issue Retainage	0.00
1998 C.O. Bond Issue Retainage	0.00
Community Development	0.00
 Subtotal Checking Accounts	 <u>\$1,841,917.83</u>
 SAVINGS ACCOUNTS (Per Quarterly Strmts)	
Subdivision Escrow	2,529.04
 Subtotal Savings Accounts	 <u>\$2,529.04</u>
 TOTAL INVESTMENTS & CASH ACCOUNTS	 <u><u>\$22,544,367.41</u></u>

CITY OF COPPERAS COVE
MONTHLY COUNCIL REPORT
SCHEDULE OF CASH ACCOUNTS AND INVESTMENTS (By Fund)
As of December 31, 2007 (FY 2007-08)

FUND	TOTAL CASH & INVESTMENTS
General Fund	\$4,146,954.03
Water & Sewer Fund	\$2,859,904.19
Solid Waste Fund	\$853,416.73
Youth Activity Fund	\$92,809.57
Drainage Utility Fund	\$872,187.11
Cemetery Fund	(\$67.56)
General Obligation Interest & Sinking Fund	\$534,492.00
Curb & Gutter Assessment Fund	\$0.00
Municipal Golf Course Fund	(\$38.76)
Small Business Revolving Loan Fund	\$49,901.83
Library Gifts & Memorials Fund	\$8,388.42
Hotel/Motel Tax Fund	\$146,686.94
Animal Shelter Donations Fund	\$21,238.33
Police Court Order Fund	\$0.00
City-Wide Donations Fund	\$51,451.97
Abandoned Vehicle Auction Fund	\$0.00
City Wide Grants	\$287,628.00
FEMA Grant Funds	\$135,401.36
Fire Special Revenue Fund	\$10,465.68
Joint Image Campaign	\$28,876.22
Tx. Parks & Wildlife Grant	\$0.00
Municipal Court Fund	\$189,580.59
Police Restricted Fund	\$17,653.71
Police Federal Seizure Fund	\$2,104.23
Fire/EMS Loan	\$37,853.05
County Mutual Aid Agreement	\$35,532.18
1997 Combination Tax & Revenue C/O's (Golf Course; Library)	\$26,869.84
1997 CO's Golf Course Phase 1	\$1,307.24
Law Enforcement Block Grant Fund	\$13,789.29
Fire Department Grant Fund	(\$35,556.66)
Library Grant Fund	\$36,957.88
Step Grant	\$3,306.65
Tobacco Grant	\$2,615.98
FM 1113 Grant	\$50,178.66
2006 Limited Tax Notes	\$822,198.85
1994 WW/SS Revenue Bonds	\$0.00
EDA Industrial Park	\$4,642.44
Reliever Route	\$311,056.07
2005 Certificates of Obligation (Water Projects)	\$2,414,888.09
1998 Park Improvements G.O.	\$455.57
1998 Combination Tax & Revenue C/O's (Street; Compost)	\$3,816.24
1999 Combination Tax & Revenue C/O's (Golf Course)	\$2,198.67
1999 Combination Tax & Revenue C/O's (Animal Control; Municipal Court)	\$242.36
1999 Combination Tax & Revenue C/O's (Water/Wastewater Phase I CIP)	\$0.00
1999 Combination Tax & Revenue C/O's (Solid Waste Vehicles & Equip.)	\$7,880.73
2001 Combination Tax & Revenue C/O's (Capital Equip. & Improvements)	\$289,396.38
2001 Combination Tax & Revenue C/O's (Water/Wastewater Phase II CIP)	\$458,118.34
2003 Combination Tax & Revenue C/O's (Capital Equip. & Improvements)	\$518,285.67
2003 Combination Tax & Revenue C/O's (Water/Wastewater Phase III CIP)	\$1,833,838.00
2007 Combination Tax & Revenue C/O's (Police Facility)	\$5,395,461.30
TOTAL CASH & INVESTMENTS	<u>\$22,544,367.41</u>

RECAP OF CASH & INVESTMENTS:

INVESTMENTS IN TEXPOOL	\$ 14,609,936.62
INVESTMENTS IN TEXSTAR	5,589,210.61
DISCOUNT NOTES	500,773.31
CASH IN BANK	1,844,446.87
TOTAL CASH & INVESTMENTS	<u>\$ 22,544,367.41</u>

**CITY OF COPPERAS COVE
INVESTMENT SCHEDULE
As of December 31, 2007 (FY 2007-08)**

As of December 31, 2007, the City of Copperas Cove's investment portfolio was made up of investments in TEXPOOL, TEXSTAR, Discount Note and bank deposits with the City's local depository. This portfolio accomplishes the objective of maintaining liquidity while earning a modest yield on invested taxpayers dollars.

