



# CITY OF COPPERAS COVE, TEXAS

## VISION STATEMENT

*The Vision of the City of Copperas Cove is a military friendly and environmentally sensitive community with a high quality of life in a safe environment where people genuinely care about the City.*

## MISSION STATEMENT

*The Mission of the City of Copperas Cove is to provide excellent public services using revenues effectively to meet the needs of our diverse community.*

*Adopted by the City Council on April 19, 2011*



*The City Built for Family Living*

**CITY OF COPPERAS COVE, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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“The City Built for Family Living”

March 11, 2013

Honorable Mayor, Members of the City Council  
and the Citizens of the City of Copperas Cove, Texas:

The comprehensive annual financial report of the City of Copperas Cove, Texas, for the fiscal year ended September 30, 2012, is hereby submitted. This report was prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and audited in accordance with U.S. Generally Accepted Auditing Standards by a firm of licensed independent certified public accountants.

This report consists of management’s representations concerning the finances of the City of Copperas Cove. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Copperas Cove has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Copperas Cove’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Copperas Cove’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Copperas Cove’s financial statements have been audited by Pattillo, Brown & Hill, L.L.P., a firm of licensed independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Copperas Cove for the fiscal year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Copperas Cove’s financial statements for the fiscal year ended September 30, 2012, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Copperas Cove as legally defined), as well as its component unit. Component units are legally separate entities for which the primary government is financially accountable. The Copperas Cove Economic Development Corporation meets the criteria to be included in this financial report, and is included as a Component Unit since the taxpayers approved the formation of this entity. In addition, the City Council approves the budget and bylaws and appoints its Board of Directors; thereby overseeing the ½ cent sales tax allocated for economic development.

Generally Accepted Accounting Principles require that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This transmittal letter is designed to complement the Management’s Discussion and Analysis (MD&A) and should be read in conjunction with it.

## **GOVERNMENT STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK**

The City of Copperas Cove is a central Texas City located in Coryell, Bell and Lampasas counties on U.S. Highway 190. It is located approximately twenty-five (25) miles west of Interstate Highway 35 (IH-35). Copperas Cove is fortunately located on a main east-west line of the Santa Fe Railroad. There are approximately 17.1 square miles in the City's corporate boundaries.

The recorded history of Copperas Cove began in 1832, when it was still a part of the State of Coahuila, Mexico. The original central location of the City was approximately two (2) miles southwest of the present site, and in the late 1840's was used as a stop over to the Chisholm Trail. The natural basin, formed by five surrounding hills, provided a protected gathering place for cattle. The basin also had a large spring of water, which had a distinctive copper-like taste. These two factors lent themselves to the naming of the City - Copperas Cove. The City was founded in 1879, and incorporated on July 7, 1913. Copperas Cove is a home rule municipal corporation organized in and existing under the provisions of the Constitution of the State of Texas. The City's first Charter was adopted on January 20, 1979, and the City operates under a council-manager form of government.

Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and a seven-member council who are elected for three-year terms. The City Council appoints a City Manager to administer the affairs of the City. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing directors.

The government provides a full range of services including police and fire protection; the construction and maintenance of city streets and infrastructure; and recreational activities and cultural events. In addition to general government activities, there exist other funds such as water and sewer, solid waste, and the golf course, which are operated under the proprietary fund concept, whereby user charges should insure adequate coverage of operating expenses and payments on outstanding debt.

Referred to as "the city built for family living," Copperas Cove is the largest city in Coryell County. It adjoins the western boundary of Fort Hood and is located 65 miles north of the state capital in Austin, 63 miles southwest of Waco, and 160 miles southwest of Dallas. Copperas Cove's population of approximately 32,032 has grown steadily since established in 1879. The City experienced significant growth in population and business activity during the early to mid 1990's, but encountered a slight leveling-off in fiscal year 1997-98. The experienced fast growth and subsequent slowing was evidenced by the fast rise in property tax base and sales tax receipts. Because of its convenient proximity to Fort Hood, many Copperas Cove citizens are affiliated with the Federal Government.

Fort Hood is home to the III Mobile Armored Corps. Fort Hood is the largest armored military installation in the free world. The post's southwest boundary is bordered by the City of Copperas Cove. This 335 square mile installation (214,351 acres) is the only post in the United States capable of stationing and training two armored divisions. Fort Hood is the Army's premier installation to train and deploy heavy forces, and plays a key role in Army modernization and testing of new equipment. Fort Hood is the largest single location employer in the State of Texas. Currently, the number of authorized troops is 43,000. Fort Hood has an estimated \$25.3 billion economic impact on the state of Texas. And an estimated 7 billion direct economic impact on the local economy in the form of payroll, contracts, local purchases, and school aid. The City's economy is primarily service-oriented, virtually tied in every way to the operations at Fort Hood.

The Copperas Cove Independent School District provides high quality education to its students and has attained a Recognized Rating from the Texas Education Agency (TEA) The Independent School district serves the educational needs of over 8,200 students in grades K-12 with a staff of over 1,300 teachers, administrators, and support personnel. There are 11 campuses and 40% of the student population comes from military families due to the close proximity to Fort Hood. All campuses are accredited by the TEA. There are at least two private elementary schools located in the City. Central Texas College and Texas A&M University-Central Texas are located on a 560-acre campus at the eastern fringe of the city limits adjacent to Fort Hood and the City of Killeen. They provide secondary and graduate educational opportunities.

Despite the economic downturn that the country is experiencing the City's total value of building permits issued during FY 2012 showed an increase of \$ 16,501,469 or 44%. The total building permits issued during fiscal year 2011-12 totaled \$37,823,830. New residential construction made up \$20,143,379 and commercial totaled \$17,680,451. The City's Sales Tax revenues reflected an increase of \$157,814 or 6.2% over the FY 2011 revenue. Overall the City is maintaining adequate funding for expenditures and reserves as required by the fund balance policy.

Ad Valorem Taxes. Property tax revenues are the City's largest source of funding. Tax collections totaled \$8.8 million for fiscal year 2012, a decrease of 5% from prior year.

Sales Tax. After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City of Copperas Cove. Sales tax collections have increased by approximately 7 percent in comparison to fiscal year 2011.

The City continued to monitor its service delivery and has implemented long-range plans to maintain and improve services through organization changes and personnel training. In addition, City management is committed to providing quality service through recruitment and retention of quality employees.

## **MAJOR INITIATIVES**

At the end of the 2011-12 fiscal year, the City of Copperas Cove had a number of major projects ongoing that are worth noting. Additional information related to the capital improvement projects and funding for those improvements is located in the new Five-Year Capital Improvement Plan that was adopted by City Council in October 2009 and amended in June 2012.

City Council and City staff continue working to ensure completion of ongoing projects that will provide infrastructure improvements to the City's water/wastewater system, roadways and drainage systems. The City of Copperas Cove and the Texas Department of Transportation commission began construction in the fall of 2011 of the Southeast Bypass, 5.73 mile two-lane roadway to reduce traffic congestion on U.S. Highway 190. The project is anticipated to be completed in the spring of 2014. The total construction contract of the project is \$46.6 million and is funded through federal, state, and local funds. The City issued Contract Revenue and Tax Bonds in the amount of \$39 million in 2011 and General Obligation Bonds in the amount of \$5.5 million. A change order in the amount of \$616,825 to install a signalized crossover at the Shops at Five Hills development is funded through the Copperas Cove Industrial Foundation. A previous land swap with Fort Hood, extension of constitution and construction of the Southeast Bypass are expected to be catalyst for major retail economic development on the east end of Copperas Cove.

Fort Hood, the Texas Department of Transportation and the City of Copperas Cove continue to work together to connect Tank Destroyer Boulevard with U. S. Highway 190 providing a northeast bypass known as SH 9 from the east U. S. Highway 190 to north FM 116. The project is anticipated to be completed in August 2013.

The water and sewer infrastructure needs for the retail development as a result of the land swap with Fort Hood and construction of the SE Bypass. The Northeast Sewer Line project was approved by voters in November 2008, as a general obligation bond proposition. The project is anticipated to be completed in FY 2013.

The 2008 Limited Tax Notes provided funding for the golf course effluent storage pond which was completed in 2012. The Rolling Heights Drainage project encountered difficulties acquiring easements; however, the project is completed as of this writing.

The 2008A Limited Tax Notes include funding for Bradford Drive road extension, the project was completed towards the end of FY 2012.

## **ACCOMPLISHMENTS**

During fiscal year 2012, the City invested in a number of programs and services that make Copperas Cove a better community. The following are some of the efforts and accomplishments of the City during the year:

### Police

- ◆ Conducted a National Night Out Event and a National Night Out Kick Off Party.
- ◆ Provided police protection during the Trick-or-Treat in the Park.
- ◆ Continued the Crime Stoppers Program, Kiddo Card Program, Neighborhood Watch Program, Gunlock Program, and Copperas Cove Citizens Police Academy Program.
- ◆ Continued providing crime prevention programs and distribution of safety materials.
- ◆ Continued participation with Special Olympics and the Torch Run.
- ◆ Continued the Tobacco Grant Program, tobacco stings, and business compliance inspections.
- ◆ Continued participation in the Bulletproof Vest Grant Program, the Justice Assistance Grant (JAG) and was awarded a Texas STEP – Click It or Ticket Grant.
- ◆ Participated in Coryell County Community Planning.
- ◆ Maintained above average clearance rates in Part I & Part II crimes as compared to state averages.

### Fire

- ◆ Provided free immunizations through the “Shots through the Firehouse” program.
- ◆ Coordinated a Citizen Fire Academy.
- ◆ Meet all local, state, and federally-mandated training requirements related to fire protection and emergency medical response.
- ◆ Maintain a 95% or better Citizen Satisfaction rate for overall Services Delivery for Department.

### Community Services

- ◆ Completed the Needs assessment Plan for future Parks needs.
- ◆ Completed submission of parks and Recreation master Plan to Texas Parks and Wildlife.
- ◆ Conducted two youth soccer leagues with 942 participants.
- ◆ Conducted Youth Baseball / Softball program with over 781 participants.
- ◆ Conducted Youth Flag Football and Youth Tackle Football with 426 participants.
- ◆ Conducted Youth Basketball with 414 participants.

## Public Works

- ◆ Continued to ensure all Federal, State and Local requirements were met.
- ◆ All departments maintained effective operations within budget constraints.
- ◆ All personnel continued training for license/certification requirements.
- ◆ Designed and bid mountain Top Water storage tank.
- ◆ Coordinated South Bypass utility relocates
- ◆ Coordinated Shops at Five hills utility improvement.
- ◆ Provided oversight for design and easement acquisition of Eastside Infrastructure Projects (water and sewer).

## **OTHER INFORMATION**

**Fund Accounting:** The City's accounting system is organized and operated on a "fund basis." Each fund is a distinct, self-balancing entity. A description of the various major funds and fund types is contained in Note I of the financial statements. A description of each individual non-major fund is contained at the beginning of its related combined financial statement.

**Basis of Accounting:** The City's accounting records for all governmental funds are maintained on the modified accrual basis of accounting. This method recognizes revenue when it is measurable and available and expenditures when goods or services are received. All proprietary funds are accounted for using the accrual basis of accounting; revenue is recognized when it is earned, and expenses are recognized when they are incurred.

**Internal Control:** Management of the City is responsible for establishing and maintaining an internal control structure. This structure is designed to provide reasonable, but not absolute, assurance that: (1) City assets are protected from loss, theft or misuse; and (2) City financial records and data are accurate and reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits requires estimates and judgments by management.

**Budgetary Control:** Each year, on or before September 30, the City Council adopts an annual operating budget for the ensuing fiscal year. The operating budget includes anticipated revenues and expenditures for the General Fund, Special Revenue Funds, the Debt Service Fund and Proprietary Funds. The budget is a planning device that defines the type, quality and quantity of City goods and services that will be provided to our citizens.

The budget is also a control device that serves as a system of "checks and balances" between levels of City government. The budgetary system ensures that individual departments contain their expenditures within limitations set by the City management, and that City management contains expenditures for the entire City within limitations set by the City Council.

After adoption, changes to a departmental budget may be made through the use of line item transfers, initiated by a department head and approved by the City Manager and Director of Financial Services. Any changes to the budget outside of an individual department can only be made by a City Council ordinance or resolution. Any revisions that alter the total expenditures of any fund must be adopted by the City Council after formal public budget hearings.

**Fund Balance:** the City adopted a policy of retaining 25% of funds' expenditures in its fund balance for the General fund and Utility Funds.

**Other Financial Policies:** Other financial policies the City has adopted include the calculation of Indirect cost recovery for the General Fund from the Utility funds for the General and Administrative cost incurred in conducting business, such as payroll, financial reporting, accounts payable, purchasing, and budgeting.

Other policies adopted include procedures for Budget Amendments, Budget transfers, and Debt Management Policy.

## AWARDS AND ACKNOWLEDGMENTS

**Awards:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Copperas Cove for its comprehensive annual financial report for the fiscal year ended September 30, 2011. This was the 20th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments:** The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department, and all directors and department heads. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Due credit should also be given to the Mayor, and the City Council for their continued interest in planning and conducting the financial operations of the City in a responsible and progressive manner.

Furthermore, the work of the independent auditors from Pattillo, Brown & Hill, and L.L.P. is greatly appreciated.

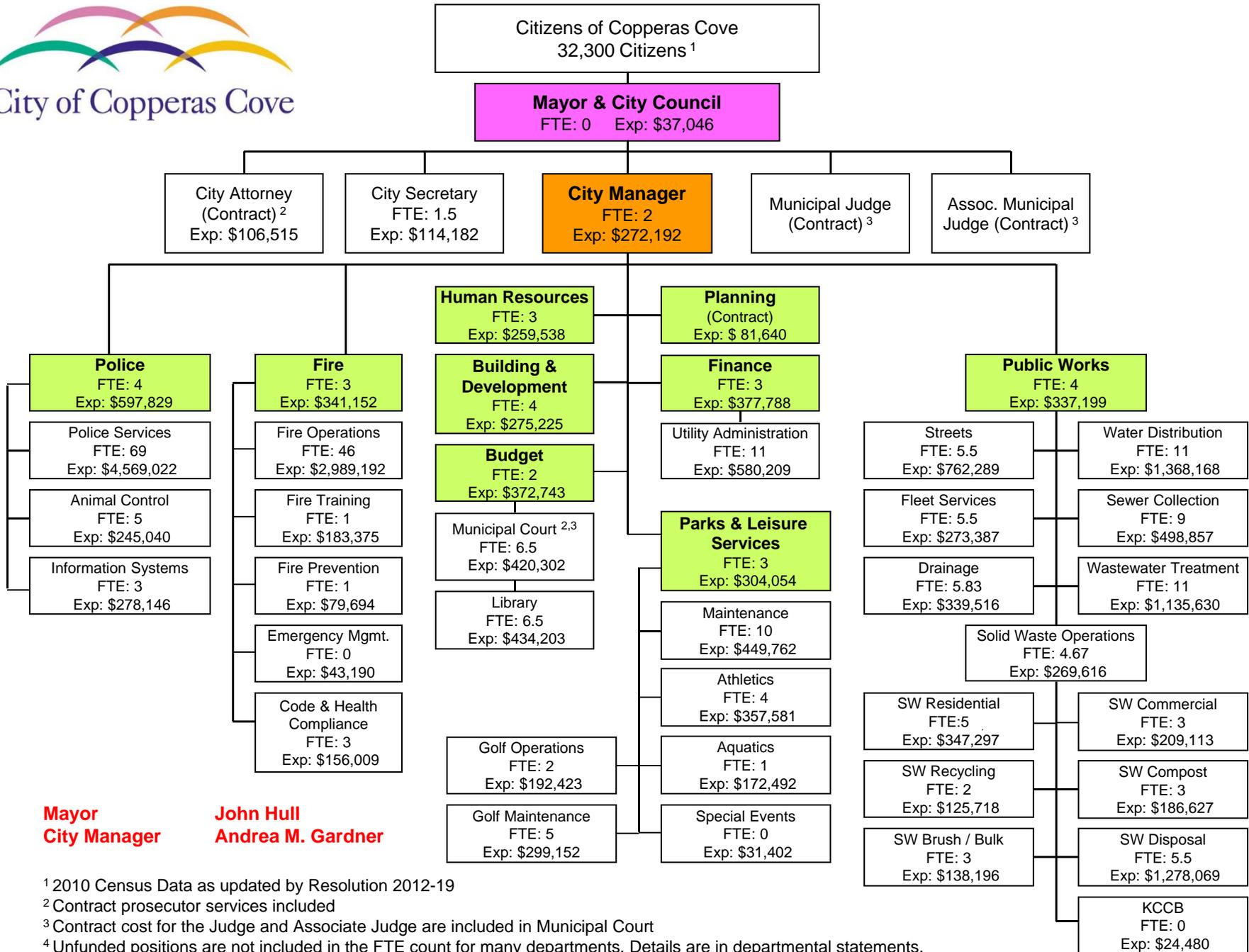
Respectfully submitted,



Andrea M. Gardner  
City Manager



Velia Key  
Director of Financial Services



**Mayor** John Hull  
**City Manager** Andrea M. Gardner

<sup>1</sup> 2010 Census Data as updated by Resolution 2012-19

<sup>2</sup> Contract prosecutor services included

<sup>3</sup> Contract cost for the Judge and Associate Judge are included in Municipal Court

<sup>4</sup> Unfunded positions are not included in the FTE count for many departments. Details are in departmental statements.

# City of Copperas Cove, Texas

## List of Principal Officials

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### City Council

John Hull - Mayor  
Frank Seffrood - Mayor Pro Tem

Cheryl L. Meredith - Council Member  
Gary L. Kent - Council Member  
Charlie Youngs - Council Member

Danny Palmer - Council Member  
Kenn Smith - Council Member  
Jim Schmitz - Council Member

### City Staff

#### Reporting to City Council

Andrea M. Gardner, City Manager  
Denton, Navarro, Rocha & Bernal, City Attorney  
Jane Lees, City Secretary  
F.W. "Bill" Price, Municipal Judge  
B.C. Jones, Associate Municipal Judge

#### Reporting to the City Manager

Tim V. Molnes, Police Chief/Assistant City Manager  
Velia Key, Director of Financial Services  
Ryan D. Haverlah, Budget Director  
Sean Hughes, Fire Chief/EMC  
Wesley Wright, Public Works Division Head/City Engineer  
Kelli T. Sames, Human Resources Division Head  
Ken E. Wilson, Division Head of Parks & Leisure Services  
Lisa Wilson, Secretary to the City Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
City of Copperas Cove  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Morill*

President

*Jeffrey R. Emer*

Executive Director



**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and  
Members of City Council  
City of Copperas Cove, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Copperas Cove, Texas, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Copperas Cove, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Copperas Cove, Texas, as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2013, on our consideration of the City of Copperas Cove, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—General Fund, the Schedule of Funding Progress for Participation in the Texas Municipal Retirement System, and the Schedule of Funding Progress – Post-Retirement Health Care Benefit Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Copperas Cove, Texas' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Pattillo, Brown & Hill, L.L.P.*

March 11, 2013

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**





## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Copperas Cove, Texas, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report as well as the City's financial statements beginning on page 15 and the accompanying notes to the financial statements.

### **Financial Highlights**

- The total net assets of the City decreased to \$48.4 million from the prior year's \$48.7 million.
- As of September 30, 2012, the City's governmental funds reported combined ending fund balances of \$21.9 million, an increase of \$11.0 million in comparison with prior year.
- At September 30, 2012, unassigned fund balance for the General Fund was \$5.7 million, or 41% of total General Fund expenditures. Unassigned fund balance, when compared to prior year, increased 5%.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, other indicators, including non-financial indicators like the City's property tax base and condition of infrastructure, should be considered.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, community services, fleet and facility services, highways and streets, and public safety. The business-type activities of the City include water and sewer, solid waste and a golf course.

The government-wide financial statements can be found on pages 14 – 16 of this report.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Establishment of some funds is required by state laws or bond covenants. However, the City Council established other funds to help control and manage money for particular purposes or as evidence of meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains numerous individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Debt Service Fund since they are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The budgetary comparison schedules can be found on pages 52 and 68 – 77.

The basic governmental fund financial statements can be found on pages 17 and 19 of this report.