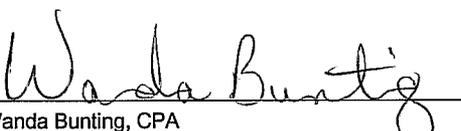
TEXPOOL Investments	Market Value			Accrued Interest	Book Value	Market Value
	11/30/07	Investments	Redemptions			
General Fund	\$ 3,199,181.54	\$ 877,500.25	\$ 637,500.25	\$ 12,290.12	\$ 3,451,471.66	\$ 3,451,471.66
Water & Sewer Fund	2,525,799.54	316,604.00	150,000.00	9,996.52	2,702,400.06	2,702,400.06
Solid Waste Fund	774,106.55	-	-	2,995.71	777,102.26	777,102.26
Drainage Utility Fund	856,994.04	26,594.00	45,000.00	3,268.89	841,856.93	841,856.93
Interest & Sinking Fund	226,325.28	165,306.29	-	1,033.46	392,665.03	392,665.03
Youth Activities Fund	101,090.71	-	9,000.00	372.10	92,462.81	92,462.81
Cemetery Fund	-	-	-	-	-	-
Golf Course Interest & Sinking	39.34	-	-	0.10	39.44	39.44
Small Business Revolving Loan Fund	46,766.80	-	-	180.99	46,947.79	46,947.79
Hotel/Motel Fund	130,565.20	15,581.33	-	540.41	146,686.94	146,686.94
Municipal Court Special Revenue Fund	198,275.39	-	9,891.59	760.31	189,144.11	189,144.11
1997 C/O Fund	1,302.19	-	-	5.05	1,307.24	1,307.24
1998 G.O. Bond Fund	453.77	-	-	1.80	455.57	455.57
1998 C/O Bond Fund	3,801.55	-	-	14.69	3,816.24	3,816.24
1999 C/O Bond Fund (Animal Control, etc.)	241.43	-	-	0.93	242.36	242.36
1999 C/O Bond Fund (Golf Course)	2,190.20	-	-	8.47	2,198.67	2,198.67
1999 C/O Bond Fund (Solid Waste)	7,850.35	-	-	30.38	7,880.73	7,880.73
2001 C/O Bond Fund (Governmental)	288,280.75	-	-	1,115.63	289,396.38	289,396.38
2001 C/O Bond Fund (W&S Phase II)	456,352.30	-	-	1,766.04	458,118.34	458,118.34
2007 C/O Police Facility	4,862,421.56	13,414.63	-	18,851.80	4,894,687.99	4,894,687.99
Reliever Route	311,355.05	-	1,500.00	1,201.02	311,056.07	311,056.07
Total TEXPOOL Investments	\$ 13,993,393.54	\$ 1,415,000.50	\$ 852,891.84	\$ 54,434.42	\$ 14,609,936.62	\$ 14,609,936.62

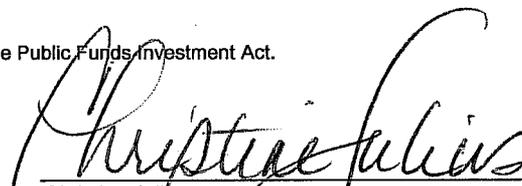
TEXSTAR Investments	Market Value			Accrued Interest	Book Value	Market Value
	11/30/07	Investments	Redemptions			
2003 C/O Project Fund (Governmental)	\$ 526,081.23	\$ -	\$ 9,820.50	\$ 2,024.94	\$ 518,285.67	\$ 518,285.67
2003 C/O Project Fund (W&S Phase III)	1,887,920.73	-	61,223.48	7,140.75	1,833,838.00	1,833,838.00
EDA Grant	-	-	-	-	-	-
2005 C/O Project Fund (Water Projects)	2,419,611.95	-	14,041.26	9,317.40	2,414,888.09	2,414,888.09
2006 Tax Notes - Police Building Project	824,671.48	-	5,640.00	3,167.37	822,198.85	822,198.85
Total TEXSTAR Investments	\$ 5,658,285.39	\$ -	\$ 90,725.24	\$ 21,650.46	\$ 5,589,210.61	\$ 5,589,210.61

Discount Notes	Market Value			Accrued Interest	Book Value	Market Value
	11/30/07	Investments	Redemptions			
2007 C/O Police Facility	\$ -	\$ 500,000.00	\$ -	\$ 773.31	\$ 500,773.31	\$ 500,000.00
Total Discount Notes	\$ -	\$ 500,000.00	\$ -	\$ 773.31	\$ 500,773.31	\$ 500,000.00

Total Investments	\$ 19,651,678.93	\$ 1,915,000.50	\$ 943,617.08	\$ 76,858.19	\$ 20,699,920.54	\$ 20,699,147.23
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This report is in compliance with the investment strategies as approved and the Public Funds Investment Act.


Wanda Bunting, CPA
Director of Financial Services


Christine Julius
Assistant Director of Finance



TEXPOOL

THE TEXAS INVESTMENT SERVICE FOR PUBLIC FUNDS

January 2008

PERFORMANCE

As of December 31, 2007

	TexPool	TexPool Prime
Current Invested Balance	\$18,397,035,467.96	\$1,356,711,581.69
Weighted Average Maturity (1)*	34 Days	20 Days
Weighted Average Maturity (2)*	81 Days	23 Days
Net Asset Value	1.00019	0.99864
Total Number of Participants	2058	86
Management Fee on Invested Balance	0.0485%	0.0650%
Interest Distributed	\$68,082,949.28	\$5,513,405.33
Management Fee Collected	\$720,501.64	\$75,297.96
Standard & Poor's Current Rating	AAAm	AAAm

December Averages

Average Invested Balance	\$17,595,271,415.89	\$1,364,006,293.34
Average Monthly Yield, on a simple basis (3)*	4.5565%	4.7573%
Average Weighted Average Maturity (1)*	33 Days	24 Days
Average Weighted Average Maturity (2)*	79 Days	27 Days

*Definitions for Average Weighted Maturity can be found on Page 2.

Economic and Market Commentary – December 31, 2007

Credit conditions improved significantly in December, especially after the Federal Reserve and other central banks made technical adjustments to reserve and collateral requirements that effectively pumped liquidity into the cash market. For reasons that remain unclear, the coordinated action by global monetary authorities was announced the day after the Fed disappointed investors by cutting benchmark interest rates by only 25 basis points. As the month ended, 12-month Libor had declined to about 40 basis points above Fed funds, a level that is only marginally elevated from historical norms. Spreads also narrowed to about 50 basis points for many asset-backed commercial paper issuers and to roughly 20 bps for some financial companies.

We believe that spreads now represent what might be considered a "new normal" for the cash market. Over a multi-year period through mid-summer of 2007, spreads had gotten unreasonably tight as investors made little meaningful differentiation between various sectors and issuers. Besides failing to adequately reflect risk, the lumping together of so many diverse credits made it difficult for managers to add value. Given Federated's emphasis on credit quality and security selection, we believe that the return of a more discriminating marketplace could play to our strength as money managers.

Looking ahead, the implementation of the Basel II Accord in January 2008 should help to improve liquidity conditions in the global banking sector. The timing of the Accord's implementation is particularly fortuitous; though the Basel II agreement was reached seven years ago, it is intended to prevent the collapse of the global banking system, a problem which only recently made headlines. We also expect the Federal Reserve to cut benchmark interest rates by at least 25 basis points during the first half of 2008. Though policymakers remain alert to price pressures — an unpopular stance that seemed vindicated by disturbing inflation numbers in November — the Fed is also concerned that chronic weakness in the housing and mortgage sectors could spill over into the broader economy. As such, we moved in December to opportunistically lengthen maturities in both TexPool and TexPool Prime.

ANNOUNCEMENTS

New Participants

We would like to recognize and welcome the following entities who joined the TexPool/TexPool Prime program in December, 2007

1. Fort Bend County MUD #34
2. Rollingwood Community Development Corp.
3. Harris County MUD No. 468
4. City of Denton
5. Fort Bend County MUD No. 35
6. New Frontiers Charter School
7. Longhorn Town Utility District
8. Chambers County MUD #1
9. West Park MUD
10. North Texas Higher Education Authority

Holiday Reminder

In observance of Martin Luther King, Jr. Day, TexPool will be closed on Monday, January 21, 2008. All ACH transactions placed on Friday, January 18, 2008, will settle on Tuesday, January 22, 2008. Please plan accordingly for your liquidity needs.

Upcoming Events

- 01/27/08 – 01/30/08 TASA Midwinter Conference Austin
- 02/03/08 – 02/05/08 TASSCUBO Winter Conf. Galveston

Please check the Upcoming Events link on www.texpool.com for all upcoming events in 2008.



TexPool

PORTFOLIO ASSET SUMMARY AS OF December 31, 2007

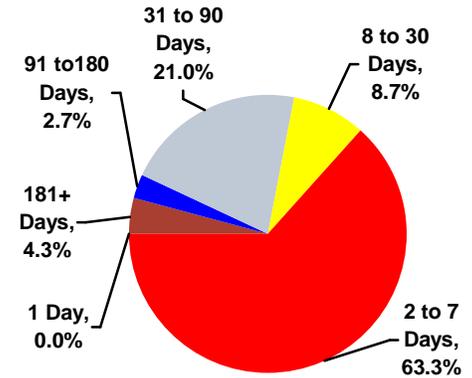
	Book Value	Market Value
Uninvested Balance	\$894.41	\$894.41
Accrual of Interest Income	30,173,124.81	30,173,124.81
Interest and Management Fees Payable	(68,078,646.48)	(60,078,646.48)
Payable for Investments Purchased	0.00	0.00
Repurchase Agreements	10,790,371,000.00	10,791,409,162.00
Mutual Fund Investments	0.00	0.00
Government Securities	7,644,569,095.22	7,647,197,295.10
Total	\$18,397,035,467.96	\$18,400,701,829.84

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investors and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