**Proprietary funds** – Proprietary funds are used to account for business-type activities of the City. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The City maintains one type of proprietary fund. Proprietary funds are used for activities that primarily serve customers outside the governmental unit for which fees are charged. The City has three enterprise funds: the Water and Sewer Fund, the Solid Waste Fund and the Golf Course Fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 21 – 24 of this report.

**Notes to the financial statements** – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 – 51 of this report.

**Other information** – The combining statements previously referred to in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 56 – 67 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis illustrate the financial position and changes to the financial position for the City as a whole as of and for the year ended September 30, 2012.

### Net Assets

The following table reflects the Condensed Statement of Net Assets as of September 30, 2012.

#### Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 54,085,838	\$ 55,491,316	\$ 13,450,225	\$ 13,431,491	\$ 67,536,063	\$ 68,922,807
Capital assets	<u>37,419,898</u>	<u>37,565,396</u>	<u>47,277,759</u>	<u>46,842,590</u>	<u>84,697,657</u>	<u>84,407,986</u>
Total assets	<u>91,505,736</u>	<u>93,056,712</u>	<u>60,727,984</u>	<u>60,274,081</u>	<u>152,233,720</u>	<u>153,330,793</u>
Other liabilities	1,624,403	1,310,826	1,756,274	1,284,236	3,380,677	2,595,062
Long-term liabilities	<u>70,201,994</u>	<u>70,992,758</u>	<u>30,276,766</u>	<u>30,997,673</u>	<u>100,478,760</u>	<u>101,990,431</u>
Total liabilities	<u>71,826,397</u>	<u>72,303,584</u>	<u>32,033,040</u>	<u>32,281,909</u>	<u>103,859,437</u>	<u>104,585,493</u>
Net assets:						
Invested in capital assets, net of related debt	8,858,742	8,931,762	22,080,586	22,369,970	30,939,328	31,301,732
Restricted	3,800,596	3,960,315	522,756	512,401	4,323,352	4,472,716
Unrestricted	<u>7,020,001</u>	<u>7,861,051</u>	<u>6,091,602</u>	<u>5,109,801</u>	<u>13,111,603</u>	<u>12,970,852</u>
Total net assets	\$ <u>19,679,339</u>	\$ <u>20,753,128</u>	\$ <u>28,694,944</u>	\$ <u>27,992,172</u>	\$ <u>48,374,283</u>	\$ <u>48,745,300</u>

The City's combined net assets were \$48.4 million as of September 30, 2012. Of the \$48.4 million, \$19.7 was in the governmental activities and \$28.7 million was in the business-type activities. The City's total net assets decreased when compared to the prior year with a decrease of \$371,017.

Net assets consist of three components: investment in capital assets net of related debt, restricted net assets and unrestricted net assets. The first portion of net assets (\$30.9 million or 64 percent) reflects the City's investment in capital assets, less any related debt used to acquire or construct the assets that are still outstanding. Compared to last year, the City's investment in capital assets net of related debt decreased \$362,404 or 1 percent. The City uses the capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The second portion consists of restricted net assets which totaled \$4.3 million at September 30, 2012, or 9 percent of overall total net assets. Restricted net assets represent resources that are subject to external restrictions on how they may be used. Restricted net assets decreased \$149,364 or 3 percent compared to September 30, 2011.

The third portion consists of unrestricted net assets totaling \$13.1 million or 27 percent of total net assets. Unrestricted net assets may be used to meet the City's ongoing obligation to citizens and creditors. Unrestricted net assets increased \$140,751 or 1 percent compared to September 30, 2011.

**Changes in Net Assets.** The City's total revenues for the fiscal year ended September 30, 2012, were \$30.3 million. Total revenues decreased when compared to the prior year by \$42.0 million or 58 percent. The City's total cost of all programs and services decreased from the prior year's \$77.2 million to \$30.7 million, a decrease of 60 percent. The decrease is primarily attributable to the expense related to the construction of the U. S. Highway 190 Southeast Bypass.

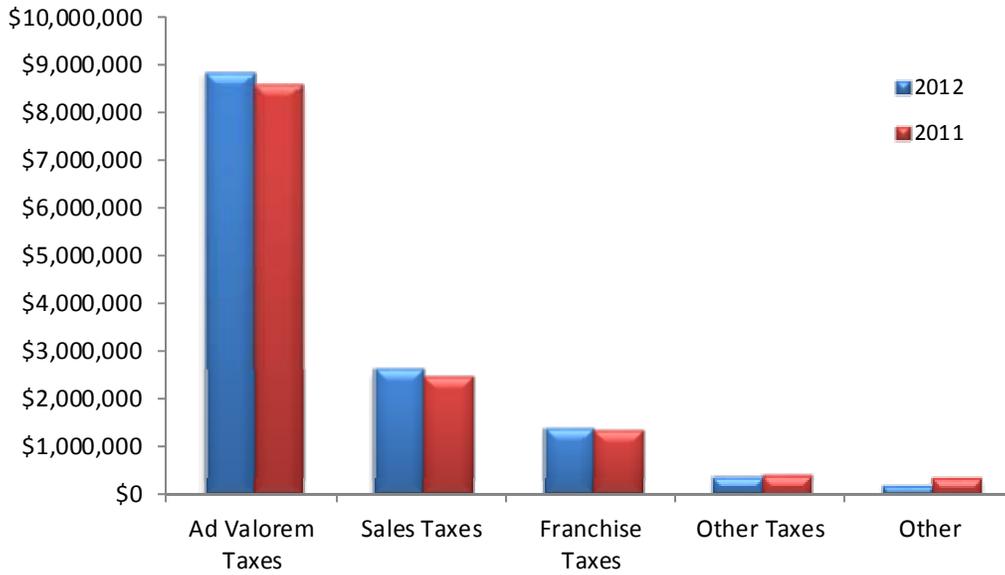
## Changes in Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 3,321,129	\$ 2,775,981	\$ 13,162,304	\$ 13,418,644	\$ 16,483,433	\$ 16,194,625
Operating grants and contributions	289,311	42,807,297	-	-	289,311	42,807,297
Capital grants and contributions	139,528	169,298	3,422	-	142,950	169,298
General revenues:						
Ad valorem taxes	8,873,472	8,590,003	-	-	8,873,472	8,590,003
Franchise taxes	1,361,161	1,315,430	-	-	1,361,161	1,315,430
Sales taxes	2,585,231	2,427,417	-	-	2,585,231	2,427,417
Other taxes	352,523	410,235	-	-	352,523	410,235
Interest and investment earnings	17,072	16,923	12,553	15,194	29,625	32,117
Miscellaneous	176,736	319,754	-	-	176,736	319,754
Total revenues	<u>17,116,163</u>	<u>58,832,338</u>	<u>13,178,279</u>	<u>13,433,838</u>	<u>30,294,442</u>	<u>72,266,176</u>
Expenses:						
General government	2,546,927	2,875,722	-	-	2,546,927	2,875,722
Community services	2,244,461	2,438,256	-	-	2,244,461	2,438,256
Fleet and facility maintenance	221,682	279,016	-	-	221,682	279,016
Highways and streets	1,271,079	46,924,619	-	-	1,271,079	46,924,619
Public safety	10,124,360	10,026,320	-	-	10,124,360	10,026,320
Interest on long-term debt	2,464,443	2,070,699	-	-	2,464,443	2,070,699
Water and sewer	-	-	8,435,752	9,409,881	8,435,752	9,409,881
Solid waste	-	-	2,776,066	2,608,915	2,776,066	2,608,915
Golf course	-	-	580,689	573,612	580,689	573,612
Total expenses	<u>18,872,952</u>	<u>64,614,632</u>	<u>11,792,507</u>	<u>12,592,408</u>	<u>30,665,459</u>	<u>77,207,040</u>
Increase (decrease) in net assets before transfers	( 1,756,789)	( 5,782,294)	1,385,772	841,430	( 371,017)	( 4,940,864)
Transfers	<u>683,000</u>	<u>961,309</u>	<u>( 683,000)</u>	<u>( 961,309)</u>	<u>-</u>	<u>-</u>
Change in net assets	( 1,073,789)	( 4,820,985)	702,772	( 119,879)	( 371,017)	( 4,940,864)
Net assets, beginning	<u>20,753,128</u>	<u>25,574,113</u>	<u>27,992,172</u>	<u>28,112,051</u>	<u>48,745,300</u>	<u>53,686,164</u>
Net assets, ending	<u>\$ 19,679,339</u>	<u>\$ 20,753,128</u>	<u>\$ 28,694,944</u>	<u>\$ 27,992,172</u>	<u>\$ 48,374,283</u>	<u>\$ 48,745,300</u>

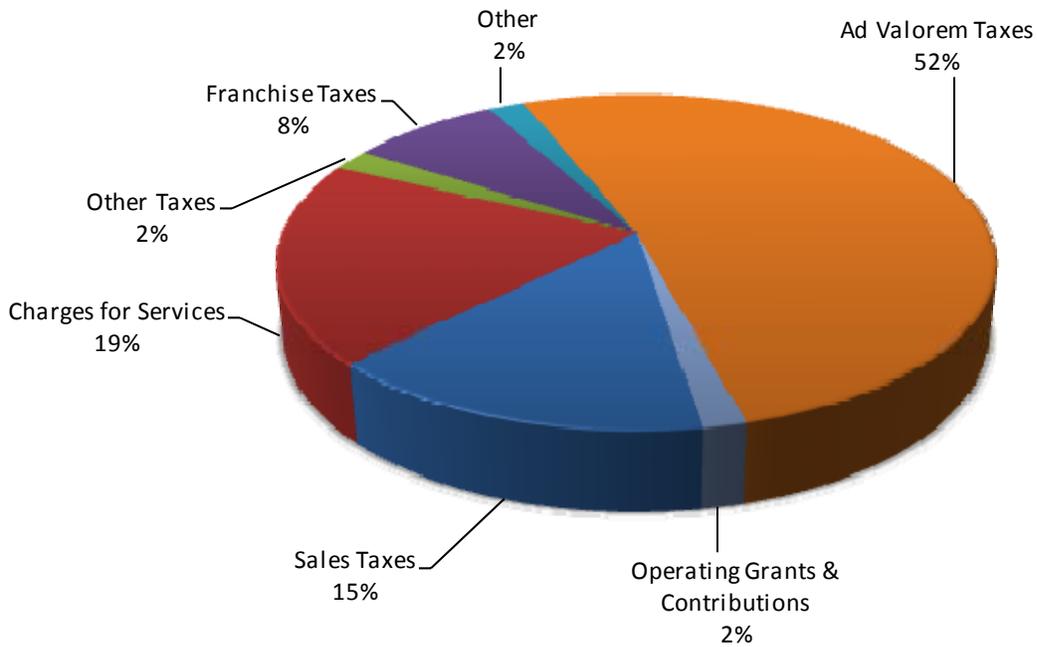
### **General Revenues – Governmental Activities**

Governmental activities revenues such as ad valorem, sales and franchise taxes are not shown by program, but are effectively used to support program activities Citywide. Ad valorem taxes increased \$283,469, which is an increase of 3 percent compared to last year. Sales tax increased by \$157,814 or 7 percent compared to last year.

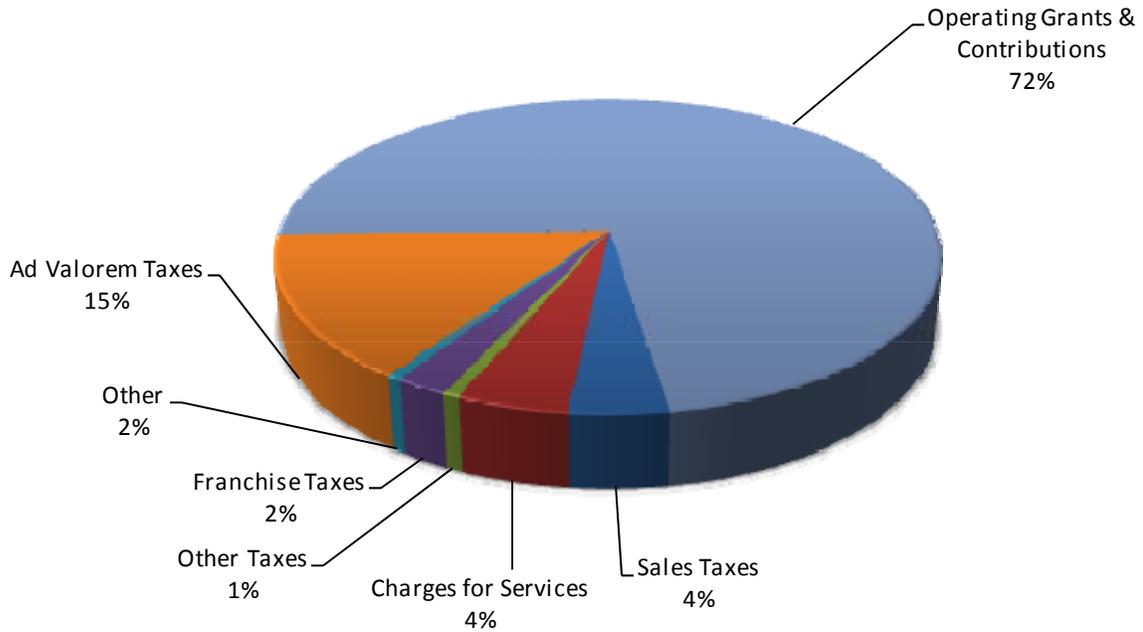
### General Revenues – Governmental Activities



### Revenues by Source – Governmental Activities – FY 2012



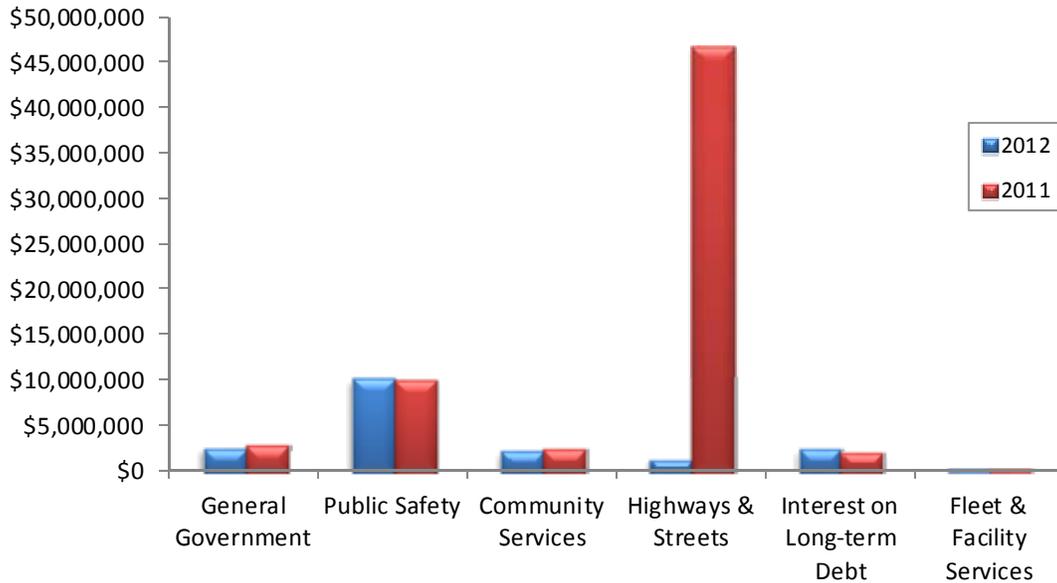
## Revenues by Source – Governmental Activities – FY 2011



## Expenses – Governmental Activities

The chart following illustrates the City's governmental expenses by function. As shown, Public Safety is the largest function in expenses at \$10.1 million, or 54 percent compared to the prior year's \$10.0 million, or 16 percent, followed by General Government at \$2.5 million, or 13 percent compared to prior year's \$2.9 million, or 4 percent. Community Services recorded \$2.2 million, or 12 percent compared to prior year's \$2.4 million, or 4 percent. Highways and Streets recorded \$1.3 million, or 7 percent compared to prior year's \$46.9 million, or 73 percent.

## Expenses – Governmental Activities

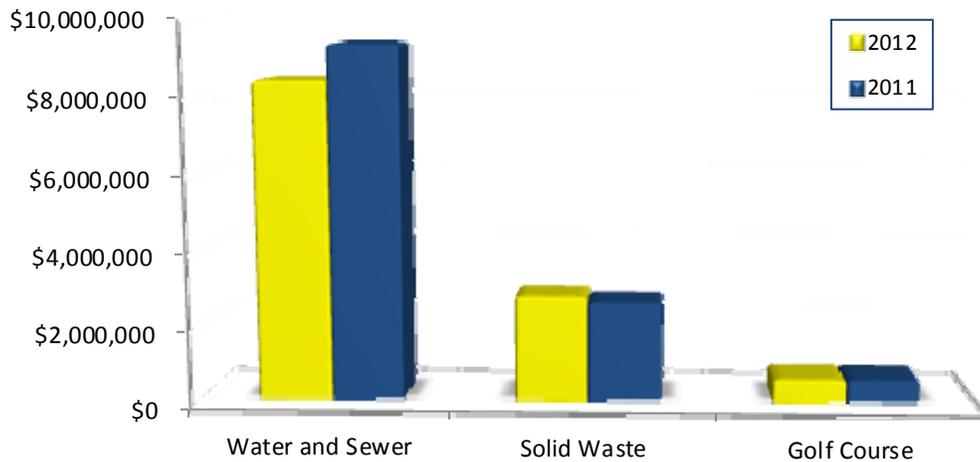


## Business-type Activities – Revenues

Business-type activities increased the City's net assets by \$702,772. Charges for services provided the largest share of revenues at 99.9 percent.

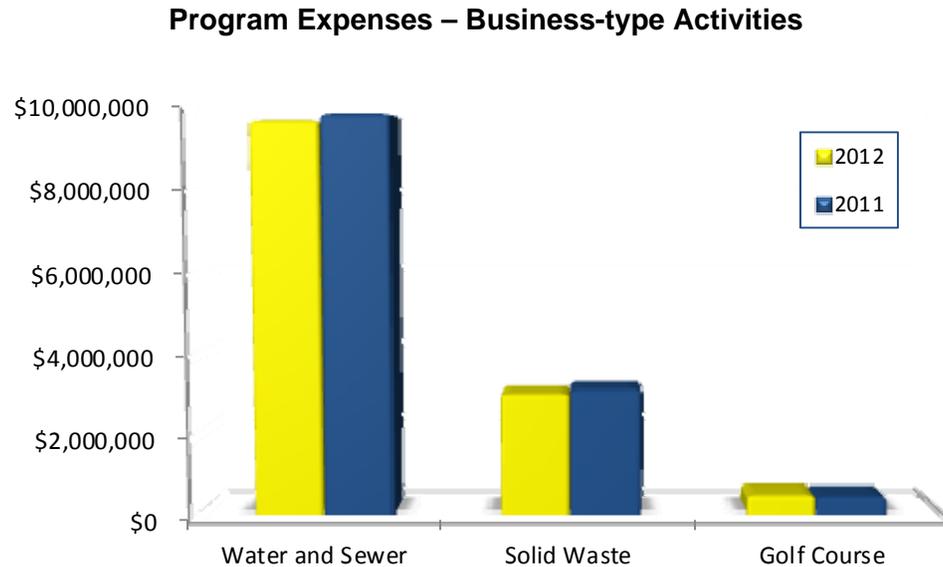
Water and sewer fees are the major revenue source for the business-type activities of the City, which recorded \$9.8 million in revenue. Compared to the prior year, water and sewer revenues decreased \$176,451 or 2 percent. Solid Waste revenues decreased \$116,001 or 4 percent. The Golf Course Fund revenues increased from \$385,799 in 2011 to \$421,911 in 2012, an increase of \$36,112 or 9 percent.

## Program Revenues – Business-type Activities



## Business-type Activities – Expenses

Total expenses for business-type activities were \$11.8 million, a decrease of \$799,901 or 6 percent compared to the prior year. Water and Sewer, the largest proprietary fund, recorded \$8.4 million in expenses, a decrease of \$1.0 million or 11 percent compared to the prior year. Solid Waste expenses increased \$167,151 or 6 percent. Golf Course expenses increased from \$573,612 in 2011 to \$580,689 in 2012, an increase of \$7,077 or 1 percent.



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Copperas Cove, Texas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a discussion of financial highlights from the fund financial statements.

### Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, the Debt Service Fund, and Capital Project Funds.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21.9 million, an increase of \$11.0 million in comparison with the prior year.

The General Fund is the chief operating fund of the City. At September 30, 2012, unassigned fund balance of the General Fund was \$5.7 million, while total fund balance was \$5.9 million. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 41 percent of total General Fund expenditures.

The Debt Service Fund has a total fund balance of \$13.1 million, all of which is restricted for the payment of debt service. The debt service fund balance increase is attributed to the repayment of the \$12.6 million from the Texas Department of Transportation.

## Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water & Sewer Fund as of the end of the year amounted to \$5.6 million an increase of \$2 million or 56 percent. The Solid Waste Fund unrestricted net assets was \$1.3 million, a decrease of \$864,729 or 40 percent. Unrestricted net assets for the Golf Course Fund decreased from prior year's \$(681,373) to \$(841,772) in 2012.

The total decrease/increase in net assets for the three funds was \$1,079,949, \$(218,449), and \$(158,728), respectively. Total operating revenues in fiscal year 2011-12 were \$13.2 million, a decrease of 2 percent over the year ending September 2011. Total operating expenses totaled \$11.2 million, an increase of 5 percent. Total operating income was \$2.4 million, an increase of \$183,180 or 8 percent.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison schedules are required for the General Fund and all major Special Revenue Funds. Since the City did not have a major Special Revenue Fund in the current year, only a budgetary comparison for the General Fund is required in this report; however, numerous budgetary comparisons are presented in this report that provide the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

Amendments to the adopted budget may occur throughout the year in a legally permissible manner (see page 55 for more information on budget policies).

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2012, the City has \$84.7 million invested in various capital assets, net of accumulated depreciation. Of the \$84.7 million, \$37.4 million is invested in governmental activities and \$47.3 million is invested in business-type activities. Compared to last year, total capital assets increased \$289,671. Capital assets in Governmental Activities decreased \$145,498 from the prior year. Capital assets in Business-type Activities increased \$435,169 or 1 percent from the prior year.

The following table provides a breakdown of the capital asset balances net of accumulated depreciation at September 30, 2012. Additional information on the City's capital assets may be found in Note III-E to the financial statements.

### CITY OF COPPERAS COVE'S CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,263,035	\$ 1,263,035	\$ 809,041	\$ 769,433	\$ 2,072,076	\$ 2,032,468
Buildings and improvements	2,878,191	3,143,596	49,772	62,492	2,927,963	3,206,088
Furniture and fixtures	16,932	17,623	-	-	16,932	17,623
Vehicles	1,018,774	1,111,156	739,553	540,097	1,758,327	1,651,253
Equipment	1,169,887	976,279	707,973	778,670	1,877,860	1,754,949
Facilities/infrastructure	12,979,271	28,132,050	42,067,023	43,598,066	55,046,294	71,730,116
Construction in progress	<u>18,093,808</u>	<u>2,921,657</u>	<u>2,904,397</u>	<u>1,093,832</u>	<u>20,998,205</u>	<u>4,015,489</u>
Total capital assets	<u>\$ 37,419,898</u>	<u>\$ 37,565,396</u>	<u>\$ 47,277,759</u>	<u>\$ 46,842,590</u>	<u>\$ 84,697,657</u>	<u>\$ 84,407,986</u>

## Long-term Debt

The City's total debt decreased by \$1,250,000 during the current fiscal year. During fiscal year 2012, the City had the following debt issuances:

- Series 2012 General Obligation and Refunding Bonds in the amount of \$5,945,000 issued April 17, 2012
- Series 2012 Limited Tax Notes in the amount of \$1,325,000 issued February 2, 2012

The following schedule shows the outstanding bonds and notes of the City (both current and long-term) as of September 30, 2012.

### CITY OF COPPERAS COVE'S OUTSTANDING DEBT AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
General obligations	\$ 16,923,761	\$ 16,860,570	\$ 20,901,240	\$ 18,379,431	\$ 37,825,001	\$ 35,240,001
Tax/revenue certificates of obligation	44,220,000	45,340,000	2,290,000	4,875,000	46,510,000	50,215,000
Tax notes	5,305,000	4,690,000	6,570,000	7,315,000	11,875,000	12,005,000
	<u>\$ 66,448,761</u>	<u>\$ 66,890,570</u>	<u>\$ 29,761,240</u>	<u>\$ 30,569,431</u>	<u>\$ 96,210,001</u>	<u>\$ 97,460,001</u>

The most recent debt issue of the City of Copperas Cove earned ratings from Moody's and Standard & Poor's:

#### Bonded Debt Ratings September 30, 2012

Bond Type	Standard & Poor's	Moody's
General Obligation Bonds	AA-	Aa3
Certificates of Obligation	AA-	Aa3
Revenue Bonds	AA-	Aa3

Additional information on the City's long-term debt can be found in Note III-G of the Notes to the Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected officials and appointed officials considered several factors when planning for the FY 2013 budget. The factors considered were local economy, economic indicators, population, and development.

Ad valorem taxes are the single largest source of revenue for the General Fund and represent 46.6% of the FY 2013 General Fund Budget. It is budgeted conservatively at a 99% collection rate. The tax rate decreased from 0.7639 cents to 0.7600 cents per \$100 valuation. In 2009, the legislature passed a bill that amended the Texas Property Tax Code to provide a homestead exemption to disabled veterans equaling 100%. In 2011, another bill was passed that amended the Property Tax Code to extend the 100% exemption to the surviving spouses of 100% disabled veterans. The impact of this action resulted in the loss of revenue in the amount of \$367,862, with the exemption being provided to 479 residents.

Sales tax represents the second highest source of revenue for the General Fund and represents 18% of the FY 2013 General Fund budget. The City anticipates sales tax revenue to increase due to the shops at Five Hill Retail Development.

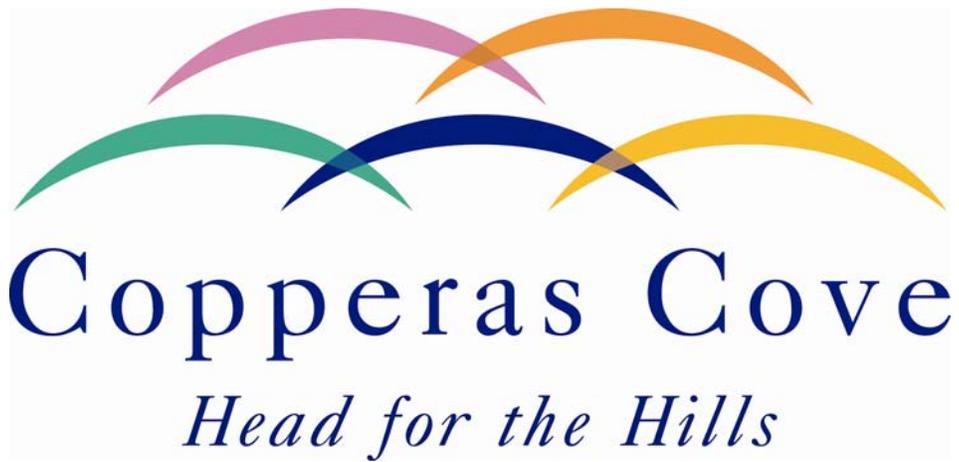
Budgeted revenues for the business-type activities are expected to increase due to the fee rate increase. The governing body approved a refunding issuance for the Water and Sewer Fund in FY 2012, as a result the debt service requirements have been reduced for the next several years.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Copperas Cove, Texas' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department at the following address:

Director of Financial Services  
City of Copperas Cove  
507 South Main Street  
Copperas Cove, TX 76522  
(254) 547-4221

Or visit our website at:  
<http://www.ci.copperas-cove.tx.us>



# Copperas Cove

*Head for the Hills*

**BASIC  
FINANCIAL STATEMENTS**



# CITY OF COPPERAS COVE, TEXAS

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 21,588,743	\$ 5,699,520	\$ 27,288,263	\$ 3,818,325
Receivables (net of allowance):				
Taxes	860,390	-	860,390	231,544
Ambulance fees	255,310	-	255,310	-
Accounts	228,396	3,080,433	3,308,829	3,061
Fines	67,521	-	67,521	-
Grants	29,652,285	-	29,652,285	-
Internal balances	470,093	( 470,093)	-	-
Inventory	75,852	13,814	89,666	-
Prepaid items	13,058	11,304	24,362	-
Notes receivable	110,444	-	110,444	-
Restricted cash and investments	-	4,764,977	4,764,977	44,586
Deferred charges	763,746	350,270	1,114,016	43,492
Capital assets:				
Nondepreciable	3,232,340	3,713,438	6,945,778	2,733,679
Depreciable (net)	34,187,558	43,564,321	77,751,879	278,399
Total assets	<u>91,505,736</u>	<u>60,727,984</u>	<u>152,233,720</u>	<u>7,153,086</u>
<b>LIABILITIES</b>				
Accounts payable	781,622	761,547	1,543,169	39,731
Accrued liabilities	293,855	170,364	464,219	17,442
Retainage payable	-	104,986	104,986	-
Unearned revenue	62,080	889	62,969	-
Other liabilities	146,653	-	146,653	-
Accrued interest payable	340,193	115,745	455,938	9,880
Customer deposits	-	602,743	602,743	-
Noncurrent liabilities:				
Due within one year	12,650,141	2,998,817	15,648,958	70,000
Due in more than one year	57,551,853	27,277,949	84,829,802	1,977,755
Total liabilities	<u>71,826,397</u>	<u>32,033,040</u>	<u>103,859,437</u>	<u>2,114,808</u>
<b>NET ASSETS</b>				
Investment in capital assets (net of related debt)	8,858,742	22,080,586	30,939,328	972,078
Restricted for:				
Debt service	2,052,717	522,756	2,575,473	34,706
Community services	328,857	-	328,857	-
Highways and streets	1,336,771	-	1,336,771	-
Public safety	82,251	-	82,251	-
Economic development	-	-	-	4,031,494
Unrestricted	7,020,001	6,091,602	13,111,603	-
Total net assets	<u>\$ 19,679,339</u>	<u>\$ 28,694,944</u>	<u>\$ 48,374,283</u>	<u>\$ 5,038,278</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COPPERAS COVE, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities:				
General government	\$ 2,546,927	\$ 327,064	\$ 2,900	\$ -
Community services	2,244,461	1,175,746	25,488	2,272
Fleet and facility services	221,682	-	-	-
Highways and streets	1,271,079	891,366	-	133,500
Public safety	10,124,360	926,953	260,923	3,756
Interest on long-term debt	2,464,443	-	-	-
Total governmental activities	<u>18,872,952</u>	<u>3,321,129</u>	<u>289,311</u>	<u>139,528</u>
Business-type activities:				
Water and sewer	8,435,752	9,756,792	-	3,422
Solid waste	2,776,066	2,983,601	-	-
Golf course	580,689	421,911	-	-
Total business-type activities	<u>11,792,507</u>	<u>13,162,304</u>	<u>-</u>	<u>3,422</u>
Total primary government	<u>\$ 30,665,459</u>	<u>\$ 16,483,433</u>	<u>\$ 289,311</u>	<u>\$ 142,950</u>
<b>COMPONENT UNIT</b>				
Economic development	<u>\$ 2,476,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total component unit	<u>\$ 2,476,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:  
Ad valorem taxes  
Sales taxes  
Franchise taxes  
Other taxes  
Miscellaneous  
Unrestricted investment earnings  
Gain on sale of capital assets  
Transfers  
Total general revenues and transfers  
Change in net assets  
Net assets, beginning  
Net assets, ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	
\$( 2,216,963)	\$ -	\$( 2,216,963)	
( 1,040,955)	-	( 1,040,955)	
( 221,682)	-	( 221,682)	
( 246,213)	-	( 246,213)	
( 8,932,728)	-	( 8,932,728)	
( 2,464,443)	-	( 2,464,443)	
<u>( 15,122,984)</u>	<u>-</u>	<u>( 15,122,984)</u>	
-	1,324,462	1,324,462	
-	207,535	207,535	
-	( 158,778)	( 158,778)	
<u>-</u>	<u>1,373,219</u>	<u>1,373,219</u>	
<u>( 15,122,984)</u>	<u>1,373,219</u>	<u>( 13,749,765)</u>	
			<u>\$( 2,476,427)</u>
			<u>( 2,476,427)</u>
8,873,472	-	8,873,472	-
2,585,231	-	2,585,231	1,293,860
1,361,161	-	1,361,161	-
352,523	-	352,523	-
176,736	-	176,736	8,334
17,072	12,553	29,625	181
-	-	-	416,102
<u>683,000</u>	<u>( 683,000)</u>	<u>-</u>	<u>-</u>
<u>14,049,195</u>	<u>( 670,447)</u>	<u>13,378,748</u>	<u>1,718,477</u>
( 1,073,789)	702,772	( 371,017)	( 757,950)
<u>20,753,128</u>	<u>27,992,172</u>	<u>48,745,300</u>	<u>5,796,228</u>
<u>\$ 19,679,339</u>	<u>\$ 28,694,944</u>	<u>\$ 48,374,283</u>	<u>\$ 5,038,278</u>

# CITY OF COPPERAS COVE, TEXAS

## GOVERNMENTAL FUNDS

### BALANCE SHEET

SEPTEMBER 30, 2012

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 5,700,942	\$ 12,861,659	\$ 3,026,142	\$ 21,588,743
Receivables (net of allowance):				
Taxes	755,257	57,660	47,473	860,390
Ambulance fees	255,310	-	-	255,310
Accounts	65,412	-	162,984	228,396
Fines	62,544	-	4,977	67,521
Grants	29,685	29,622,600	-	29,652,285
Due from other funds	247,959	289,649	6,637	544,245
Inventory	75,852	-	-	75,852
Prepaid items	12,967	-	91	13,058
Notes receivable	-	-	110,444	110,444
	<u>\$ 7,205,928</u>	<u>\$ 42,831,568</u>	<u>\$ 3,358,748</u>	<u>\$ 53,396,244</u>
Total assets				
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 442,073	\$ -	\$ 339,549	\$ 781,622
Due to other funds	6,193	-	67,959	74,152
Deferred revenue	478,352	29,680,260	51,936	30,210,548
Accrued liabilities	287,353	-	6,502	293,855
Other liabilities	130,547	-	16,106	146,653
Total liabilities	<u>1,344,518</u>	<u>29,680,260</u>	<u>482,052</u>	<u>31,506,830</u>
Fund balances:				
Nonspendable	88,819	-	110,535	199,354
Restricted	9,430	13,151,308	2,767,389	15,928,127
Assigned	78,208	-	-	78,208
Unassigned	5,684,953	-	( 1,228)	5,683,725
Total fund balances	<u>5,861,410</u>	<u>13,151,308</u>	<u>2,876,696</u>	<u>21,889,414</u>
Total liabilities and fund balances	<u>\$ 7,205,928</u>	<u>\$ 42,831,568</u>	<u>\$ 3,358,748</u>	<u>\$ 53,396,244</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COPPERAS COVE, TEXAS**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS**

**SEPTEMBER 30, 2012**

Total fund balances - governmental funds balance sheet	\$ 21,889,414
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets (net of accumulated depreciation) used in governmental funds are not financial resources and, therefore, are not reported in the funds.	37,419,898
Long-term liabilities, including bonds payable (net of unamortized costs), are not due and payable in the current period and, therefore, are not reported in the funds.	( 69,778,441)
Other long-term assets/liabilities are not available to pay for current period expenditures and, therefore, are deferred in the funds.	<u>30,148,468</u>
Net assets of governmental activities - statement of net assets	<u>\$ 19,679,339</u>

**The accompanying notes are an integral part of these financial statements.**

**CITY OF COPPERAS COVE, TEXAS**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 10,431,142	\$ 2,536,762	\$ 196,738	\$ 13,164,642
Charges for services	1,278,198	-	890,646	2,168,844
Intergovernmental	36,450	12,828,900	223,966	13,089,316
Fines	687,021	-	43,507	730,528
Licenses	50,262	-	-	50,262
Permits	186,774	-	-	186,774
Contributions	60,784	-	-	60,784
Investment income	9,506	3,647	3,919	17,072
Miscellaneous	251,075	-	21,990	273,065
Total revenues	<u>12,991,212</u>	<u>15,369,309</u>	<u>1,380,766</u>	<u>29,741,287</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,223,757	-	71,846	2,295,603
Community services	1,918,565	-	116,836	2,035,401
Fleet and facility services	216,223	-	-	216,223
Highways and streets	536,729	-	276,524	813,253
Public safety	8,854,292	-	248,021	9,102,313
Capital outlay	34,528	-	1,700,027	1,734,555
Debt service:				
Principal retirement	-	2,624,159	202,589	2,826,748
Interest and fiscal charges	-	2,808,581	28,613	2,837,194
Bond issuance costs	-	10,631	21,697	32,328
Total expenditures	<u>13,784,094</u>	<u>5,443,371</u>	<u>2,666,153</u>	<u>21,893,618</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 792,882)</u>	<u>9,925,938</u>	<u>( 1,285,387)</u>	<u>7,847,669</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	-	972,000	990,000	1,962,000
Premium on bonds	-	52,821	-	52,821
Proceeds from sale of capital assets	14,104	-	-	14,104
Proceeds from insurance	8,714	-	-	8,714
Transfers in	1,206,070	-	168,086	1,374,156
Transfers out	<u>( 168,086)</u>	<u>-</u>	<u>( 108,070)</u>	<u>( 276,156)</u>
Total other financing sources (uses)	<u>1,060,802</u>	<u>1,024,821</u>	<u>1,050,016</u>	<u>3,135,639</u>
<b>NET CHANGE IN FUND BALANCES</b>	267,920	10,950,759	( 235,371)	10,983,308
<b>FUND BALANCES, BEGINNING</b>	<u>5,593,490</u>	<u>2,200,549</u>	<u>3,112,067</u>	<u>10,906,106</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 5,861,410</u>	<u>\$ 13,151,308</u>	<u>\$ 2,876,696</u>	<u>\$ 21,889,414</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF COPPERAS COVE, TEXAS

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Net change in fund balances - total governmental funds	\$ 10,983,308
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report all capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This reconciling item represents the amount by which capital outlay exceeded depreciation in the current period.	( 79,512)
The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This reconciling item represents the net effect of these differences in the treatment of long-term debt and related items.	1,230,485
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This reconciling item reflects the net of such expenses.	( 101,960)
Some revenues in the statement of activities do not provide current financial resources and are not included in the governmental funds.	( 12,625,124)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	( <u>480,986</u> )
Change in net assets of governmental activities - statement of activities	<u><u>\$ ( 1,073,789)</u></u>

The accompanying notes are an integral part of these financial statements.



# CITY OF COPPERAS COVE, TEXAS

## ENTERPRISE FUNDS

***Water and Sewer Fund*** – to account for revenue and expenses related to the operation and maintenance of the water and sewer system of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

***Solid Waste Fund*** – to account for all solid waste collection and disposal activities provided by the City to both residential and commercial residents, including the operation of the City’s solid waste landfill.