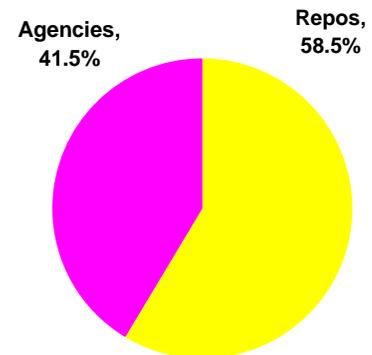
DAILY SUMMARY

Date	Money Mkt Fund Equiv (SEC Std.)	Daily Allocation Factor	TexPool Invested Balance	Market Value Per Share	WAM Days (1)	WAM Days (2)
12/01	4.7241%	0.000129428	\$17,256,336,325.49	1.00023	32	80
12/02	4.7241%	0.000129428	\$17,256,336,325.49	1.00023	32	80
12/03	4.7451%	0.000130002	\$17,321,213,894.28	1.00020	30	77
12/04	4.7195%	0.000129301	\$17,347,532,615.61	1.00020	32	79
12/05	4.7417%	0.000129909	\$17,340,693,963.28	1.00019	33	78
12/06	4.6982%	0.000128717	\$17,419,997,806.08	1.00018	32	78
12/07	4.6104%	0.000126313	\$17,413,978,211.16	1.00015	31	78
12/08	4.6104%	0.000126313	\$17,413,978,211.16	1.00015	31	78
12/09	4.6104%	0.000126313	\$17,413,978,211.16	1.00015	31	78
12/10	4.6135%	0.000126396	\$17,332,210,350.03	1.00016	29	76
12/11	4.4742%	0.000122581	\$17,385,406,986.12	1.00017	29	74
12/12	4.4839%	0.000122847	\$17,383,578,297.65	1.00015	31	76
12/13	4.4448%	0.000121774	\$17,406,352,617.56	1.00017	30	76
12/14	4.4875%	0.000122946	\$17,404,133,821.69	1.00017	31	76
12/15	4.4875%	0.000122946	\$17,404,133,821.69	1.00017	31	76
12/16	4.4875%	0.000122946	\$17,404,133,821.69	1.00017	31	76
12/17	4.5589%	0.000124900	\$17,429,235,077.13	1.00013	29	75
12/18	4.5071%	0.000123483	\$17,474,346,645.59	1.00016	29	74
12/19	4.4603%	0.000122201	\$17,509,688,860.68	1.00020	32	81
12/20	4.3773%	0.000119926	\$17,689,799,519.91	1.00019	33	81
12/21	4.4478%	0.000121858	\$17,709,090,341.62	1.00017	36	83
12/22	4.4478%	0.000121858	\$17,709,090,341.62	1.00017	36	83
12/23	4.4478%	0.000121858	\$17,709,090,341.62	1.00017	36	83
12/24	4.5679%	0.000125148	\$17,723,014,582.77	1.00018	35	84
12/25	4.5679%	0.000125148	\$17,723,014,582.77	1.00018	35	84
12/26	4.5490%	0.000124631	\$17,873,660,878.18	1.00017	34	82
12/27	4.5816%	0.000125523	\$17,941,366,193.62	1.00014	35	83
12/28	4.5422%	0.000124444	\$18,220,328,593.02	1.00013	36	84
12/29	4.5422%	0.000124444	\$18,220,328,593.02	1.00013	36	84
12/30	4.5422%	0.000124444	\$18,220,328,593.02	1.00013	36	84
12/31	4.4485%	0.000121877	\$18,397,035,467.96	1.00019	34	81
Averages	4.5565%	0.000124836	\$17,595,271,415.89		33	79

Portfolio By Maturity
As of December 31, 2007



Portfolio By Type of Investment
As of December 31, 2007



	Number of Participants	Balance
School District	526	\$7,085,978,537.98
Higher Education	51	\$1,738,831,893.50
Health Care	77	\$753,519,626.71
Utility District	622	\$1,810,574,447.27
City	411	\$4,842,182,862.47
County	160	\$1,810,697,055.72
Other	211	\$355,038,193.73

Definition of Weighted Average Maturity (1) & (2)

*(1) This weighted average maturity calculation uses the SEC Rule 2A-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

*(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

TexPool Prime

PORTFOLIO ASSET SUMMARY AS OF December 31, 2007

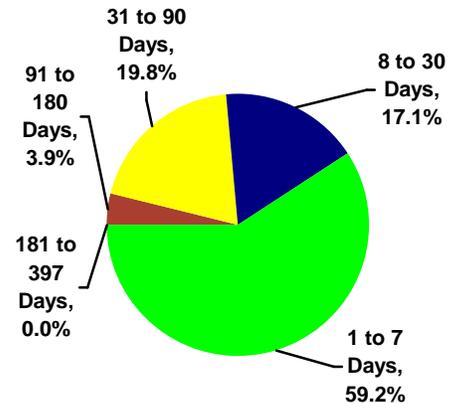
	Book Value	Market Value
Uninvested Balance	\$(185.20)	\$(185.20)
Accrual of Interest Income	431,440.61	431,440.61
Interest and Management Fees Payable	(5,513,405.38)	(5,513,405.38)
Payable for Investments Purchased	0.00	0.00
Repurchase Agreements	717,042,000.00	717,042,000.00
Mutual Fund Investments	50,000,000.00	50,000,000.00
Government Securities	0.00	0.00
Commercial Paper	556,951,731.66	555,121,039.88
Bank Instruments	0.00	0.00
Variable Rate Note	37,800,000.00	37,783,783.80
Total	\$1,356,711,581.69	\$1,354,864,673.71

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investors and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool Prime. The assets of TexPool Prime are the only source of payments to the Participants. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