***Golf Course Fund*** – to provide for revenue and expenses related to the operations of the municipal golf course.

**CITY OF COPPERAS COVE, TEXAS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2012**

	Business-type Activities			Total
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 4,871,754	\$ 827,766	\$ -	\$ 5,699,520
Accounts receivable, net	1,712,116	1,366,487	1,830	3,080,433
Due from other funds	332,569	-	-	332,569
Inventory	-	-	13,814	13,814
Prepaid expenses	10,157	930	217	11,304
Restricted cash and investments	4,177,975	586,677	325	4,764,977
Total current assets	<u>11,104,571</u>	<u>2,781,860</u>	<u>16,186</u>	<u>13,902,617</u>
Noncurrent assets:				
Deferred charges	330,037	14,083	6,150	350,270
Property and equipment:				
Land	389,041	120,000	300,000	809,041
Buildings	189,590	-	132,722	322,312
Vehicles	979,175	1,508,349	16,723	2,504,247
Equipment	1,563,559	1,735,637	363,988	3,663,184
Facilities	28,260,964	3,581,837	1,654,545	33,497,346
Infrastructure	41,165,865	-	-	41,165,865
Construction in progress	2,904,397	-	-	2,904,397
Less: accumulated depreciation	<u>( 33,061,004)</u>	<u>( 3,623,463)</u>	<u>( 904,166)</u>	<u>(37,588,633)</u>
Net property and equipment	<u>42,391,587</u>	<u>3,322,360</u>	<u>1,563,812</u>	<u>47,277,759</u>
Total noncurrent assets	<u>42,721,624</u>	<u>3,336,443</u>	<u>1,569,962</u>	<u>47,628,029</u>
Total assets	<u>\$ 53,826,195</u>	<u>\$ 6,118,303</u>	<u>\$ 1,586,148</u>	<u>\$ 61,530,646</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities:				
Accounts payable	\$ 583,224	\$ 165,034	\$ 13,289	\$ 761,547
Accrued liabilities	60,072	99,982	10,310	170,364
Due to other funds	-	-	802,662	802,662
Deferred revenue	-	124	765	889
Customer deposits	602,743	-	-	602,743
Retainage payable	104,986	-	-	104,986
Accrued interest	111,701	3,943	101	115,745
Long-term debt, current portion	2,702,176	161,130	135,511	2,998,817
Total current liabilities	<u>4,164,902</u>	<u>430,213</u>	<u>962,638</u>	<u>5,557,753</u>
Noncurrent liabilities:				
Compensated absences	143,487	66,230	8,204	217,921
Bonds payable	24,850,410	1,103,291	375,582	26,329,283
Net pension obligation	120,076	46,852	20,606	187,534
Net OPEB obligation	24,874	10,006	4,621	39,501
Estimated landfill postclosure care costs	-	503,710	-	503,710
Total noncurrent liabilities	<u>25,138,847</u>	<u>1,730,089</u>	<u>409,013</u>	<u>27,277,949</u>
Total liabilities	<u>29,303,749</u>	<u>2,160,302</u>	<u>1,371,651</u>	<u>32,835,702</u>
Net assets:				
Investment in capital assets (net of related debt)	18,482,942	2,541,375	1,056,269	22,080,586
Restricted for:				
Debt service	422,328	100,428	-	522,756
Unrestricted	<u>5,617,176</u>	<u>1,316,198</u>	<u>( 841,772)</u>	<u>6,091,602</u>
Total net assets	<u>\$ 24,522,446</u>	<u>\$ 3,958,001</u>	<u>\$ 214,497</u>	<u>\$ 28,694,944</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COPPERAS COVE, TEXAS**

**PROPRIETARY FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Business-type Activities			Total Funds
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 9,704,503	\$ 2,964,300	\$ 421,587	\$ 13,090,390
Miscellaneous	52,289	19,301	324	71,914
Total operating revenues	<u>9,756,792</u>	<u>2,983,601</u>	<u>421,911</u>	<u>13,162,304</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,929,849	906,647	254,096	3,090,592
Supplies and materials	2,053,374	250,118	59,342	2,362,834
Services and charges	1,308,644	1,082,313	133,541	2,524,498
Maintenance and repairs	264,707	153,115	38,978	456,800
Depreciation	1,844,716	350,108	92,354	2,287,178
Total operating expenses	<u>7,401,290</u>	<u>2,742,301</u>	<u>578,311</u>	<u>10,721,902</u>
<b>OPERATING INCOME (LOSS)</b>	<u>2,355,502</u>	<u>241,300</u>	<u>( 156,400)</u>	<u>2,440,402</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	10,487	2,016	50	12,553
Interest expense	( 1,027,656)	( 33,765)	( 2,378)	( 1,063,799)
Bond agent fees	( 6,806)	-	-	( 6,806)
Total nonoperating revenues (expenses)	<u>( 1,023,975)</u>	<u>( 31,749)</u>	<u>( 2,328)</u>	<u>( 1,058,052)</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	1,331,527	209,551	( 158,728)	1,382,350
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions	418,422	-	-	418,422
<b>TRANSFERS</b>				
Transfers in	20,000	-	-	20,000
Transfers out	( 690,000)	( 428,000)	-	( 1,118,000)
<b>CHANGE IN NET ASSETS</b>	1,079,949	( 218,449)	( 158,728)	702,772
<b>NET ASSETS, BEGINNING</b>	<u>23,442,497</u>	<u>4,176,450</u>	<u>373,225</u>	<u>27,992,172</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 24,522,446</u>	<u>\$ 3,958,001</u>	<u>\$ 214,497</u>	<u>\$ 28,694,944</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COPPERAS COVE, TEXAS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Business-type Activities			Total Funds
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 10,149,081	\$ 2,888,869	\$ 420,822	\$ 13,458,772
Payments to suppliers	( 3,311,627)	( 1,416,987)	( 275,452)	( 5,004,066)
Payments to employees	( 1,925,464)	( 852,436)	( 251,666)	( 3,029,566)
Net cash flows provided (used) by operating activities	<u>4,911,990</u>	<u>619,446</u>	<u>( 106,296)</u>	<u>5,425,140</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	<u>10,487</u>	<u>2,016</u>	<u>50</u>	<u>12,553</u>
Net cash flows provided by investing activities	<u>10,487</u>	<u>2,016</u>	<u>50</u>	<u>12,553</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash received from other funds	20,000	-	206,688	226,688
Cash paid to other funds	( 1,019,116)	( 428,000)	-	( 1,447,116)
Net cash provided (used) by noncapital financing activities	<u>( 999,116)</u>	<u>( 428,000)</u>	<u>206,688</u>	<u>( 1,220,428)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from issuance of long-term debt	1,980,000	180,000	-	2,160,000
Principal paid on long-term debt	( 2,366,422)	( 190,034)	( 147,655)	( 2,704,111)
Interest paid on long-term debt	( 902,487)	( 34,462)	( 2,452)	( 939,401)
Acquisition of property and equipment	( 2,086,602)	( 476,567)	( 159,178)	( 2,722,347)
Net cash used by capital and related financing activities	<u>( 3,375,511)</u>	<u>( 521,063)</u>	<u>( 309,285)</u>	<u>( 4,205,859)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	547,850	( 327,601)	( 208,843)	11,406
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>8,501,879</u>	<u>1,742,044</u>	<u>209,168</u>	<u>10,453,091</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 9,049,729</u>	<u>\$ 1,414,443</u>	<u>\$ 325</u>	<u>\$ 10,464,497</u>

(continued)

**CITY OF COPPERAS COVE, TEXAS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Business-type Activities			
	Water and Sewer	Solid Waste	Nonmajor Golf Course	Total Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>				
<b>TO NET CASH PROVIDED (USED) BY OPERATING</b>				
<b>ACTIVITIES</b>				
Operating income (loss)	\$ 2,355,502	\$ 241,300	\$( 156,400)	\$ 2,440,402
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,844,716	350,108	92,354	2,287,178
Decrease (increase) in assets:				
Accounts receivable	235,612	( 94,856)	( 765)	139,991
Inventory	-	-	381	381
Prepaid expenses	( 1,357)	( 930)	( 218)	( 2,505)
Increase (decrease) in liabilities:				
Accounts payable	231,957	45,308	( 52,711)	224,554
Retainage payable	84,499	-	-	84,499
Accrued liabilities	( 2,605)	17,362	8,997	23,754
Landfill closure costs	-	24,181	-	24,181
Accrued compensated absences	( 10,393)	27,750	-	17,357
Net pension obligation	10,418	5,454	1,238	17,110
Net OPEB obligation	6,964	3,645	828	11,437
Deferred revenue	-	124	-	124
Customer deposits	156,677	-	-	156,677
Total adjustments	<u>2,556,488</u>	<u>378,146</u>	<u>50,104</u>	<u>2,984,738</u>
Net cash provided (used) by operating activities	<u>\$ 4,911,990</u>	<u>\$ 619,446</u>	<u>\$( 106,296)</u>	<u>\$ 5,425,140</u>
<b>Schedule of non-cash capital and related</b>				
<b>financing activities:</b>				
Contributions of capital assets	\$ 418,422	\$ -	\$ -	\$ 418,422

The accompanying notes are an integral part of these financial statements.



# **CITY OF COPPERAS COVE, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS**

“The City Built for Family Living”

**CITY OF COPPERAS COVE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Copperas Cove, Texas, a Home-Rule Municipal Corporation, organized and existing under the Provisions of the Constitution of the State of Texas, adopted its Charter January 20, 1979, which was amended on April 5, 1983, May 7, 1988, May 3, 1997, May 5, 2001, May 3, 2003, and May 10, 2008. The City operates under the Council-Manager form of government and provides the following services as authorized by its Charter: public safety (e.g., police, fire and emergency medical service), planning and zoning, streets, sanitation, water, sewer, community services (parks, library, and golf course), and general administration. The financial statements of the City of Copperas Cove, Texas, (the primary government) and its component unit have been prepared in conformity with generally accepted accounting principles (GAAP). The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

***Discretely Presented Component Unit.*** The component unit column in the government-wide financial statements includes the financial data of the City's component unit, the Copperas Cove Economic Development Corporation (CCEDC). It is reported in a separate column to emphasize that it is legally separate from the City. The Board of Directors of the component unit is appointed by the City Council. The organization is fiscally dependent on the City because it receives 90% of its revenue from the City's sales tax revenue. Separate financial statements for the component unit can be obtained by contacting the CCEDC located at 210 South First Street, Copperas Cove, Texas 76522.

***Government-wide Financial Statements.*** The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**B. Government-wide and Fund Financial Statements**

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function. Also included in program revenues are grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

(continued)

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Government-wide and Fund Financial Statements** (Continued)

**Fund Financial Statements.** Separate fund based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are combined in a separate column in the fund financial statements. The nonmajor funds are detailed in the combining financial statements section of this report.

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit. Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The fund financial statements use the modified accrual basis of accounting and the current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, claims and judgments are recorded only when payment is due.

The City reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Debt Service Fund** – This Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, the City reports the following fund types:

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

(continued)

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**Capital Projects Funds** – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The City reports the following major proprietary funds:

**Water and Sewer Fund** – The Water and Sewer Fund is used to account for water and sewer operations. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities.

**Solid Waste Fund** – The Solid Waste Fund is used to account for the provision of solid waste collection and disposal services to customers who are billed monthly at a rate sufficient to cover the cost of providing the service.

Those revenues susceptible to accrual are taxes, grants, fines, investment income and charges for services. Licenses, permits, and contributions are not susceptible to accrual because, generally, they are not measurable until received in cash. Deferred revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue also arises when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. These revenues are recognized in subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has chosen not to apply subsequent private-sector guidance.

Business-type activities and all proprietary funds are accounted for using the accrual basis of accounting and the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

(continued)

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value based on quoted market values.

The City is authorized to invest in the following:

- (1) Obligations of the United States or its agencies and instrumentalities which have a stated maturity on the date of purchase of two years or less.
- (2) Direct obligations of the State of Texas or its agencies and instrumentalities.
- (3) Certificates of deposit if issued by a state or national bank domiciled in the State of Texas or a savings and loan association domiciled in the State of Texas.
- (4) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed with the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities.
- (5) Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and have received a rating of not less than A or its equivalent.
- (6) Eligible fully collateralized repurchase agreements, as defined by the Public Funds Investment Act.
- (7) Eligible investment pools in accordance with the Public Funds Investment Act. Sec. 2256.016-2256.019.
- (8) Any other securities which may be added by the State of Texas as permissible investments for municipal governments which are in compliance with the Public Funds Investment Act.

**Interfund Transactions and Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonreciprocal interfund transactions are reported as transfers.

**(continued)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the General Fund and the Special Revenue Funds. Encumbrances outstanding at year-end do not constitute generally accepted accounting principles (GAAP) basis expenditures or liabilities, since the commitments will be honored during the subsequent year.

**Inventories and Prepaid Items**

Inventories are valued at cost, which approximates market, using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The costs of governmental fund-type inventories and prepaid items are recorded as expenditures when consumed rather than when purchased.

**Restricted Assets**

Certain resources are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

**Capital Assets**

Property, plant, and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are completed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed. Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest expense incurred from the date of the borrowing until completion of the project is offset by interest earned on invested proceeds over the same period.

Capital assets of the primary government, as well as the component unit, are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25
Facilities/infrastructure	25 - 40
Vehicles	5
Equipment	7
Furniture and fixtures	7

**(continued)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**Compensated Absences**

The City's vacation policy grants employee vacation depending on longevity, from 10 days after one year to 20 days after 20 years. Accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it, which typically is the General Fund. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Sick leave is awarded at 80 hours per year with a maximum accumulation of 960 hours. Fifty percent (50%) sick pay benefits are accrued as expenditures only when the individual employee is eligible to collect retirement from the Texas Municipal Retirement System (TMRS). The fifty percent (50%) of unused sick leave will be paid to employees who retire with 20 years or more of physical continual service with the City of Copperas Cove; and, at the time of separation, collect a TMRS monthly retirement check.

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**(continued)**

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Assets, Liabilities and Net Assets or Equity (Continued)

#### Fund Balance Classification (Continued)

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by resolution of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

#### Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

#### Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## II. RECOGNITION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that, “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(69,778,441) difference are as follows:

Bonds payable	\$( 66,448,761)
Bond issuance costs	763,746
Unamortized bond discounts and premiums	( 2,918,860)
Deferred loss on refunding	448,133
Net pension obligation	( 528,704)
Net OPEB obligation	( 113,554)
Accrued interest payable	( 340,193)
Compensated absences	<u>( 640,248)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$( 69,778,441)</u>

Another element of that reconciliation states, “Other long-term assets/liabilities are not available to pay for current period expenditures and, therefore, are deferred in the funds.” The details of this \$30,148,468 difference are as follows:

Grants	\$ 29,622,600
Property taxes	201,180
Ambulance charges for services	255,310
Municipal court fines	67,521
Miscellaneous revenues	<u>1,857</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net - assets of governmental activities</i>	<u>\$ 30,148,468</u>

### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that, “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$79,512 difference are as follows:

Capital outlay	\$ 1,748,348
Depreciation expense	<u>( 1,827,860)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net - assets of governmental activities</i>	<u>\$( 79,512)</u>

(continued)

## II. RECOGNITION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

(Continued)

Another element of that reconciliation states that, "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$1,230,485 difference are as follows:

Principal repayments	\$	2,826,748
Issuance of debt	(	1,962,000)
Bond issuance costs	(	88,963)
Discounts and premiums		427,308
Deferred loss on refunding		<u>27,392</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net - assets of governmental activities</i>		
	\$	<u><u>1,230,485</u></u>

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(101,960) difference are as follows:

Compensated absences	\$(	34,505)
Accrued interest		11,724
Net pension obligation	(	46,382)
Net OPEB obligation	(	<u>32,797</u> )
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net - assets of governmental activities</i>		
	\$	<u><u>(101,960)</u></u>

Another element of that reconciliation states, "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets." The details of this \$(480,986) difference are as follows:

Capital contributions	\$(	415,000)
Dispositions	(	<u>65,986</u> )
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net - assets of governmental activities</i>		
	\$	<u><u>(480,986)</u></u>

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Substantially all deposits and investments are maintained in consolidated cash and investment accounts. Investment income relating to consolidated deposits and investments is allocated to the individual funds monthly based on each fund's pro rata share of total consolidated cash and investments. At year-end, the City's deposits were fully collateralized by either FDIC insurance or securities held by the pledging financial institution's trust department in the City's name.

The deposits for the Copperas Cove Economic Development Corporation, a discretely presented component unit, were also covered by federal depository insurance or by U. S. Government securities held as collateral by the Corporation's agent in the Corporation's name.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City 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) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the City has adopted a deposit and investment policy. That policy addresses the following risks:

*Custodial Credit Risk* – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2012, the City's entire deposit balance was collateralized with securities held by the pledging financial institution or covered by FDIC insurance.

*Interest Rate Risk*: Interest rate risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. The allowed stated maturity of any individual investment owned by the City shall not exceed two years from the time of purchase. Limiting investment maturities are the City's means for limiting its exposure to fair value losses arising from interest rate increases.

*Concentration Risk*: The City's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the City's total investments.

The City's investments at September 30, 2012, are shown below:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 9,923,299	45
TexStar	499,843	49
Municipal bonds	<u>1,702,947</u>	204
Total Fair Value	<u>\$ 12,126,089</u>	67

(continued)

### III. DETAILED NOTES ON ALL FUNDS (Continued)

#### A. Deposits and Investments (Continued)

The City's investment pools are 2a7-like pools. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The City uses the following external investment pools:

##### **TexPool**

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Lehman Brothers, Inc. and Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accountants. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool.

TexPool is rated AAAM by Standard & Poor's. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as the Office of the Comptroller of Public Accounts for review. TexPool uses amortized cost rather than fair value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

##### **TexStar**

The Texas Short-term Asset Reserve Program (TexStar) was 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. JP Morgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexStar under an agreement with the TexStar Board. TexStar will invest only in instruments authorized under both the Public Funds Investment Act and the current TexStar Investment Policy. The primary objectives of TexStar are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet participants' needs, diversification to avoid unreasonable or avoidable risks and yield. In order to comply with the Public Funds Investment Act, TexStar maintains an AAAM rating from Standard & Poor's, which monitors the funds compliance weekly with its rating requirements.

The TexStar Cash Reserve Fund seeks to maintain a net asset value of \$1.00 per unit and provides participants with the investment of funds that require daily liquidity availability. All investments are stated at amortized cost, which closely approximates the fair value of the securities. All TexStar securities are marked to fair value on a daily basis.

#### B. Property Taxes

On January 1 of each year, a tax lien is attached to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property taxes are then 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 year in which levied. The majority of the taxes are collected between October 1 and January 31. Delinquent property taxes receivable are not considered available since they are not expected to be collected within 60 days after the close of the City's fiscal year.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Property Taxes (Continued)

With certain exceptions, intangible personal property and household goods are exempted from property tax assessment. The appraisal of property within the City is the responsibility of the countywide appraisal district. The appraisal district is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying an assessment ratio. The value of property within the appraisal district must be reviewed at least every five years. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. The City continues to set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, and adjusted for new improvements, exceeds the effective tax rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

C. Receivables

Receivables at September 30, 2012, for the City's individual major and nonmajor funds including the applicable allowances for uncollectible accounts, consist of the following:

	<u>General</u>	<u>Debt Service</u>	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor</u>	<u>Total</u>
Receivables:						
Taxes	\$ 755,257	\$ 57,660	\$ -	\$ -	\$ 47,473	\$ 860,390
Ambulance	4,107,846	-	-	-	-	4,107,846
Fines	1,253,389	-	-	-	99,541	1,352,930
Utilities	-	-	2,917,451	1,789,982	-	4,707,433
Miscellaneous	65,412	-	-	-	260,897	326,309
Grants	29,685	29,622,600	-	-	-	29,652,285
Notes	-	-	-	-	110,444	110,444
Gross receivables	<u>6,211,589</u>	<u>29,680,260</u>	<u>2,917,451</u>	<u>1,789,982</u>	<u>518,355</u>	<u>41,117,637</u>
Less: allowance for uncollectible	<u>( 5,043,381)</u>	<u>-</u>	<u>( 1,205,335)</u>	<u>( 423,495)</u>	<u>( 190,647)</u>	<u>( 6,862,858)</u>
Net total receivables	<u>\$ 1,168,208</u>	<u>\$ 29,680,260</u>	<u>\$ 1,712,116</u>	<u>\$ 1,366,487</u>	<u>\$ 327,708</u>	<u>\$ 34,254,779</u>

D. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Governmental funds:		
Taxes receivable	\$ 201,180	\$ -
Ambulance fees	255,310	-
Municipal court fines	67,521	-
Miscellaneous	1,857	15,122
Grants	<u>29,622,600</u>	<u>46,958</u>
Total	<u>\$ 30,148,468</u>	<u>\$ 62,080</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Assets

Capital asset activity for the year ended September 30, 2012, was as follows:

**Primary Government**

	Balance 10/1/11	Additions	Deletions	Balance 09/30/12
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,263,035	\$ -	\$ -	\$ 1,263,035
Construction in progress	<u>2,921,657</u>	<u>937,633</u>	<u>1,889,985</u>	<u>1,969,305</u>
Total assets not being depreciated	<u>4,184,692</u>	<u>937,633</u>	<u>1,889,985</u>	<u>3,232,340</u>
Capital assets, being depreciated:				
Buildings	7,967,196	-	-	7,967,196
Furniture and fixtures	307,297	-	-	307,297
Vehicles	3,719,272	258,624	194,914	3,782,982
Equipment	4,064,807	466,249	77,360	4,453,696
Infrastructure	13,731,513	1,869,760	-	15,601,273
Facilities	<u>18,866,157</u>	<u>85,843</u>	<u>-</u>	<u>18,952,000</u>
Total capital assets being depreciated	<u>48,656,242</u>	<u>2,680,476</u>	<u>272,274</u>	<u>51,064,444</u>
Less accumulated depreciation:				
Buildings	4,823,600	265,405	-	5,089,005
Furniture and fixtures	289,674	691	-	290,365
Vehicles	2,608,116	351,006	194,914	2,764,208
Equipment	3,078,528	226,881	21,599	3,283,810
Infrastructure	2,304,725	317,276	-	2,622,001
Facilities	<u>2,170,895</u>	<u>666,602</u>	<u>10,000</u>	<u>2,827,497</u>
Total accumulated depreciation	<u>15,275,538</u>	<u>1,827,861</u>	<u>226,513</u>	<u>16,876,886</u>
Total capital assets being depreciated, net	<u>33,380,704</u>	<u>852,615</u>	<u>45,761</u>	<u>34,187,558</u>
Governmental activities capital assets, net	<u>\$ 37,565,396</u>	<u>\$ 1,790,248</u>	<u>\$ 1,935,746</u>	<u>\$ 37,419,898</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Assets (Continued)

	Balance 09/30/11	Additions	Deletions	Adjustments	Balance 09/30/12
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 769,433	\$ 39,608	\$ -	\$ -	\$ 809,041
Construction in progress	<u>1,093,832</u>	<u>2,098,645</u>	<u>288,080</u>	<u>-</u>	<u>2,904,397</u>
Total assets not being depreciated	<u>1,863,265</u>	<u>2,138,253</u>	<u>288,080</u>	<u>-</u>	<u>3,713,438</u>
Capital assets, being depreciated:					
Buildings	322,312	-	-	-	322,312
Vehicles	1,619,795	413,883	53,138	523,707	2,504,247
Equipment	4,015,414	170,211	-	( 522,441)	3,663,184
Infrastructure	41,165,865	-	-	-	41,165,865
Facilities	<u>33,209,266</u>	<u>288,080</u>	<u>-</u>	<u>-</u>	<u>33,497,346</u>
Total capital assets being depreciated	<u>80,332,652</u>	<u>872,174</u>	<u>53,138</u>	<u>1,266</u>	<u>81,152,954</u>
Less accumulated depreciation:					
Buildings	259,820	12,721	-	-	272,541
Vehicles	1,079,697	283,509	53,138	454,625	1,764,693
Equipment	3,236,745	171,826	-	( 453,359)	2,955,212
Infrastructure	21,346,932	979,173	-	-	22,326,105
Facilities	<u>9,430,133</u>	<u>839,949</u>	<u>-</u>	<u>-</u>	<u>10,270,082</u>
Total accumulated depreciation	<u>35,353,327</u>	<u>2,287,178</u>	<u>53,138</u>	<u>1,266</u>	<u>37,588,633</u>
Total capital assets being depreciated, net	<u>44,979,325</u>	<u>( 1,415,004)</u>	<u>-</u>	<u>-</u>	<u>43,564,321</u>
Business-type activities capital assets, net	<u>\$ 46,842,590</u>	<u>\$ 723,249</u>	<u>\$ 288,080</u>	<u>\$ -</u>	<u>\$ 47,277,759</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Government activities:	
General government	\$ 216,605
Public safety	958,057
Community service	195,897
Highways and streets	454,236
Fleet maintenance	<u>3,066</u>
Total depreciation expense - governmental activities	<u>\$ 1,827,861</u>
Business-type activities:	
Water and sewer	\$ 1,844,716
Solid waste	350,108
Golf course	<u>92,354</u>
Total depreciation expense - business-type activities	<u>\$ 2,287,178</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Assets (Continued)

**Discretely Presented Component Unit**

Activity for the Copperas Cove Economic Development Corporation (CCEDC) for the year ended September 30, 2012, was as follows:

	Balance 09/30/11	Additions	Deletions	Balance 09/30/12
Capital assets, not being depreciated:				
Land	\$ 2,365,070	\$ -	\$ 1,214,171	\$ 1,150,899
Construction in progress	<u>16,906</u>	<u>1,565,874</u>	<u>-</u>	<u>1,582,780</u>
Total assets not being depreciated	<u>2,381,976</u>	<u>1,565,874</u>	<u>1,214,171</u>	<u>2,733,679</u>
Capital assets, being depreciated:				
Buildings	177,379	-	-	177,379
Equipment	114,102	-	-	114,102
Improvements other than buildings	<u>246,600</u>	<u>-</u>	<u>-</u>	<u>246,600</u>
Total capital assets being depreciated	<u>538,081</u>	<u>-</u>	<u>-</u>	<u>538,081</u>
Less accumulated depreciation:				
Buildings	96,462	7,095	-	103,557
Equipment	103,185	3,620	-	106,805
Improvements other than buildings	<u>24,660</u>	<u>24,660</u>	<u>-</u>	<u>49,320</u>
Total accumulated depreciation	<u>224,307</u>	<u>35,375</u>	<u>-</u>	<u>259,682</u>
Total capital assets being depreciated, net	<u>313,774</u>	<u>( 35,375)</u>	<u>-</u>	<u>278,399</u>
Governmental activities capital assets, net	<u>\$ 2,695,750</u>	<u>\$ 1,530,499</u>	<u>\$ 1,214,171</u>	<u>\$ 3,012,078</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at September 30, 2012, is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund		
Water and sewer	\$ -	\$ 3,453
Nonmajor governmental funds	67,959	2,740
Nonmajor enterprise funds	<u>180,000</u>	<u>-</u>
Total general fund	<u>247,959</u>	<u>6,193</u>
Debt service		
Nonmajor enterprise funds	<u>289,649</u>	<u>-</u>
Total Debt Service	<u>289,649</u>	<u>-</u>
Water and sewer		
General fund	3,453	-
Nonmajor enterprise funds	<u>329,116</u>	<u>-</u>
Total water and sewer	<u>332,569</u>	<u>-</u>
Nonmajor governmental funds		
General fund	2,740	67,959
Nonmajor enterprise funds	<u>3,897</u>	<u>-</u>
Total nonmajor governmental funds	<u>6,637</u>	<u>67,959</u>
Nonmajor enterprise funds		
General fund	-	180,000
Debt service	-	289,649
Water and sewer	-	329,116
Nonmajor governmental funds	<u>-</u>	<u>3,897</u>
Total nonmajor enterprise funds	<u>-</u>	<u>802,662</u>
Total	<u>\$ 876,814</u>	<u>\$ 876,814</u>

Balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Interfund Receivables, Payables, and Transfers

Transfers during the year ended September 30, 2012, were:

	<u>Transfers in</u>	<u>Transfers out</u>
General fund		
Water and sewer	\$ 690,000	\$ -
Solid waste	428,000	-
Nonmajor governmental funds	<u>88,070</u>	<u>168,086</u>
Total general fund	<u>1,206,070</u>	<u>168,086</u>
Water and sewer		
General fund	-	690,000
Nonmajor governmental funds	<u>20,000</u>	<u>-</u>
Total water and sewer	<u>20,000</u>	<u>690,000</u>
Solid waste		
General fund	<u>-</u>	<u>428,000</u>
Total nonmajor governmental funds	<u>-</u>	<u>428,000</u>
Nonmajor governmental funds		
General fund	168,086	88,070
Water and sewer	<u>-</u>	<u>20,000</u>
Total nonmajor enterprise funds	<u>168,086</u>	<u>108,070</u>
Total	<u>\$ 1,394,156</u>	<u>\$ 1,394,156</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(continued)

### III. DETAILED NOTES ON ALL FUNDS (Continued)

#### G. Long-term Debt

A summary of long-term debt transactions, including current position, for the year ended September 30, 2012, is as follows:

	Balance 09/30/11	Additions	Deletions	Amount Refunded	Balance 09/30/12	Due Within One Year
<b>Governmental activities:</b>						
General obligation bonds	\$ 16,860,570	\$ 972,000	\$ 908,809	\$ -	\$ 16,923,761	\$ 490,627
Certificates of obligation	45,340,000	-	120,000	1,000,000	44,220,000	11,010,000
Limited tax notes	4,690,000	1,405,000	790,000	-	5,305,000	855,000
Unamortized bond premium	3,500,681	71,091	558,991	-	3,012,781	-
Unamortized bond discount	( 99,554)	-	5,633	-	( 93,921)	-
Deferred amount on refunding	( 475,525)	-	27,392	-	( 448,133)	-
Total bonds payable	69,816,172	2,448,091	2,344,775	1,000,000	68,919,488	12,355,627
Capital leases	7,764	-	7,764	-	-	-
Compensated absences	605,743	474,994	440,489	-	640,248	294,514
Net pension obligation	482,322	939,490	893,108	-	528,704	-
Net OPEB obligation	80,757	61,827	29,030	-	113,554	-
Governmental activities long-term debt	\$ 70,992,758	\$ 3,924,402	\$ 3,715,166	\$ 1,000,000	\$ 70,201,994	\$ 12,650,141
<b>Business-type activities:</b>						
General obligation bonds	\$ 18,379,431	\$ 4,973,000	\$ 1,571,191	\$ 880,000	\$ 20,901,240	\$ 2,124,422
Certificates of obligation	4,875,000	-	375,000	2,210,000	2,290,000	140,000
Limited tax notes	7,315,000	335,000	1,080,000	-	6,570,000	730,000
Unamortized bond premiums	45,084	199,069	6,759	-	237,394	-
Unamortized bond discounts	( 12,582)	( 32,848)	2,516	-	( 42,914)	-
Deferred amount on refunding	( 583,119)	( 118,388)	69,492	-	( 632,015)	-
Total bonds payable	30,018,814	5,355,833	3,104,958	3,090,000	29,323,705	2,994,422
Estimated landfill postclosure care costs	479,529	24,181	-	-	503,710	-
Compensated absences	204,960	160,537	143,181	-	222,316	4,395
Capital leases	92,920	-	92,920	-	-	-
Net pension obligation	170,424	334,612	317,502	-	187,534	-
Net OPEB obligation	28,064	20,417	8,980	-	39,501	-
Business-type activities long-term debt	\$ 30,994,711	\$ 5,895,580	\$ 3,667,541	\$ 3,090,000	\$ 30,276,766	\$ 2,998,817
<b>Discretely Presented Component Unit:</b>						
Revenue bonds	\$ 600,000	\$ 1,500,000	\$ 60,000	\$ 2,040,000	\$ 70,000	
Net pension obligation	7,194	-	641	6,553	-	
Net OPEB obligation	1,202	-	-	1,202	-	
Discretely Presented Component Unit	\$ 608,396	\$ 1,500,000	\$ 60,641	\$ 2,047,755	\$ 70,000	

For the liability for the net pension obligation and the net other postemployment benefit obligation, the General Fund normally liquidates approximately 70 percent, the Water and Sewer Fund normally liquidates approximately 15 percent, and the Solid Waste Fund normally liquidates approximately 5 percent. The remaining 10 percent is primarily liquidated by nonmajor funds.

The ordinances authorizing the issuance of general obligation bonds created an interest and sinking fund (Debt Service Fund). The ordinances require the City to ascertain a rate of ad valorem tax that will be sufficient to pay the principal and interest as they become due.

The ordinances authorizing the issuance of Waterworks and Sewer System Revenue Bonds created a sinking fund and a reserve fund. The gross revenue of the water and sewer system, after deduction of reasonable expenses for operations and maintenance, is pledged to such funds in amounts equal to the total annual principal and interest requirements of the bonds and amounts required to maintain the reserve fund. All bonded debt requires semi-annual payments of interest. The various bond ordinances provide the City with rights of redemption at par, plus accrued interest, at specific future dates.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-term Debt (Continued)

Bonds payable at September 30, 2012, includes the following individual issues:

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding
Governmental activities:					
General obligation bonds:					
2005 refunding	3.68	11/29/05	08/15/07	\$ 1,892,800	\$ 331,971
2006 refunding	3.78	03/09/06	08/15/21	996,000	971,000
2007 refunding	3.94	05/31/07	09/30/23	1,408,500	1,360,500
2009 various purpose	3.00 - 4.875	09/10/09	08/15/34	4,770,000	4,625,000
2010 various purpose	4.00 - 4.50	05/25/10	08/15/35	1,425,000	1,390,000
2010 refunding	1.00 - 2.75	11/15/10	08/15/19	2,490,540	1,802,790
2011 various purpose	3.50 - 5.00	02/01/11	08/15/28	5,490,000	5,490,000
2012 refunding	.25 - 3.00	04/15/12	08/15/23	972,000	952,500
Limited tax notes:					
2006	3.50 - 4.00	09/26/06	08/15/13	1,260,000	175,000
2008	2.78	05/01/08	02/15/14	1,640,000	935,000
2008A	3.611	10/28/08	08/30/15	1,235,000	880,000
2009	2.00 - 3.00	09/10/09	08/15/16	890,000	645,000
2010	2.375 - 3.00	05/27/10	08/15/16	165,000	470,000
2010A	1.00 - 2.30	11/15/10	08/15/14	1,380,000	1,230,000
2012	1.96	02/11/12	09/30/18	990,000	970,000
Tax/revenue certificates of obligation:					
2007 various purpose	3.94	05/31/07	09/30/27	5,300,000	5,220,000
2011 various purpose	3.50 - 5.00	02/01/11	08/15/17	<u>39,000,000</u>	<u>39,000,000</u>
Total				<u>\$ 71,304,840</u>	<u>\$ 66,448,761</u>
Business-type activities:					
General obligation bonds:					
2005 refunding	3.68	11/29/05	08/15/19	4,022,200	\$ 2,783,030
2006 refunding	3.78	03/09/06	08/15/21	3,984,000	3,884,000
2007 refunding	3.94	05/31/07	09/30/23	3,286,500	3,174,500
2010 various purpose	2.375 - 3.00	05/25/10	08/30/35	3,260,000	3,200,000
2010 refunding	1.00 - 2.75	11/15/10	08/15/19	3,554,460	2,932,210
2012 refunding	.25 - 3.00	04/15/12	08/15/23	4,973,000	4,927,500
Limited tax notes:					
2008	2.78	05/31/08	02/15/14	1,215,000	660,000
2008A	3.611	10/28/08	08/15/15	955,000	525,000
2009	2.00 - 3.00	09/10/09	08/15/16	1,620,000	1,175,000
2010	2.375 - 3.00	05/27/10	08/15/16	3,885,000	3,365,000
2010A	1.00 - 2.30	11/15/10	08/15/14	535,000	535,000
2012	1.96	02/11/12	09/30/18	335,000	310,000
Tax/revenue certificates of obligation:					
2005 various purpose	3.63	11/10/05	08/15/25	<u>3,050,000</u>	<u>2,290,000</u>
Total				<u>\$ 34,675,160</u>	<u>\$ 29,761,240</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-term Debt (Continued)

**General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

In April of 2012, the City issued General Obligation Refunding and Improvement Bonds, Series 2012, in the amount of \$5,945,000, maturing in 2023 with interest rates ranging between .25% and 3.00%. The proceeds from the bonds will be used for waterworks and sewer system improvements, refunding \$4,090,000 in certain maturities of the City's outstanding obligations to achieve debt service savings and paying the costs of issuance on the bonds. The refunded bonds were retired in August of 2012. This current refunding was undertaken to reduce total debt service payments by \$594,553 over the next 11 years and resulted in an economic gain of \$529,286.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 490,627	\$ 668,304	\$ 2,124,422	\$ 713,059
2014	698,094	676,392	1,731,857	649,995
2015	707,060	653,940	1,677,929	597,527
2016	847,440	636,030	1,712,560	545,235
2017	790,200	611,760	1,729,799	492,108
2018-2022	5,154,340	2,560,834	7,545,673	1,630,206
2023-2027	4,861,000	1,563,856	1,914,000	666,443
2028-2032	2,480,000	499,498	1,310,000	411,094
2033-2036	<u>895,000</u>	<u>69,918</u>	<u>1,155,000</u>	<u>121,550</u>
Total	<u>\$ 16,923,761</u>	<u>\$ 7,940,532</u>	<u>\$ 20,901,240</u>	<u>\$ 5,827,217</u>

**Tax and Revenue Certificates of Obligation**

Annual debt service requirements to maturity for Tax and Revenue Certificates of Obligation are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 11,010,000	\$ 1,919,093	\$ 140,000	\$ 83,127
2014	15,755,000	1,478,789	140,000	78,045
2015	12,545,000	693,583	155,000	72,963
2016	390,000	191,936	155,000	67,337
2017	575,000	176,944	160,000	61,710
2018-2022	1,785,000	641,826	910,000	215,623
2023-2027	<u>2,160,000</u>	<u>262,461</u>	<u>630,000</u>	<u>46,283</u>
Total	<u>\$ 44,220,000</u>	<u>\$ 5,364,632</u>	<u>\$ 2,290,000</u>	<u>\$ 625,088</u>

(continued)

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-term Debt (Continued)**

**Tax and Revenue Certificates of Obligation (Continued)**

In February of 2011, the City issued Contract Revenue and Limited Tax Bonds, Series 2011, in the amount of \$39,000,000, maturing in 2017 with interest rates ranging between 3.50% and 5.00%. The City concurrently issued General Obligation Bonds, Series 2011, in the amount of \$5,490,000, maturing in 2026, with interest rates ranging from 3.50% to 5.00%. The proceeds from both bonds are being used to pay for highway improvements to U. S. 190.

Under an agreement with the Texas Department of Transportation (“TxDOT”), the City provided \$45,400,000 in funding for a highway improvement project designed to allow traffic to bypass the City to the east and reconnect to S. H. 190 south of the City. The City issued the obligations described above to provide the funding for the project. In addition, pursuant to the TxDOT agreement, TxDOT agreed to pay the City up to \$42,318,000 for the purpose of reimbursing the City for costs to construct the project. TxDOT is reimbursing the City the actual final construction cost of the project up to \$42,318,000 according to the following schedule: 30% of the bid construction cost of the project not to exceed \$12,695,400 in September 2012; 40% of the bid construction cost of the project not to exceed \$16,927,200 in September 2013; and 30% of the bid construction cost of the project not to exceed \$12,695,400 in September 2014.

**Limited Tax Notes**

Annual debt service requirements to maturity for the Limited Tax Notes are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 935,000	\$ 106,817	\$ 730,000	\$ 164,517
2014	1,180,000	78,083	830,000	137,659
2015	1,315,000	58,501	825,000	125,176
2016	910,000	27,086	3,790,000	101,027
2017	730,000	-	335,000	8,660
2018-2021	<u>235,000</u>	<u>-</u>	<u>60,000</u>	<u>1,176</u>
Total	<u>\$ 5,305,000</u>	<u>\$ 270,487</u>	<u>\$ 6,570,000</u>	<u>\$ 538,215</u>

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is a member of the Texas Municipal League’s Intergovernmental Risk Pool (“Pool”). The Pool was created for the purpose of providing coverage against risks that are inherent in operating a political subdivision. The City pays annual premiums to the Pool for liability, property and workers’ compensation coverage. The City’s agreement with the Pool provides that the Pool will be self-sustaining through member premiums. The Pool agrees to handle all liability, property and workers’ compensation claims and provides any defense as is necessary.

The Pool makes available to the City loss control services to assist the City in following a plan of loss control that may result in reduced losses. The City agrees that it will cooperate in instituting any and all reasonable loss control recommendations made by the Pool. The City also carries commercial insurance on all other risks of loss, including employee health and accident insurance. The City has experienced no significant reductions in coverage through the Pool over the past year. There have been no insurance settlements exceeding Pool or insurance coverage for any of the past three years.