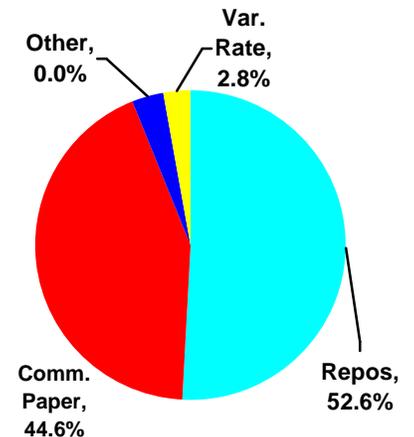
DAILY SUMMARY

Date	Money Mkt Fund Equiv (SEC Std.)	Daily Allocation Factor	TexPool Invested Balance	Market Value Per Share	WAM Days (1)	WAM Days (2)
12/01	4.8436%	0.000132700	\$1,420,588,484.71	0.99972	27	31
12/02	4.8436%	0.000132700	\$1,420,588,484.71	0.99972	27	31
12/03	4.8686%	0.000133387	\$1,426,112,556.61	0.99970	24	29
12/04	4.8572%	0.000133075	\$1,425,045,963.44	0.99967	24	28
12/05	4.8573%	0.000133076	\$1,421,635,992.73	0.99964	24	28
12/06	4.8244%	0.000132174	\$1,399,741,838.16	0.99959	24	28
12/07	4.7622%	0.000130471	\$1,403,364,081.98	0.99944	26	30
12/08	4.7622%	0.000130471	\$1,403,364,081.98	0.99944	26	30
12/09	4.7622%	0.000130471	\$1,403,364,081.98	0.99944	26	30
12/10	4.7734%	0.000130779	\$1,423,055,401.42	0.99955	24	28
12/11	4.6549%	0.000127531	\$1,410,463,628.12	0.99956	24	28
12/12	4.6832%	0.000128306	\$1,385,569,884.73	0.99956	24	28
12/13	4.6554%	0.000127546	\$1,364,377,919.74	0.99958	24	28
12/14	4.7153%	0.000129185	\$1,341,203,223.91	0.99948	26	30
12/15	4.7153%	0.000129185	\$1,341,203,223.91	0.99948	26	30
12/16	4.7153%	0.000129185	\$1,341,203,223.91	0.99948	26	30
12/17	4.7734%	0.000130777	\$1,330,987,177.34	0.99961	24	27
12/18	4.7342%	0.000129705	\$1,326,090,586.42	0.99961	23	27
12/19	4.7046%	0.000128894	\$1,311,895,232.76	0.99963	23	27
12/20	4.6169%	0.000126490	\$1,315,909,290.96	0.99963	23	27
12/21	4.6670%	0.000127863	\$1,314,752,156.06	0.99954	24	27
12/22	4.6670%	0.000127863	\$1,314,752,156.06	0.99954	24	27
12/23	4.6670%	0.000127863	\$1,314,752,156.06	0.99954	24	27
12/24	4.8123%	0.000131844	\$1,325,295,428.12	0.99960	22	25
12/25	4.8123%	0.000131844	\$1,325,295,428.12	0.99960	22	25
12/26	4.7404%	0.000129873	\$1,353,926,174.14	0.99967	20	24
12/27	4.7940%	0.000131342	\$1,348,086,259.70	0.99966	20	23
12/28	4.7692%	0.000130663	\$1,338,286,464.65	0.99957	21	24
12/29	4.7692%	0.000130663	\$1,338,286,464.65	0.99957	21	24
12/30	4.7692%	0.000130663	\$1,338,286,464.65	0.99957	21	24
12/31	4.8867%	0.000133883	\$1,356,711,581.69	0.99864	20	23
Averages	4.7573%	0.000130338	\$1,364,006,293.34		24	27

Portfolio By Maturity
As of December 31, 2007



Portfolio By Type of Investment
As of December 31, 2007



	Number of Participants	Balance
School District	49	\$1,071,970,303.11
Higher Education	4	\$9,461,918.95
Health Care	5	\$7,499,848.86
Utility District	2	\$51,185,037.81
City	13	\$57,331,148.15
County	7	\$158,930,360.26
Other	6	\$333,840.57