(continued)

**IV. OTHER INFORMATION (Continued)**

**B. Commitments and Contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City has active governmental and water and sewer construction projects as of September 30, 2012. At year-end, the City's commitments with contractors are as follows:

	<u>Contract Amount</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental	\$ 1,176,610	\$ 685,612	\$ 490,998
Water and sewer	<u>870,757</u>	<u>673,879</u>	<u>196,878</u>
Total	<u>\$ 2,047,367</u>	<u>\$ 1,359,491</u>	<u>\$ 687,876</u>

**C. Employee Retirement Plan**

**Plan Description**

The City provides pension benefits for all of its fulltime employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the city are within the options available in the governing state statutes of TMRS. TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com). The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee Deposit Rate:	6%
Matching Ratio (City to Employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating

**Contributions**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

(continued)

IV. OTHER INFORMATION (Continued)

C. Employee Retirement Plan (Continued)

Contributions (Continued)

The annual pension cost and net pension obligation are as follows:

	September 30,		
	2012	2011	2010
Annual Required Contribution (ARC)	\$ 1,280,493	\$ 1,424,875	\$ 1,327,035
Interest on NPO	46,151	32,684	14,104
Adjustment to the ARC	( 39,671)	( 27,042)	( 11,483)
Annual pension cost	1,286,973	1,430,517	1,329,656
Contributions made	( 1,223,476)	( 1,207,012)	( 1,081,918)
Increase (decrease) in NPO	63,497	223,505	247,738
Percentage of APC contributed	95%	84%	81%
Net pension obligation (NPO), beginning of year	<u>659,294</u>	<u>435,789</u>	<u>188,050</u>
Net pension obligation (NPO), end of year	<u>\$ 722,791</u>	<u>\$ 659,294</u>	<u>\$ 435,789</u>

The required contribution rates for fiscal year 2012 were determined as part of the December 31, 2009 and 2010 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2011, also follows:

Actuarial Valuation Date	12/31/09	12/31/10	12/31/11
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	28.1 years; closed period	27.3 years; closed period	26.3 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:			
Investment rate of return*	7.5%	7.0%	7.0%
Projected salary increases*	varies by age and service	varies by age and service	varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%

(continued)

**IV. OTHER INFORMATION (Continued)**

**C. Employee Retirement Plan (Continued)**

**Funded Status and Funding Progress**

The funded status as of December 31, 2011, the most recent actuarial valuation date, is presented as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
12/31/11	\$ 34,888,305	\$ 43,708,685	79.8%	\$ 8,820,380	\$ 10,796,316	81.7%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**D. Post-retirement Health Care Benefits**

The City provides certain health care benefits through a single-employer defined benefit OPEB plan. Regular, fulltime employees are eligible to participate in the City's health care plan as a retiree at their own expense. The retiree pays 100% of the premiums for the insurance. Members are eligible at any age with 20 years of service or at age 60 with 5 years of service. Spouses and dependents of retirees are also eligible. Currently, the City has 269 active employees and 6 retirees eligible to participate in the plan.

When a regular, fulltime employee retires they are eligible to continue to participate in the City's group health insurance plan. Members who terminate employment prior to retirement are not eligible for retiree health care benefits.

Retirees are eligible for health care until they become Medicare eligible. The retiree pays full premiums.

Retirees who decide to opt-out for the health care plan are not eligible to opt back in when coverage from another entity ceases.

(continued)

IV. OTHER INFORMATION (Continued)

D. Post-retirement Health Care Benefits (Continued)

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City has not established a trust to fund the plan and the City does not issue separate financial statements for the plan. The City's annual OPEB cost for the current year and the related information is listed below:

Annual Required Contribution (ARC)	\$ 81,302
Interest on Net OPEB Obligation	4,978
Adjustment to the ARC	<u>( 4,612)</u>
Annual OPEB Cost	81,668
Employer Contributions	<u>( 39,230)</u>
Increase (Decrease) in Net OPEB Obligation	42,438
Net OPEB Obligation, beginning of year	<u>110,617</u>
 Net OPEB Obligation, end of year	 <u>\$ 153,055</u>

Expenses for post-retirement health care benefits are funded on a pay-as-you-go basis.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2012 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual Required Contribution	Employer Contribution	Percentage Contributed	Net OPEB Obligation
09/30/10	\$ 54,875	\$ 24,934	45%	\$ 61,162
09/30/11	78,934	29,681	38%	110,617
09/30/12	81,668	39,230	48%	153,055

The funded status of the City's retiree health care plan, under GASB Statement No. 45 as of December 31, 2010, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (AAL) (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/10	-	\$ 829,152	\$ 829,152	- %	\$ 11,028,900	7.52%

(continued)

**IV. OTHER INFORMATION (Continued)**

**D. Post-retirement Health Care Benefits (Continued)**

**Actuarial Methods and Assumptions**

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Payroll Growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 9.0% declining to an ultimate rate of 4.50% after 9 years

A separate, audited, GAAP-basis postemployment benefit plan report is not available.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Supplemental Death Benefits Fund**

The City also participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

(continued)

**IV. OTHER INFORMATION (Continued)**

**D. Post-retirement Health Care Benefits (Continued)**

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the fiscal years ended 2012, 2011 and 2010 were \$19,761, \$23,695, and \$21,770, which equaled the required contributions each year.

Fiscal Year Ended	Annual Required Contribution	Employer Contribution	Percentage Contributed	Net OPEB Obligation
09/30/10	\$ 21,770	\$ 21,770	100%	\$ -
09/30/11	23,695	23,695	100%	-
09/30/12	19,761	19,761	100%	-

**E. Municipal Solid Waste Landfill**

On October 9, 1991, the Environmental Protection Agency (EPA) approved Subtitle "D" regulations that mandate environmental controls over the development and operations of landfills throughout the United States. The Texas Commission on Environmental Quality (TCEQ) oversees the implementation of these regulations and provides guidelines that parallel those of the EPA. The City of Copperas Cove falls under these controls. Subtitle "D" regulations require that all landfills abide by specific criteria. Among these criteria are regulations on the closure and postclosure of municipal solid waste landfills.

The regulations require that once the landfill is closed, the owner/operator is responsible for maintaining the final cover, monitoring groundwater and methane gas, and continuing leachate management for 30 years.

The total current cost of postclosure care is the amount that would be paid if all equipment, facilities and services included in the estimates were acquired during the current period. The cost estimates used were obtained by the City's environmental consultants who maintain the landfills. Each year, the City evaluates estimated remaining postclosure care costs for changes due to inflation or deflation, technology, or applicable laws or regulations.

Estimated postclosure care costs as of September 30, 2012, are \$503,710. It is estimated that the landfill requires 17 years of postclosure care as of September 30, 2012.

**F. Subsequent Events**

On January 15, 2013, the City issued General Obligation Bonds Series 2013 in the amount of \$4,685,000, maturing in 2033 with interest rates ranging from .35% to 2.65%. The proceeds of the bonds will be used for the purpose of providing funds to acquire, construct and equip a new fire station, acquire firefighting equipment, including but not limited to the purchase of two fire trucks, and acquire land.

On January 15, 2013, the City issued Limited Tax Notes in the amount of \$2,630,000, maturing in 2019 with interest rates ranging from .35% to 1.25%. The proceeds of the notes will be used for the purpose of providing funds to acquire and renovate municipal buildings, construct improvements to the City's water and wastewater system, construct improvements to the City's solid waste facilities and make improvements to the City's golf course.

# **CITY OF COPPERAS COVE, TEXAS**

## **REQUIRED SUPPLEMENTARY INFORMATION**

“The City Built for Family Living”

# CITY OF COPPERAS COVE, TEXAS

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 10,536,050	\$ 10,324,056	\$ 10,431,142	\$ 107,086
Charges for services	1,183,570	1,223,563	1,278,198	54,635
Intergovernmental	-	3,258	36,450	33,192
Fines	706,714	740,257	687,021	( 53,236)
Licenses	36,570	43,723	50,262	6,539
Permits	165,545	159,071	186,774	27,703
Contributions	10,700	58,517	60,784	2,267
Investment income	10,090	7,086	9,506	2,420
Miscellaneous	312,420	331,966	251,075	( 80,891)
Total revenues	12,961,659	12,891,497	12,991,212	99,715
<b>EXPENDITURES</b>				
Current:				
General government	2,392,374	2,558,848	2,278,625	280,223
Community services	2,063,744	2,032,392	1,927,981	104,411
Fleet and facility services	218,444	220,558	216,223	4,335
Highways and streets	830,068	808,768	781,409	27,359
Public safety	9,519,406	9,232,379	8,880,820	351,559
Total expenditures	15,024,036	14,852,945	14,085,058	767,887
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 2,062,377)	( 1,961,448)	( 1,093,846)	867,602
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,198,000	1,206,897	1,206,070	( 827)
Transfers out	( 158,677)	( 176,791)	( 168,086)	8,705
Proceeds from sale of capital assets	6,000	18,000	14,104	( 3,896)
Proceeds from insurance	-	5,729	8,714	2,985
Total other financing sources (uses)	1,045,323	1,053,835	1,060,802	6,967
<b>NET CHANGE IN FUND BALANCE</b>	\$( 1,017,054)	\$( 907,613)	( 33,044)	\$ 874,569
<b>FUND BALANCE, BEGINNING</b>			5,593,490	
<b>CURRENT YEAR ENCUMBRANCES</b>			304,681	
<b>PRIOR YEAR ENCUMBRANCES</b>			( 3,717)	
<b>FUND BALANCE, ENDING</b>			\$ 5,861,410	

**CITY OF COPPERAS COVE, TEXAS**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS FOR PARTICIPATION  
IN TEXAS MUNICIPAL RETIREMENT SYSTEM**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Funded Ratio (a/b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b-a)/(c)</u>
12/31/2009	\$ 19,032,818	\$ 28,931,950	65.8%	\$ 9,899,132	\$ 11,032,423	89.7%
12/31/2010	32,237,271	41,374,396	77.9%	9,137,125	10,800,859	84.6%
12/31/2011	34,888,305	43,708,685	79.8%	8,820,380	10,796,316	81.7%

Note: 2010 includes the impact of Senate Bill 350 enacted by the Texas Legislature in June 2011. This legislation provided a restructuring of the Texas Municipal Retirement System funds effective December 31, 2010.

**CITY OF COPPERAS COVE, TEXAS**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS FOR  
POST-RETIREMENT HEALTH CARE BENEFIT PLAN**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
12/31/2008	\$ -	\$ 523,754	\$ -	- %	\$ 11,032,423	4.8%
12/31/2010	-	829,152	-	- %	11,028,900	7.5%

Note: This is the fourth year of implementation of GASB 45. Accordingly, only two years of funding progress are available as GASB 45 only requires the City to have actuarial evaluations performed every two years. Additional years of funding progress will be presented in future years, as they become available.

# CITY OF COPPERAS COVE, TEXAS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2012

### Budgets

Budgets are adopted on a basis generally consistent with generally accepted accounting principles with a few exceptions, primarily budgeting current expenditures and capital outlay together by function and using encumbrances as discussed below. Annual appropriated budgets are adopted for the General, most Special Revenue (except for the Texas Community Development Loan Fund, the FEMA Grant Fund and the City Wide Grants Fund), Debt Service, and Proprietary Funds. Project-length financial plans are adopted for all Capital Projects Funds.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in governmental funds. However, encumbrances are considered to be expenditures under the City's budgetary basis of accounting.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to August 15, the City Manager submits a proposed operating budget to the City Council for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. On or before September 30, the City Council holds a public hearing and adopts the budget.
3. Any revisions that alter the total expenditures of any fund must be adopted by the City Council after formal public budget hearings. Transfers between departments within a fund are permitted within the last three months of the fiscal year by a City Council resolution. The Director of Finance may at any time transfer any unencumbered appropriations between general classification of expenditures within an office, department or agency.
4. Formal budgetary integration is employed as a management control device during the year for the General, most Special Revenue, Debt Service, and Proprietary Funds. Formal annual budgetary integration is not employed for the Texas Community Development Loan Fund, the FEMA Grant Fund and the City Wide Grants Fund because the amount of revenues and expenditures vary depending on unpredictable availability of resources or the Capital Projects Funds because effective project budgetary control is provided by project length budgets.
5. Budgets for the General Fund, the Special Revenue Funds, and the Debt Service Fund are adopted on the modified accrual basis of accounting, with the modifications discussed earlier. All budgetary expenditures include encumbrances outstanding at year-end. Budgets for Proprietary Funds are prepared on an accrual basis.
6. Budget appropriations lapse at year-end and do not carry forward to future periods unless they have been legally encumbered. Budget amounts presented are from the original and final budgets approved by the City Council.
7. The legal level of control (the level at which expenditures may not legally exceed budget appropriation) established by the Charter is the department.



**CITY OF COPPERAS COVE, TEXAS**

**COMBINING STATEMENTS AND BUDGET  
COMPARISONS AS SUPPLEMENTARY  
INFORMATION**

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purpose of additional analysis.

“The City Built for Family Living”

**CITY OF COPPERAS COVE, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET BY FUND TYPE**  
**SEPTEMBER 30, 2012**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,667,810	\$ 1,358,332	\$ 3,026,142
Receivables (net of allowances for uncollectibles):			
Taxes	47,473	-	47,473
Accounts	162,984	-	162,984
Fines	4,977	-	4,977
Due from other funds	6,637	-	6,637
Prepays	91	-	91
Notes receivable	<u>110,444</u>	<u>-</u>	<u>110,444</u>
 Total assets	 <u>\$ 2,000,416</u>	 <u>\$ 1,358,332</u>	 <u>\$ 3,358,748</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 126,049	\$ 213,500	\$ 339,549
Due to other funds	67,959	-	67,959
Deferred revenue	51,936	-	51,936
Accrued liabilities	6,502	-	6,502
Other liabilities	<u>-</u>	<u>16,106</u>	<u>16,106</u>
Total liabilities	<u>252,446</u>	<u>229,606</u>	<u>482,052</u>
 Fund balances:			
Nonspendable	110,535	-	110,535
Restricted	1,638,663	1,128,726	2,767,389
Unassigned	<u>( 1,228)</u>	<u>-</u>	<u>( 1,228)</u>
Total fund balances	<u>1,747,970</u>	<u>1,128,726</u>	<u>2,876,696</u>
 Total liabilities and fund balances	 <u>\$ 2,000,416</u>	 <u>\$ 1,358,332</u>	 <u>\$ 3,358,748</u>

**CITY OF COPPERAS COVE, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES BY FUND TYPE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 196,738	\$ -	\$ 196,738
Charges for services	890,646	-	890,646
Intergovernmental	223,966	-	223,966
Fines	43,507	-	43,507
Investment income	1,867	2,052	3,919
Miscellaneous	5,101	16,889	21,990
Total revenues	<u>1,361,825</u>	<u>18,941</u>	<u>1,380,766</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	71,846	71,846
Community services	116,836	-	116,836
Highways and streets	276,524	-	276,524
Public safety	222,254	25,767	248,021
Capital outlay	540,470	1,159,557	1,700,027
Debt service:			
Principal retirement	202,589	-	202,589
Interest and fiscal charges	28,613	-	28,613
Bond issuance costs	-	21,697	21,697
Total expenditures	<u>1,387,286</u>	<u>1,278,867</u>	<u>2,666,153</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 25,461)</u>	<u>( 1,259,926)</u>	<u>( 1,285,387)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of bonds	-	990,000	990,000
Transfers in	168,086	-	168,086
Transfers out	<u>( 108,070)</u>	<u>-</u>	<u>( 108,070)</u>
Total other financing sources (uses)	<u>60,016</u>	<u>990,000</u>	<u>1,050,016</u>
<b>NET CHANGE IN FUND BALANCES</b>	34,555	( 269,926)	( 235,371)
<b>FUND BALANCES, BEGINNING</b>	<u>1,713,415</u>	<u>1,398,652</u>	<u>3,112,067</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,747,970</u>	<u>\$ 1,128,726</u>	<u>\$ 2,876,696</u>

# CITY OF COPPERAS COVE, TEXAS

## NONMAJOR SPECIAL REVENUE FUNDS

***Hotel/Motel Tax Fund*** – to account for taxes which are used for the promotion of tourism as well as the enhancement of culture and recreation within the City.

***Drainage Utility Fund*** – to account for drainage assessment fees and grants.

***Municipal Court Fund*** – to account for funds required to be utilized to improve technology, security, and efficiency at the Municipal Court.

***Texas Community Development Loan Fund*** – to account for state development loans for business growth.

***Tobacco Grant Fund*** – to account for funds which are required to be used for tobacco education and compliance with state laws prohibiting the sale of tobacco to minors.

***Homeland Security Grants Fund*** – to account for a Staffing for Adequate Fire and Emergency Response (SAFER) grant and the Radio Antenna Tower grant which are funded through the U. S. Department of Homeland Security.

***FEMA Grant Fund*** – to account for activity related to federal assistance awarded to the City by FEMA.

***City Wide Grants Fund*** – to account for activity related to state and federal assistance.

**CITY OF COPPERAS COVE, TEXAS**

**NONMAJOR SPECIAL REVENUE FUNDS**

**COMBINING BALANCE SHEET**

**SEPTEMBER 30, 2012**

	<u>Hotel/Motel Tax</u>	<u>Drainage Utility</u>	<u>Municipal Court</u>	<u>Texas Community Development Loan</u>	<u>Tobacco Grant</u>
<b>ASSETS</b>					
Cash and investments	\$ 77,193	\$ 1,304,368	\$ 83,806	\$ 89,802	\$ 163
Receivables (net of allowance):					
Taxes	47,473	-	-	-	-
Accounts	-	162,984	-	-	-
Fines	-	-	4,977	-	-
Due from other funds	-	-	-	-	-
Prepays	-	91	-	-	-
Notes receivable	-	-	-	110,444	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ <u>124,666</u>	\$ <u>1,467,443</u>	\$ <u>88,783</u>	\$ <u>200,246</u>	\$ <u>163</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 124,242	\$ 327	\$ -	\$ -
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	4,977	-	-
Accrued liabilities	-	6,339	-	-	163
Total liabilities	<u>          </u>	<u>130,581</u>	<u>5,304</u>	<u>          </u>	<u>163</u>
Fund balances:					
Nonspendable	-	91	-	110,444	-
Restricted	124,666	1,336,771	83,479	89,802	-
Unassigned	-	-	-	-	-
Total fund balances	<u>124,666</u>	<u>1,336,862</u>	<u>83,479</u>	<u>200,246</u>	<u>          </u>
Total liabilities and fund balances	\$ <u>124,666</u>	\$ <u>1,467,443</u>	\$ <u>88,783</u>	\$ <u>200,246</u>	\$ <u>163</u>

Homeland Security Grants	FEMA Grant	City Wide Grants	Total Nonmajor Special Revenue Funds
\$ 86,771	\$ 9	\$ 25,698	\$ 1,667,810
-	-	-	47,473
-	-	-	162,984
-	-	-	4,977
-	3,897	2,740	6,637
-	-	-	91
<u>-</u>	<u>-</u>	<u>-</u>	<u>110,444</u>
<u>\$ 86,771</u>	<u>\$ 3,906</u>	<u>\$ 28,438</u>	<u>\$ 2,000,416</u>
\$ 1,480	\$ -	\$ -	\$ 126,049
67,959	-	-	67,959
18,560	-	28,399	51,936
-	-	-	6,502
<u>87,999</u>	<u>-</u>	<u>28,399</u>	<u>252,446</u>
-	-	-	110,535
-	3,906	39	1,638,663
( 1,228)	-	-	( 1,228)
<u>( 1,228)</u>	<u>3,906</u>	<u>39</u>	<u>1,747,970</u>
<u>\$ 86,771</u>	<u>\$ 3,906</u>	<u>\$ 28,438</u>	<u>\$ 2,000,416</u>

**CITY OF COPPERAS COVE, TEXAS**

**NONMAJOR SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Hotel/Motel Tax</u>	<u>Drainage Utility</u>	<u>Municipal Court</u>	<u>Texas Community Development Loan</u>	<u>Tobacco Grant</u>
<b>REVENUES</b>					
Taxes	\$ 196,738	\$ -	\$ -	\$ -	\$ -
Charges for services	-	890,646	-	-	-
Intergovernmental	-	-	-	-	1,500
Fines	-	-	43,507	-	-
Investment income	101	1,594	76	92	-
Miscellaneous	-	105	-	-	-
<b>Total revenues</b>	<u>196,839</u>	<u>892,345</u>	<u>43,583</u>	<u>92</u>	<u>1,500</u>
<b>EXPENDITURES</b>					
Current:					
Community services	112,958	-	-	-	-
Highways and streets	-	276,524	-	-	-
Public safety	-	-	23,636	-	1,500
Capital outlay	61,197	286,066	-	-	-
Debt service:					
Principal retirement	30,000	164,650	7,939	-	-
Interest and fiscal charges	3,713	24,585	315	-	-
<b>Total expenditures</b>	<u>207,868</u>	<u>751,825</u>	<u>31,890</u>	<u>-</u>	<u>1,500</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 11,029)</u>	<u>140,520</u>	<u>11,693</u>	<u>92</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	( 100,000)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>( 100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 11,029)</u>	<u>40,520</u>	<u>11,693</u>	<u>92</u>	<u>-</u>
<b>FUND BALANCES, BEGINNING</b>	<u>135,695</u>	<u>1,296,342</u>	<u>71,786</u>	<u>200,154</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 124,666</u>	<u>\$ 1,336,862</u>	<u>\$ 83,479</u>	<u>\$ 200,246</u>	<u>\$ -</u>

<u>Homeland Security Grants</u>	<u>FEMA Grant</u>	<u>City Wide Grants</u>	<u>Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 196,738
-	-	-	890,646
220,194	-	2,272	223,966
-	-	-	43,507
4	-	-	1,867
<u>4,996</u>	<u>-</u>	<u>-</u>	<u>5,101</u>
<u>225,194</u>	<u>-</u>	<u>2,272</u>	<u>1,361,825</u>
3,878	-	-	116,836
-	-	-	276,524
197,118	-	-	222,254
190,935	-	2,272	540,470
-	-	-	202,589
<u>-</u>	<u>-</u>	<u>-</u>	<u>28,613</u>
<u>391,931</u>	<u>-</u>	<u>2,272</u>	<u>1,387,286</u>
<u>( 166,737)</u>	<u>-</u>	<u>-</u>	<u>( 25,461)</u>
168,086	-	-	168,086
<u>( 8,070)</u>	<u>-</u>	<u>-</u>	<u>( 108,070)</u>
<u>160,016</u>	<u>-</u>	<u>-</u>	<u>60,016</u>
( 6,721)	-	-	34,555
<u>5,493</u>	<u>3,906</u>	<u>39</u>	<u>1,713,415</u>
<u><u>\$ ( 1,228)</u></u>	<u><u>\$ 3,906</u></u>	<u><u>\$ 39</u></u>	<u><u>\$ 1,747,970</u></u>

# CITY OF COPPERAS COVE, TEXAS

## NONMAJOR CAPITAL PROJECTS FUNDS

**2007 Capital Improvement Certificates of Obligation Fund** – to account for the proceeds from debt issued primarily for the construction of a new police facility

**Tax Notes Series 2006 Fund** – to account for the purchase of land and acquisition of engineering services for a new Police Station and the acquisition of a vacuum sweeper and ambulance. Payment of the debt service related for this issuance will be derived from the Tax Interest and Sinking Fund. The issue was for \$1,260,000.

**Reliever Route Fund** – to account for proceeds of funds from the sale of right-of-way land and the expenditures related to the future reliever route.

**2003 Capital Improvement Certificates of Obligation Fund** – to account for various projects to include, but not limited to, procurement of a communication system and various street projects.

**2008 Tax Notes Fund** – to account for the fire station relocation land purchase, park and recreation projects to include software, playscapes, lighting on baseball and soccer fields and park renovations, library repairs, street construction and a citywide cash receipts system.

**2008A Tax Notes Fund** – to purchase materials, supplies, equipment and machinery for various City departments, fire station roof repair, new ambulance for fire department, and Summers Road improvements. Payment of the debt service for this proposed issue will be derived from the Tax Interest and Sinking Fund. The issue was for \$1,060,000.

**2009 Tax Notes Fund** – to account for the purchase of fire apparatus and South Park Pool renovations. Payment of the debt service for this proposed issue will be derived from the Tax Interest and Sinking Fund. The issue was for \$680,000.

**2010 Tax Notes Fund** – to account for the proceeds from limited tax notes to be used to finance tax-supported projects. The proceeds totaled \$165,000.

**2009 Capital Improvement General Obligation Fund** – to account for the proceeds from debt issued for a police station and Lutheran Church Road street improvements.

**2011 General Obligation Bonds Fund** – to account for the proceeds from debt issued to pay the costs of construction of highway improvements to U. S. 190 including improvements to frontage roads, main lanes, and entrance and exit ramps.

**2010A Tax Notes Fund** – to account for the proceeds from debt issued to construct roads and improvements within the City, design and construct a fire station and upgrade equipment for administrative and emergency purposes.

**2011 Revenue and Limited Tax Bonds Fund** – to account for the proceeds from debt issued for a TXDOT project for the South East Bypass Project.

**2012 Tax Notes Tax Supported Fund** – to account for the proceeds from limited tax notes to be used to finance tax-supported projects.

**2012 Tax Note Municipal Court Fund** – to account for the proceeds from limited tax notes to be used to finance Municipal Court projects.

“The City Built for Family Living”

**CITY OF COPPERAS COVE, TEXAS**

**NONMAJOR CAPITAL PROJECTS FUNDS**

**COMBINING BALANCE SHEET**

**SEPTEMBER 30, 2012**

	2007 Capital Improvement Certificates of Obligation	Tax Notes Series 2006	Reliever Route	2003 Capital Improvement Certificates of Obligation
<b>ASSETS</b>				
Cash and investments	\$ <u>13</u>	\$ <u>15,216</u>	\$ <u>15</u>	\$ <u>-</u>
Total assets	\$ <u><u>13</u></u>	\$ <u><u>15,216</u></u>	\$ <u><u>15</u></u>	\$ <u><u>-</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	<u>13</u>	<u>15,216</u>	<u>15</u>	<u>-</u>
Total fund balances	<u>13</u>	<u>15,216</u>	<u>15</u>	<u>-</u>
Total liabilities and fund balances	\$ <u><u>13</u></u>	\$ <u><u>15,216</u></u>	\$ <u><u>15</u></u>	\$ <u><u>-</u></u>

<u>2008 Tax Notes</u>	<u>2008A Tax Notes</u>	<u>2009 Tax Notes</u>	<u>2010 Tax Notes</u>	<u>2009 Capital Improvement General Obligation</u>	<u>2011 General Obligation Bonds</u>	<u>2010A Tax Notes</u>	<u>2011 Revenue and Limited Tax Bonds</u>
\$ <u>4,123</u>	\$ <u>14,683</u>	\$ <u>-</u>	\$ <u>193,092</u>	\$ <u>69,596</u>	\$ <u>8,659</u>	\$ <u>329,156</u>	\$ <u>76,748</u>
\$ <u>4,123</u>	\$ <u>14,683</u>	\$ <u>-</u>	\$ <u>193,092</u>	\$ <u>69,596</u>	\$ <u>8,659</u>	\$ <u>329,156</u>	\$ <u>76,748</u>
\$ <u>-</u>	\$ <u>12,405</u>	\$ <u>-</u>	\$ <u>118,484</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7,600</u>	\$ <u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>16,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>12,405</u>	<u>-</u>	<u>134,590</u>	<u>-</u>	<u>-</u>	<u>7,600</u>	<u>-</u>
<u>4,123</u>	<u>2,278</u>	<u>-</u>	<u>58,502</u>	<u>69,596</u>	<u>8,659</u>	<u>321,556</u>	<u>76,748</u>
<u>4,123</u>	<u>2,278</u>	<u>-</u>	<u>58,502</u>	<u>69,596</u>	<u>8,659</u>	<u>321,556</u>	<u>76,748</u>
\$ <u>4,123</u>	\$ <u>14,683</u>	\$ <u>-</u>	\$ <u>193,092</u>	\$ <u>69,596</u>	\$ <u>8,659</u>	\$ <u>329,156</u>	\$ <u>76,748</u>

(continued)

**CITY OF COPPERAS COVE, TEXAS**

**NONMAJOR CAPITAL PROJECTS FUNDS**

**COMBINING BALANCE SHEET**

**(Continued)**

**SEPTEMBER 30, 2012**

	<u>2012 Tax Notes Tax Supported</u>	<u>2012 Tax Note Municipal Court</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ <u>618,105</u>	\$ <u>28,926</u>	\$ <u>1,358,332</u>
Total assets	\$ <u><u>618,105</u></u>	\$ <u><u>28,926</u></u>	\$ <u><u>1,358,332</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 49,244	\$ 25,767	\$ 213,500
Other liabilities	<u>-</u>	<u>-</u>	<u>16,106</u>
Total liabilities	<u>49,244</u>	<u>25,767</u>	<u>229,606</u>
Fund balances:			
Restricted	<u>568,861</u>	<u>3,159</u>	<u>1,128,726</u>
Total fund balances	<u>568,861</u>	<u>3,159</u>	<u>1,128,726</u>
Total liabilities and fund balances	\$ <u><u>618,105</u></u>	\$ <u><u>28,926</u></u>	\$ <u><u>1,358,332</u></u>

**CITY OF COPPERAS COVE, TEXAS**

**NONMAJOR CAPITAL PROJECTS FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	2007 Capital Improvement Certificates of Obligation	Tax Notes Series 2006	Reliever Route	2003 Capital Improvement Certificates of Obligation
<b>REVENUES</b>				
Investment income	\$ 13	\$ 21	\$ -	\$ 15
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>13</u>	<u>21</u>	<u>-</u>	<u>15</u>
<b>EXPENDITURES</b>				
General government	-	3,000	-	738
Public safety	-	-	-	-
Capital outlay	11,572	-	-	40,731
Debt service:				
Bond Issuance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>11,572</u>	<u>3,000</u>	<u>-</u>	<u>41,469</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 11,559)</u>	<u>( 2,979)</u>	<u>-</u>	<u>( 41,454)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 11,559)</u>	<u>( 2,979)</u>	<u>-</u>	<u>( 41,454)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>11,572</u>	<u>18,195</u>	<u>15</u>	<u>41,454</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 13</u>	<u>\$ 15,216</u>	<u>\$ 15</u>	<u>\$ -</u>

<u>2008 Tax Notes</u>	<u>2008A Tax Notes</u>	<u>2009 Tax Notes</u>	<u>2010 Tax Notes</u>	<u>2009 Capital Improvement General Obligation</u>	<u>2011 General Obligation Bonds</u>	<u>2010A Tax Notes</u>	<u>2011 Revenue and Limited Tax Bonds</u>
\$ 5	\$ 228	\$ -	\$ 371	\$ 116	\$ 3	\$ 500	\$ 75
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,009</u>	<u>-</u>	<u>10,880</u>
<u>5</u>	<u>228</u>	<u>-</u>	<u>371</u>	<u>116</u>	<u>6,012</u>	<u>500</u>	<u>10,955</u>
-	-	-	-	-	-	33,820	-
-	-	-	-	-	-	-	-
2,608	248,507	1,609	286,146	43,044	2,000	186,407	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,608</u>	<u>248,507</u>	<u>1,609</u>	<u>286,146</u>	<u>43,044</u>	<u>2,000</u>	<u>220,227</u>	<u>-</u>
( 2,603)	( 248,279)	( 1,609)	( 285,775)	( 42,928)	4,012	( 219,727)	10,955
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
( 2,603)	( 248,279)	( 1,609)	( 285,775)	( 42,928)	4,012	( 219,727)	10,955
<u>6,726</u>	<u>250,557</u>	<u>1,609</u>	<u>344,277</u>	<u>112,524</u>	<u>4,647</u>	<u>541,283</u>	<u>65,793</u>
<u>\$ 4,123</u>	<u>\$ 2,278</u>	<u>\$ -</u>	<u>\$ 58,502</u>	<u>\$ 69,596</u>	<u>\$ 8,659</u>	<u>\$ 321,556</u>	<u>\$ 76,748</u>

(continued)

**CITY OF COPPERAS COVE, TEXAS**

**NONMAJOR CAPITAL PROJECTS FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>2012 Tax Notes Tax Supported</u>	<u>2012 Tax Note Municipal Court</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>REVENUES</b>			
Investment income	\$ 681	\$ 24	\$ 2,052
Miscellaneous	<u>-</u>	<u>-</u>	<u>16,889</u>
Total revenues	<u>681</u>	<u>24</u>	<u>18,941</u>
<b>EXPENDITURES</b>			
General government	34,288	-	71,846
Public safety	-	25,767	25,767
Capital outlay	336,933	-	1,159,557
Debt service:			
Bond Issuance costs	<u>20,599</u>	<u>1,098</u>	<u>21,697</u>
Total expenditures	<u>391,820</u>	<u>26,865</u>	<u>1,278,867</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 391,139)</u>	<u>( 26,841)</u>	<u>( 1,259,926)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of bonds	<u>960,000</u>	<u>30,000</u>	<u>990,000</u>
Total other financing sources (uses)	<u>960,000</u>	<u>30,000</u>	<u>990,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	568,861	3,159	( 269,926)
<b>FUND BALANCES, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>1,398,652</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 568,861</u>	<u>\$ 3,159</u>	<u>\$ 1,128,726</u>

**CITY OF COPPERAS COVE, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>TAXES</b>				
Current ad valorem	\$ 6,269,650	\$ 6,206,954	\$ 6,227,121	\$ 20,167
Delinquent ad valorem	55,000	61,493	54,400	( 7,093)
Penalty and interest	57,000	51,584	47,442	( 4,142)
Franchise	1,298,400	1,266,283	1,361,162	94,879
Sales	2,680,000	2,575,420	2,585,231	9,811
Mixed drink	16,000	12,648	11,767	( 881)
Bingo	160,000	149,674	144,019	( 5,655)
Total taxes	<u>10,536,050</u>	<u>10,324,056</u>	<u>10,431,142</u>	<u>107,086</u>
<b>LICENSES</b>				
Bicycle	10	-	-	-
Contractors	25,000	28,000	30,710	2,710
Animal	5,000	4,808	5,912	1,104
Wrecker	510	765	765	-
Food establishment	5,000	7,000	10,075	3,075
Vicious/dangerous	700	2,550	2,200	( 350)
Taxi cab	350	600	600	-
Total licenses	<u>36,570</u>	<u>43,723</u>	<u>50,262</u>	<u>6,539</u>
<b>PERMITS</b>				
Building	50,000	50,000	66,881	16,881
Alarms	4,500	4,100	4,000	( 100)
Street cut	7,500	7,500	5,990	( 1,510)
Electrical	16,500	16,500	18,290	1,790
Solicitors	3,000	3,515	2,960	( 555)
Gas	1,500	2,100	2,275	175
Mechanical	21,500	20,000	19,162	( 838)
Garage sale	5,000	6,514	8,550	2,036
Plumbing	36,500	36,500	42,873	6,373
Car wash	500	500	530	30
Ambulance License	3,000	3,000	5,500	2,500
Beverage	540	540	240	( 300)
Signs	1,500	1,550	1,625	75
Food workers	11,300	3,102	3,678	576
Miscellaneous	605	1,500	1,740	240
Swimming pools	100	150	400	250
Certificates	2,000	2,000	2,080	80
Total permits	<u>165,545</u>	<u>159,071</u>	<u>186,774</u>	<u>27,703</u>

(continued)

**CITY OF COPPERAS COVE, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>CHARGES FOR SERVICES</b>				
Swimming pool	\$ 57,000	\$ 45,000	\$ 49,779	\$ 4,779
Community building rental	33,500	30,000	30,158	158
Library miscellaneous	14,795	13,000	12,473	( 527)
Animal shelter fees	20,000	20,000	22,979	2,979
Ambulance fees	678,550	750,000	799,963	49,963
Police overtime reimbursement	14,000	3,500	4,195	695
Police restitution	4,000	4,000	3,154	( 846)
Fire related response	-	20,255	26,323	6,068
Open records	450	625	894	269
Festival	15,000	15,000	13,043	( 1,957)
Copy machine	9,000	4,000	4,832	832
Mowing	17,500	10,000	11,226	1,226
Service charge - nsf checks	7,500	5,000	4,530	( 470)
Plat filing fees	5,000	4,800	5,050	250
Animal identification	600	700	1,999	1,299
Sale of City maps	75	15	20	5
Special events	2,800	8,100	8,838	738
Re-inspection fees	4,000	7,000	10,550	3,550
Street sign	700	460	720	260
Pool rental	7,150	10,000	9,880	( 120)
Animal tranquilization fees	200	250	680	430
Fire inspection fees	1,000	1,000	1,545	545
Fire testing fees	500	400	250	( 150)
Rezoning request fees	2,000	350	800	450
Variance request fees	2,800	2,300	2,995	695
RV park fees	25,100	25,000	22,924	( 2,076)
Football revenue	25,500	22,950	20,165	( 2,785)
Basketball revenue	25,000	16,928	16,928	-
Volleyball entry fees	4,600	4,600	4,000	( 600)
Youth baseball fees	44,000	42,000	45,067	3,067
Adult softball fees	5,600	7,200	9,475	2,275
Soccer registration fees	40,000	36,435	36,695	260
Concession sales	18,200	20,000	18,304	( 1,696)
Flag football fees	16,800	12,000	10,676	( 1,324)
Track revenue	400	500	-	( 500)
Summer camp registration fees	39,200	41,250	32,305	( 8,945)
Recreational classes revenue	4,100	5,000	5,318	318
Special events	2,000	895	1,219	324
Cemetery plot sales	13,600	13,000	12,166	( 834)
Cheerleader revenue	3,300	200	155	( 45)
Swimming lessons	17,500	17,500	15,025	( 2,475)
Registration fees	-	2,000	200	( 1,800)
Miscellaneous	550	350	700	350
Total charges for services	1,183,570	1,223,563	1,278,198	54,635

(continued)

**CITY OF COPPERAS COVE, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>FINES</b>				
Traffic violations	\$ 146,500	\$ 162,272	\$ 147,483	\$( 14,789)
Library fines	14,500	14,000	13,040	( 960)
Municipal court fines	272,000	265,000	241,648	( 23,352)
Arrest warrant income	48,975	62,000	50,261	( 11,739)
Arresting officer fees	26,900	30,000	27,195	( 2,805)
Child safety	9,000	13,500	10,837	( 2,663)
HB 70 fees	11,310	11,200	11,803	603
Juvenile	134,203	134,253	133,919	( 334)
Civil justice fee	26	32	32	-
State court fees	43,300	48,000	50,803	2,803
Total fines	<u>706,714</u>	<u>740,257</u>	<u>687,021</u>	<u>( 53,236)</u>
<b>INVESTMENT INCOME</b>				
Investment income	<u>10,090</u>	<u>7,086</u>	<u>9,506</u>	<u>2,420</u>
Total investment income	<u>10,090</u>	<u>7,086</u>	<u>9,506</u>	<u>2,420</u>
<b>MISCELLANEOUS</b>				
Auction proceeds	6,000	18,000	14,075	( 3,925)
Rental income	19,008	19,000	27,594	8,594
Miscellaneous	<u>287,412</u>	<u>294,966</u>	<u>209,406</u>	<u>( 85,560)</u>
Total miscellaneous	<u>312,420</u>	<u>331,966</u>	<u>251,075</u>	<u>( 80,891)</u>
<b>CONTRIBUTIONS</b>				
Parks and recreation	3,500	5,489	2,423	( 3,066)
Golf	-	43,645	43,395	( 250)
Library	200	118	196	78
Police	500	1,000	975	( 25)
Fire	4,000	4,000	4,944	944
Animal shelter	500	1,168	730	( 438)
Baseball	-	2,000	2,000	-
Football	-	-	638	638
National Night Out	-	827	5,219	4,392
Keep Copperas Cove Beautiful	<u>2,000</u>	<u>270</u>	<u>264</u>	<u>( 6)</u>
Total contributions	<u>10,700</u>	<u>58,517</u>	<u>60,784</u>	<u>2,267</u>
<b>INTERGOVERNMENTAL</b>				
Grants	<u>-</u>	<u>3,258</u>	<u>36,450</u>	<u>33,192</u>
Total intergovernmental	<u>-</u>	<u>3,258</u>	<u>36,450</u>	<u>33,192</u>
Totals	<u>\$ 12,961,659</u>	<u>\$ 12,891,497</u>	<u>\$ 12,991,212</u>	<u>\$ 99,715</u>