*(3) This current yield for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

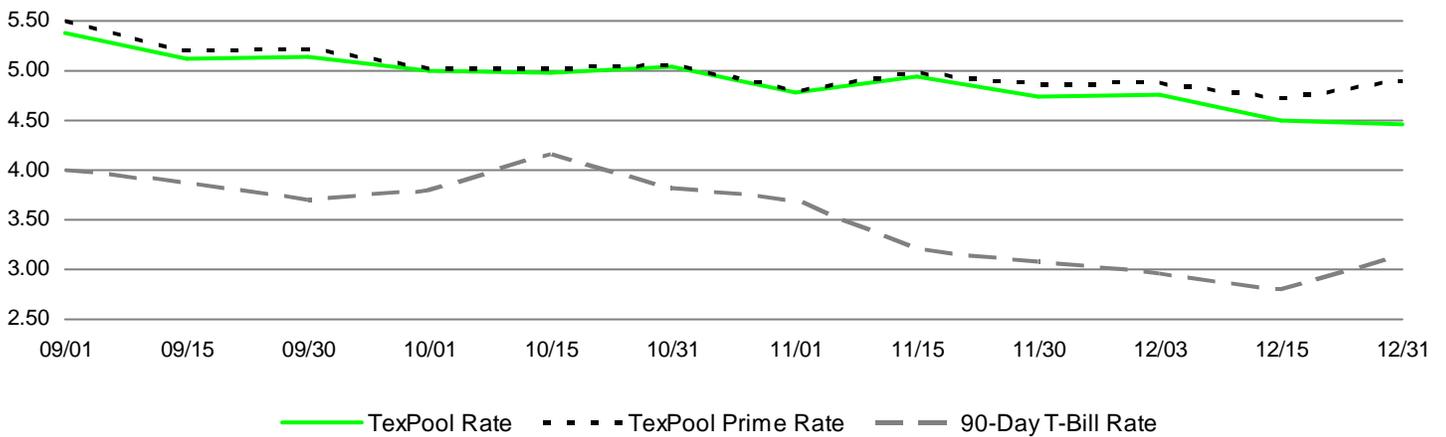


TEXPOOL

THE TEXAS INVESTMENT SERVICE FOR PUBLIC FUNDS

TexPool Participant Services
c/o Lehman Brothers
600 Travis St., Suite 7200
Houston, TX 77002

TEXPOOL & TEXPOOL PRIME VS. 90-DAY TREASURY BILL



TexPool Advisory Board Members

R.C. Allen	Jose Elizondo, Jr.	LaVonne Mason	Clay McPhail
Pati Buchenau	Ron Leverett	John McGrane	Vivian Wood

Additional information regarding TexPool is available upon request:

www.texpool.com • 1-866-839-7665 (1-888-TEX-POOL) • Fax: 866-839-3291



Monthly Newsletter - December 2007

Performance

As of December 31, 2007

Current Invested Balance	\$5,180,414,831.71
Weighted Average Maturity (1)	20 Days
Weighted Average Maturity (2)	75 Days
Net Asset Value	1.000202
Total Number of Participants	594
Management Fee on Invested Balance	0.12%*
Interest Distributed	\$19,783,405.96
Management Fee Collected	\$215,331.10
% of Portfolio Invested Beyond 1 Year	10.78%
Standard & Poor's Current Rating	AAAm

December Averages

Average Invested Balance	\$5,071,039,394.56
Average Monthly Yield, on a simple basis	4.5430%
Average Weighted Average Maturity (1)*	21 Days
Average Weighted Average Maturity (2)*	79 Days

Definition of Weighted Average Maturity (1) & (2)

(1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

* The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

Rates reflect historical information and are not an indication of future performance.

New Participants

We would like to welcome the following entities who joined the TexSTAR program in December 2007:

★ Seminole ISD

★ Hutto ISD

★ Kinney County

Holiday Reminder

Please note that in observance of the Martin Luther King, Jr. holiday, **TexSTAR will be closed on Monday, January 21, 2008.** Notification of any early transaction deadlines on the day preceding this holiday will be sent by email to the primary contact on file for all TexSTAR participants.

Economic Commentary

Despite concerns of a significant slowdown in the economy in the fourth quarter, data released during the period was mixed. However, as expected, the housing market continued to weaken, the first signs of softening in the labor market and manufacturing sector materialized, and inflation fears reemerged. Consumer spending, which represents 70% of the economy, remains healthy. Personal spending grew between 2.5% and 3.0% on an annualized basis. In the labor market, jobless claims rose in the month of December to a surprising 5% unemployment rate. Housing data reported during the quarter pointed to a continued contraction in that sector. The manufacturing sector also softened with the ISM Manufacturing Index ending the year at its lowest level since April 2003, dipping to 47.7.

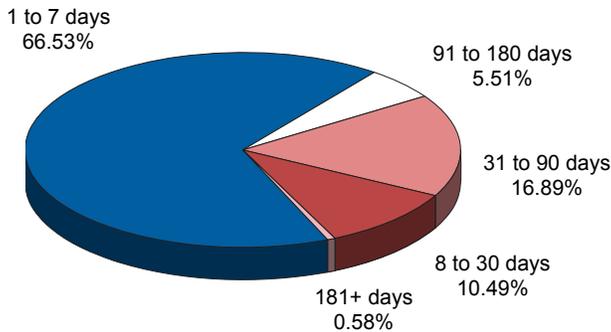
Inflation concerns reappeared during the quarter. The November core CPI was up 2.3% from a year ago versus 2.1%. The core PCE, the Federal Reserve's preferred inflation gauge, rose to 2.2% in November on a year-on-year basis versus 1.9% in September, and currently stands well above the Fed's year-end projection of 1.8% – 1.9%. In the markets' flight to quality, Treasury yields plummeted and the curve steepened, with two-year yields ending the quarter down 93 bps at 3.05% and five-year yields ending down 80 bps at 3.44%. The LIBOR curve inverted further, with one-month rates lower by 52 bps at 4.60% and 12-month rates down sharply by 68 bps to yield 4.22%, as the Fed lowered rates and provided liquidity to the market.

The Federal Reserve is expected to lower the fed funds rate to 4.0% at the end of January and maintain friendly language until either growth prospects pick up or labor market data change materially. With weaker-than-expected labor market conditions, the Fed can reasonably forecast a tempering of inflation in the intermediate term. The forecast for fourth quarter GDP is 2.5%, boosted by still-solid growth in consumer spending, continued strength in net exports, and strong government spending. Residential investment is expected to fall significantly further while business investment is expected to soften. A slower pace of inventory rebuilding is also anticipated resulting in a 1.8% GDP for the first quarter of 2008.

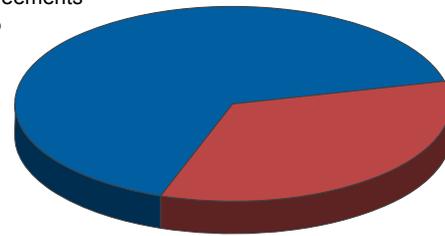
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

Portfolio by Type of Investment As of December 31, 2007

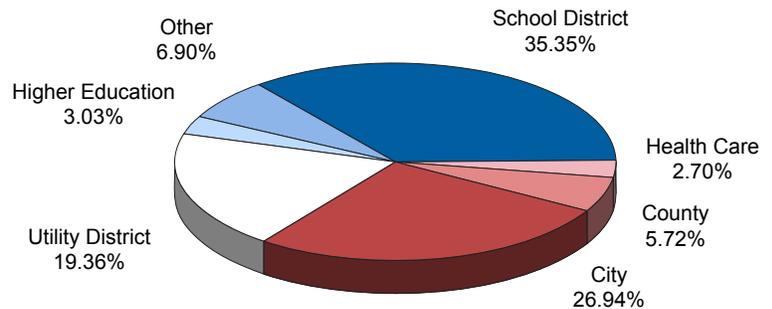


Repurchase Agreements
66.13%



Agencies
33.87%

Portfolio by Maturity As of December 31, 2007



Distribution of Participants by Type As of December 31, 2007

Performance

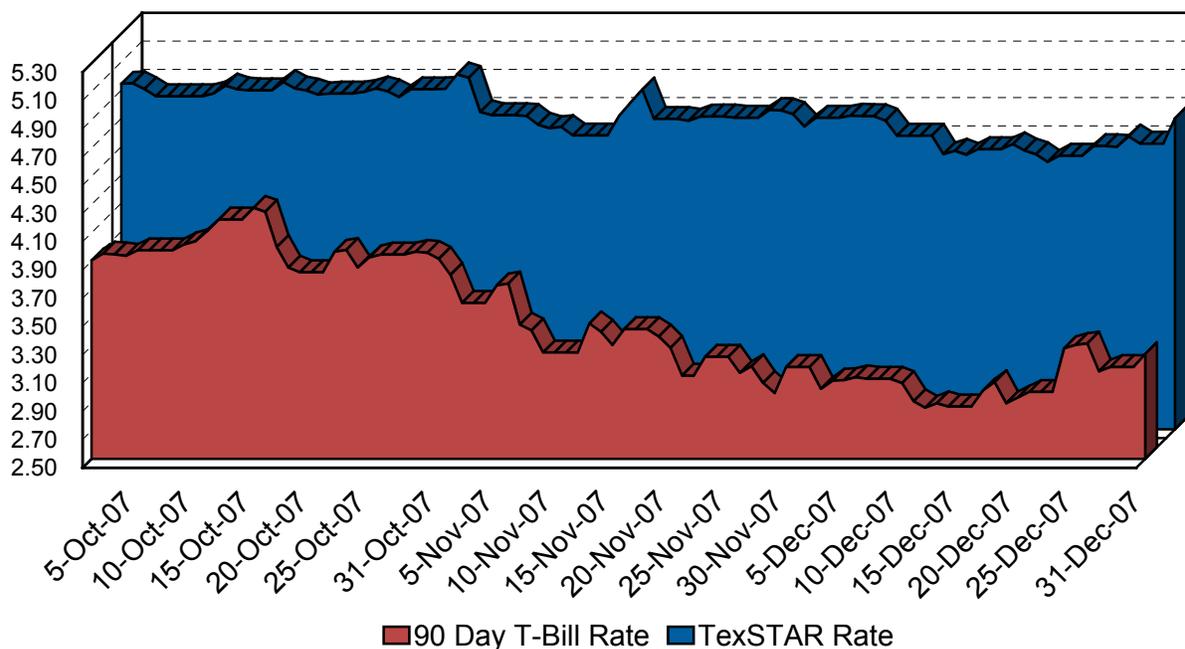
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Dec 07	4.5430%	\$ 5,180,414,831.71	\$ 5,181,584,153.60	1.000202	21	79	594
Nov 07	4.6975%	4,999,671,312.52	5,000,767,637.47	1.000190	18	79	591
Oct 07	4.9007%	4,793,406,663.48	4,794,712,410.18	1.000272	19	84	584
Sep 07	5.1175%	5,101,146,389.66	5,102,374,857.54	1.000240	20	78	573
Aug 07	5.2540%	5,117,776,256.51	5,118,532,127.32	1.000118	16	42	567
Jul 07	5.2829%	5,037,425,646.08	5,037,616,062.72	1.000037	18	22	554
Jun 07	5.2883%	4,850,271,396.79	4,850,377,392.01	1.000014	18	25	543
May 07	5.2613%	4,809,313,042.18	4,809,314,578.92	1.000000	11	20	531
Apr 07	5.2803%	5,032,146,136.61	5,031,747,141.26	0.999920	13	23	523
Mar 07	5.2999%	5,200,629,725.85	5,200,442,100.26	0.999957	11	26	513
Feb 07	5.2903%	5,608,621,555.72	5,608,663,678.19	1.000007	12	31	505
Jan 07	5.2920%	4,939,413,083.56	4,939,578,732.47	1.000033	17	40	501
Dec 06	5.2991%	4,277,003,031.52	4,276,711,759.92	0.999923	15	49	493

Portfolio Asset Summary as of December 31, 2007

	Book Value	Market Value
Uninvested Balance	\$ 45,105.50	\$ 45,105.50
Accrual of Interest Income	5,794,552.50	5,794,552.50
Interest and Management Fees Payable	(19,619,959.68)	(19,619,959.68)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreements	3,440,990,000.00	3,440,990,000.00
Government Securities	1,753,205,133.39	1,754,374,455.28
Total	\$ 5,180,414,831.71	\$ 5,181,584,153.60

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

TexSTAR versus 90-Day Treasury Bill



Daily Summary for December 2007

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
1-Dec-07	4.7047%	0.000128896	4,999,671,312.52	1.000190	19	80
2-Dec-07	4.7047%	0.000128896	4,999,671,312.52	1.000190	19	80
3-Dec-07	4.7195%	0.000129302	5,113,760,052.14	1.000198	19	79
4-Dec-07	4.7158%	0.000129200	5,138,078,044.97	1.000205	19	78
5-Dec-07	4.7151%	0.000129180	5,113,982,047.88	1.000197	19	79
6-Dec-07	4.6836%	0.000128317	5,139,806,345.63	1.000195	19	78
7-Dec-07	4.5777%	0.000125417	5,078,423,619.41	1.000182	19	79
8-Dec-07	4.5777%	0.000125417	5,078,423,619.41	1.000182	19	79
9-Dec-07	4.5777%	0.000125417	5,078,423,619.41	1.000182	19	79
10-Dec-07	4.5781%	0.000125428	5,057,062,673.45	1.000185	19	79
11-Dec-07	4.4462%	0.000121813	5,063,418,230.94	1.000199	20	80
12-Dec-07	4.4705%	0.000122479	5,073,224,177.34	1.000207	21	81
13-Dec-07	4.4418%	0.000121693	5,059,696,924.15	1.000209	21	80
14-Dec-07	4.4818%	0.000122790	5,158,357,726.12	1.000179	19	78
15-Dec-07	4.4818%	0.000122790	5,158,357,726.12	1.000179	19	78
16-Dec-07	4.4818%	0.000122790	5,158,357,726.12	1.000179	19	78
17-Dec-07	4.5170%	0.000123753	5,125,156,286.53	1.000170	21	78
18-Dec-07	4.4730%	0.000122547	4,997,196,116.13	1.000153	22	78
19-Dec-07	4.4459%	0.000121806	5,038,580,978.04	1.000159	23	80
20-Dec-07	4.3914%	0.000120312	5,036,245,401.46	1.000166	24	81
21-Dec-07	4.4355%	0.000121521	4,975,813,302.26	1.000143	24	81
22-Dec-07	4.4355%	0.000121521	4,975,813,302.26	1.000143	24	81
23-Dec-07	4.4355%	0.000121521	4,975,813,302.26	1.000143	24	81
24-Dec-07	4.5035%	0.000123384	4,977,082,605.08	1.000117	23	80
25-Dec-07	4.5035%	0.000123384	4,977,082,605.08	1.000117	23	80
26-Dec-07	4.4982%	0.000123239	5,016,750,036.32	1.000166	23	80
27-Dec-07	4.5718%	0.000125256	5,057,932,734.62	1.000153	22	79
28-Dec-07	4.5210%	0.000123864	5,133,208,190.53	1.000176	21	77
29-Dec-07	4.5210%	0.000123864	5,133,208,190.53	1.000176	21	77
30-Dec-07	4.5210%	0.000123864	5,133,208,190.53	1.000176	21	77
31-Dec-07	4.7004%	0.000128779	5,180,414,831.71	1.000202	20	75
Average	4.5430%	0.000124466	5,071,039,394.56		21	79

TexSTAR Participant Services
First Southwest Asset Management, Inc.
325 North St. Paul Street, Suite 800
Dallas, Texas 75201



TexSTAR Board Members

<i>William Chapman</i>	<i>Central Texas Regional Mobility Authority</i>	<i>Governing Board President</i>
<i>Nell Lange</i>	<i>City of Frisco</i>	<i>Governing Board Vice President</i>
<i>Melinda Garrett</i>	<i>Houston ISD</i>	<i>Governing Board Treasurer</i>
<i>Michael Bartolotta</i>	<i>First Southwest Company</i>	<i>Governing Board Secretary</i>
<i>Will Williams</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Hardy Browder</i>	<i>City of Cedar Hill</i>	<i>Advisory Board</i>
<i>Oscar Cardenas</i>	<i>Northside ISD</i>	<i>Advisory Board</i>
<i>Scott Christensen</i>	<i>Reid Road MUD No. 1</i>	<i>Advisory Board</i>
<i>Ramiro Flores</i>	<i>Harlingen CISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>McKinney ISD</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Len Santow</i>	<i>Griggs & Santow</i>	<i>Advisory Board</i>
<i>S. Renee Tidwell</i>	<i>Tarrant County</i>	<i>Advisory Board</i>

For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ www.texstar.org