# CITY OF COPPERAS COVE, TEXAS

## GENERAL FUND

### SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
City council	\$ 44,918	\$ 38,344	\$ 26,313	\$ 12,031
City manager	335,596	348,835	339,469	9,366
Financial services and accounting	1,054,097	1,047,208	1,029,482	17,726
City secretary	144,322	104,997	103,775	1,222
City attorney	86,157	128,827	105,705	23,122
Personnel	297,848	299,909	266,710	33,199
Nondepartmental	429,436	590,673	407,116	183,557
Engineering	-	55	55	-
Total general government	<u>2,392,374</u>	<u>2,558,848</u>	<u>2,278,625</u>	<u>280,223</u>
<b>COMMUNITY SERVICES</b>				
Parks and recreation	1,365,721	1,382,470	1,322,389	60,081
Library	531,533	496,621	456,616	40,005
Code and health	166,490	153,301	148,976	4,325
Total community services	<u>2,063,744</u>	<u>2,032,392</u>	<u>1,927,981</u>	<u>104,411</u>
<b>FLEET AND FACILITY SERVICES</b>				
Fleet maintenance	218,444	220,558	216,223	4,335
Total fleet and facility services	<u>218,444</u>	<u>220,558</u>	<u>216,223</u>	<u>4,335</u>
<b>HIGHWAYS AND STREETS</b>				
Streets	830,068	808,768	781,409	27,359
Total highways and streets	<u>830,068</u>	<u>808,768</u>	<u>781,409</u>	<u>27,359</u>
<b>PUBLIC SAFETY</b>				
Building inspections	320,827	309,014	285,094	23,920
Municipal court	435,406	415,068	400,110	14,958
Animal control	251,441	220,775	191,314	29,461
Police department	5,054,721	4,946,164	4,742,942	203,222
Fire/EMS department	3,419,162	3,303,509	3,258,094	45,415
Emergency management	37,849	37,849	3,266	34,583
Total public safety	<u>9,519,406</u>	<u>9,232,379</u>	<u>8,880,820</u>	<u>351,559</u>
Total expenditures	<u>\$ 15,024,036</u>	<u>\$ 14,852,945</u>	<u>\$ 14,085,058</u>	<u>\$ 767,887</u>

**CITY OF COPPERAS COVE, TEXAS**

**HOTEL/MOTEL TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 211,700	\$ 183,030	\$ 196,738	\$ 13,708
Investment income	<u>-</u>	<u>12</u>	<u>101</u>	<u>89</u>
Total revenues	<u>211,700</u>	<u>183,042</u>	<u>196,839</u>	<u>13,797</u>
<b>EXPENDITURES</b>				
Current:				
Community services:				
Supplies and materials	121,000	123,208	123,208	-
Maintenance and repairs	20,000	20,000	20,000	-
Capital outlay:				
Community services:	102,704	102,704	61,197	41,507
Debt service:				
Principal retirement	30,000	30,000	30,000	-
Interest and fiscal charges	<u>3,713</u>	<u>3,713</u>	<u>3,713</u>	<u>-</u>
Total expenditures	<u>277,417</u>	<u>279,625</u>	<u>238,118</u>	<u>41,507</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 65,717)</u>	<u>( 96,583)</u>	<u>( 41,279)</u>	<u>55,304</u>
<b>FUND BALANCE, BEGINNING</b>			135,695	
<b>CURRENT YEAR ENCUMBRANCES</b>			<u>30,250</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 124,666</u>	

**CITY OF COPPERAS COVE, TEXAS**

**DRAINAGE UTILITY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 875,000	\$ 900,000	\$ 890,646	\$( 9,354)
Investment income	1,500	800	1,594	794
Miscellaneous	<u>-</u>	<u>105</u>	<u>105</u>	<u>-</u>
Total revenues	<u>876,500</u>	<u>900,905</u>	<u>892,345</u>	<u>( 8,560)</u>
<b>EXPENDITURES</b>				
Current:				
Highways and streets:				
Personnel services	251,785	242,395	214,784	27,611
Supplies and materials	36,408	35,347	25,449	9,898
Maintenance and repairs	22,829	22,323	18,506	3,817
Services and charges	23,303	46,825	19,285	27,540
Capital outlay:				
Capital drainage projects	541,961	630,729	391,676	239,053
Debt service:				
Principal	164,650	164,650	164,650	-
Interest and fiscal charges	<u>24,585</u>	<u>24,585</u>	<u>24,585</u>	<u>-</u>
Total expenditures	<u>1,065,521</u>	<u>1,166,854</u>	<u>858,935</u>	<u>307,919</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 189,021)</u>	<u>( 265,949)</u>	<u>33,410</u>	<u>299,359</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>( 100,000)</u>	<u>( 100,000)</u>	<u>( 100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>( 100,000)</u>	<u>( 100,000)</u>	<u>( 100,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$( 289,021)</u>	<u>\$( 365,949)</u>	<u>( 66,590)</u>	<u>\$ 299,359</u>
<b>FUND BALANCE, BEGINNING</b>			1,296,342	
<b>CURRENT YEAR ENCUMBRANCES</b>			<u>107,110</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 1,336,862</u>	

**CITY OF COPPERAS COVE, TEXAS**

**MUNICIPAL COURT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Fines	\$ 38,735	\$ 41,985	\$ 43,507	\$ 1,522
Investment income	170	68	76	8
Total revenues	<u>38,905</u>	<u>42,053</u>	<u>43,583</u>	<u>1,530</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Supplies and materials	3,562	3,183	1,839	1,344
Maintenance and repairs	14,128	16,516	16,329	187
Services and charges	9,487	6,580	5,468	1,112
Debt service:				
Principal retirement	9,529	7,939	7,939	-
Interest and fiscal charges	<u>710</u>	<u>710</u>	<u>315</u>	<u>395</u>
Total expenditures	<u>37,416</u>	<u>34,928</u>	<u>31,890</u>	<u>3,038</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ 1,489</u>	<u>\$ 7,125</u>	11,693	<u>\$ 4,568</u>
<b>FUND BALANCE, BEGINNING</b>			<u>71,786</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 83,479</u>	

**CITY OF COPPERAS COVE, TEXAS**

**TOBACCO GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
 <b>EXPENDITURES</b>				
Current:				
Public safety:				
Personnel services	1,380	1,422	1,422	-
Supplies and materials	<u>120</u>	<u>78</u>	<u>78</u>	<u>-</u>
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
 <b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 <b>FUND BALANCE, BEGINNING</b>			<u>-</u>	
 <b>FUND BALANCE, ENDING</b>			<u>\$ -</u>	

**CITY OF COPPERAS COVE, TEXAS**

**HOMELAND SECURITY GRANTS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 244,326	\$ 390,306	\$ 220,194	\$( 170,112)
Investment income	20	-	4	4
Miscellaneous	-	2,000	4,996	2,996
Total revenues	<u>244,346</u>	<u>392,306</u>	<u>225,194</u>	<u>( 167,112)</u>
<b>EXPENDITURES</b>				
Current:				
Community services:				
Supplies and materials	132	233	233	-
Public safety:				
Personnel services	196,217	165,284	166,508	( 1,224)
Supplies and materials	10,000	21,022	24,666	( 3,644)
Services and charges	12,326	9,589	9,589	-
Capital outlay	192,000	361,695	190,935	170,760
Total expenditures	<u>410,675</u>	<u>557,823</u>	<u>391,931</u>	<u>165,892</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 166,329)</u>	<u>( 165,517)</u>	<u>( 166,737)</u>	<u>( 1,220)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	158,677	168,091	168,086	( 5)
Transfers out	-	( 8,070)	( 8,070)	-
Total other financing sources (uses)	<u>158,677</u>	<u>160,021</u>	<u>160,016</u>	<u>( 5)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$( 7,652)</u>	<u>\$( 5,496)</u>	<u>( 6,721)</u>	<u>\$( 1,225)</u>
<b>FUND BALANCE, BEGINNING</b>			<u>5,493</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$( 1,228)</u>	

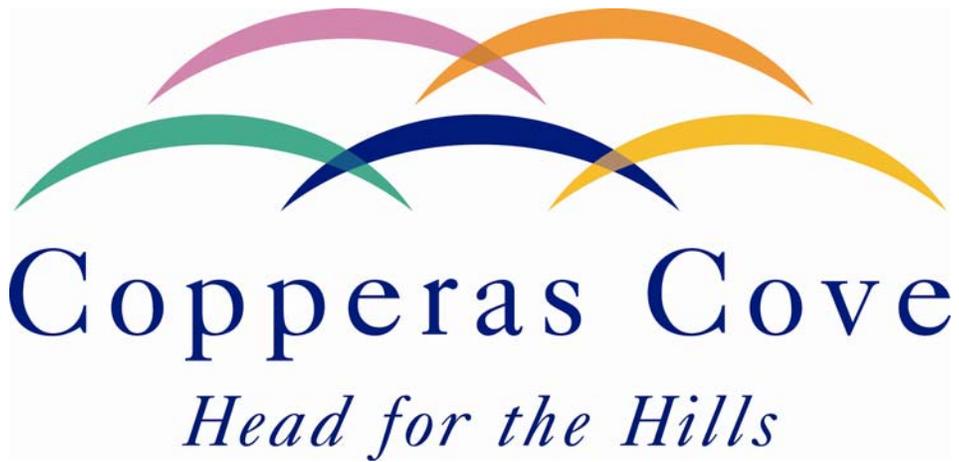
# CITY OF COPPERAS COVE, TEXAS

## DEBT SERVICE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 2,548,476	\$ 2,533,151	\$ 2,536,762	\$ 3,611
Intergovernmental	-	133,500	12,828,900	12,695,400
Investment income	<u>2,200</u>	<u>2,250</u>	<u>3,647</u>	<u>1,397</u>
Total revenues	<u>2,550,676</u>	<u>2,668,901</u>	<u>15,369,309</u>	<u>12,700,408</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	1,706,258	1,725,758	2,624,159	( 898,401)
Interest and fiscal charges	2,832,823	2,816,498	2,808,581	7,917
Bond issuance costs	<u>-</u>	<u>1,000</u>	<u>10,631</u>	<u>( 9,631)</u>
Total expenditures	<u>4,539,081</u>	<u>4,543,256</u>	<u>5,443,371</u>	<u>( 900,115)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 1,988,405)</u>	<u>( 1,874,355)</u>	<u>9,925,938</u>	<u>11,800,293</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	-	-	972,000	972,000
Bond premiums	<u>133,500</u>	<u>15,190</u>	<u>52,821</u>	<u>37,631</u>
Total other financing sources (uses)	<u>133,500</u>	<u>15,190</u>	<u>1,024,821</u>	<u>1,009,631</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ ( 1,854,905)</u>	<u>\$ ( 1,859,165)</u>	10,950,759	<u>\$ 12,809,924</u>
<b>FUND BALANCE, BEGINNING</b>			<u>2,200,549</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 13,151,308</u>	



Copperas Cove

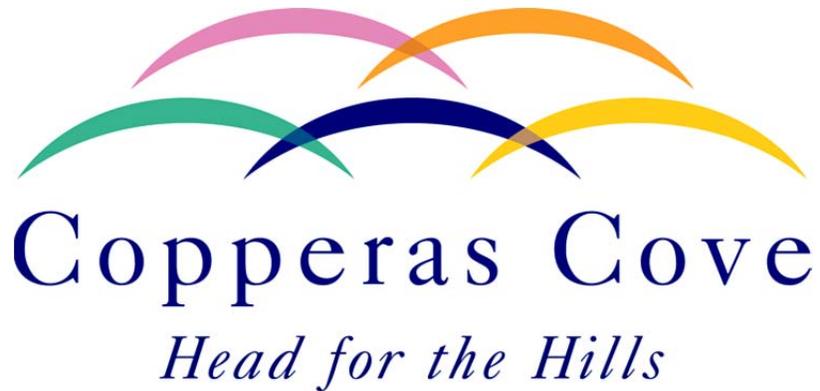
*Head for the Hills*

# **CITY OF COPPERAS COVE, TEXAS**

## **STATISTICAL SECTION**

**(All Tables in the Statistical Section are Unaudited)**

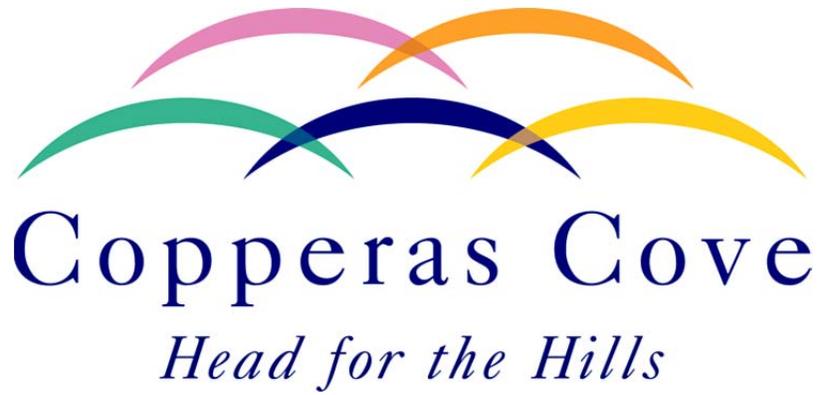
“The City Built for Family Living”



## STATISTICAL SECTION

- ❖ **Financial Trends Information:** This section provides understanding and assessment of how the City of Copperas Cove financial position has changed over time.
- ❖ **Revenue Capacity Information:** This information provides understanding and assessment of the factors affecting the City of Copperas Cove ability to generate its own-source revenues.
- ❖ **Debt Capacity Information:** The Debt Capacity section provides understanding and assessment of the City of Copperas Cove debt burden and its ability to issue additional debt.
- ❖ **Demographic and Economic Information:** This information is used to provide understanding of the socioeconomic environment within which the City of Copperas Cove operates. This information will also facilitate comparisons of financial statement data over time and among other governments.
- ❖ **Operating Information:** The operating information provides contextual information about the City of Copperas Cove operations and resources to assist in understanding and assessing the economic condition of the City.

“The City Built for Family Living”



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## **FINANCIAL TRENDS INFORMATION**

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CITY OF COPPERAS COVE, TEXAS

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
Invested in capital assets, net of related debt	\$ 8,858,742	\$ 8,931,762	\$ 18,043,868	\$ 11,374,872	\$ 15,403,434	\$ 12,609,887	\$ 2,464,242	\$ 2,647,484	\$ 4,619,317	\$ 3,816,831
Restricted:										
Debt service	2,052,717	2,241,325	478,387	424,487	366,564	156,930	97,478	129,781	121,112	221,994
Community services	328,857	339,794	311,224	5,387,776	342,815	43,821	1,124,834	1,700,723	2,056,112	-
Highways and streets	1,336,771	1,296,342	1,086,970	-	-	-	-	-	-	-
Public safety	82,251	82,854	135,760	-	-	-	-	-	-	-
Unrestricted	<u>7,020,001</u>	<u>7,861,051</u>	<u>5,517,904</u>	<u>7,276,161</u>	<u>7,088,728</u>	<u>5,933,671</u>	<u>5,642,526</u>	<u>4,823,357</u>	<u>1,156,366</u>	<u>3,124,279</u>
Total governmental activities	<u>\$ 19,679,339</u>	<u>\$ 20,753,128</u>	<u>\$ 25,574,113</u>	<u>\$ 24,463,296</u>	<u>\$ 23,201,541</u>	<u>\$ 18,744,309</u>	<u>\$ 9,329,080</u>	<u>\$ 9,301,345</u>	<u>\$ 7,952,907</u>	<u>\$ 7,163,104</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 22,080,586	\$ 22,369,970	\$ 22,596,745	\$ 25,553,411	\$ 23,052,050	\$ 20,770,346	\$ 21,359,736	\$ 19,448,721	\$ 19,766,421	\$ 17,378,940
Restricted:										
Debt service	522,756	512,401	772,228	1,075,085	378,138	825,526	555,900	571,000	571,000	675,400
Capital projects	-	-	-	-	523,457	783,250	78,155	78,155	78,155	-
Unrestricted	<u>6,091,602</u>	<u>5,109,801</u>	<u>4,743,078</u>	<u>1,995,872</u>	<u>3,415,881</u>	<u>3,170,782</u>	<u>2,001,545</u>	<u>2,534,178</u>	<u>773,682</u>	<u>2,182,114</u>
Total business-type activities	<u>\$ 28,694,944</u>	<u>\$ 27,992,172</u>	<u>\$ 28,112,051</u>	<u>\$ 28,624,368</u>	<u>\$ 27,369,526</u>	<u>\$ 25,549,904</u>	<u>\$ 23,995,336</u>	<u>\$ 22,632,054</u>	<u>\$ 21,189,258</u>	<u>\$ 20,236,454</u>
Primary government:										
Invested in capital assets, net of related debt	\$ 30,939,328	\$ 31,301,732	\$ 40,640,613	\$ 36,928,283	\$ 38,455,484	\$ 33,380,233	\$ 23,823,978	\$ 22,096,205	\$ 24,385,738	\$ 21,195,771
Restricted:										
Debt service	2,575,473	2,753,726	1,250,615	1,499,572	744,702	982,456	653,378	700,781	692,112	897,394
Community services	328,857	339,794	311,224	5,387,776	866,272	827,071	1,202,989	1,778,878	2,134,267	-
Highways and streets	1,336,771	1,296,342	1,086,970	-	-	-	-	-	-	-
Public safety	82,251	82,854	135,760	-	-	-	-	-	-	-
Unrestricted	<u>13,111,603</u>	<u>12,970,852</u>	<u>10,260,982</u>	<u>9,272,033</u>	<u>10,504,609</u>	<u>9,104,453</u>	<u>7,644,071</u>	<u>7,357,535</u>	<u>1,930,048</u>	<u>5,306,393</u>
Total primary government	<u>\$ 48,374,283</u>	<u>\$ 48,745,300</u>	<u>\$ 53,686,164</u>	<u>\$ 53,087,664</u>	<u>\$ 50,571,067</u>	<u>\$ 44,294,213</u>	<u>\$ 33,324,416</u>	<u>\$ 31,933,399</u>	<u>\$ 29,142,165</u>	<u>\$ 27,399,558</u>

**CITY OF COPPERAS COVE, TEXAS**  
**CHANGES IN NET ASSETS**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 2,546,927	\$ 2,875,722	\$ 2,623,640	\$ 3,034,581	\$ 2,175,856	\$ 1,839,306	\$ 2,091,253	\$ 1,977,274	\$ 1,896,278	\$ 1,708,931
Community services	2,244,461	2,438,256	2,373,405	2,289,134	2,344,074	2,258,488	2,292,606	1,802,034	1,855,310	1,663,213
Fleet and facility maintenance	221,682	279,016	364,763	354,495	414,669	386,747	437,608	354,464	344,483	321,073
Highways and streets	1,271,079	46,924,619	1,404,332	1,178,405	1,598,678	897,493	1,212,838	877,655	834,013	778,099
Public safety	10,124,360	10,026,320	9,586,380	9,165,778	8,893,527	7,888,352	8,457,720	6,770,603	6,530,561	6,228,186
Interest on long-term debt	2,464,443	2,070,699	948,569	765,655	679,576	492,193	444,344	364,607	464,477	398,906
Total governmental activities expenses	<u>18,872,952</u>	<u>64,614,632</u>	<u>17,301,089</u>	<u>16,788,048</u>	<u>16,106,380</u>	<u>13,762,579</u>	<u>14,936,369</u>	<u>12,146,637</u>	<u>11,925,122</u>	<u>11,098,408</u>
Business-type activities:										
Water and sewer	8,435,752	9,409,881	8,867,419	8,380,368	8,095,813	7,071,789	7,429,996	6,416,373	6,093,256	5,353,609
Solid waste	2,776,066	2,608,915	2,397,273	2,329,168	2,435,324	2,267,473	2,115,989	1,906,728	1,863,151	1,694,338
Golf course	580,689	573,612	579,846	741,818	789,415	786,556	949,662	760,694	744,913	661,982
Total business-type activities expenses	<u>11,792,507</u>	<u>12,592,408</u>	<u>11,844,538</u>	<u>11,451,354</u>	<u>11,320,552</u>	<u>10,125,818</u>	<u>10,495,647</u>	<u>9,083,795</u>	<u>8,701,320</u>	<u>7,709,929</u>
Total primary government expenses	<u>\$ 30,665,459</u>	<u>\$ 77,207,040</u>	<u>\$ 29,145,627</u>	<u>\$ 28,239,402</u>	<u>\$ 27,426,932</u>	<u>\$ 23,888,397</u>	<u>\$ 25,432,016</u>	<u>\$ 21,230,432</u>	<u>\$ 20,626,442</u>	<u>\$ 18,808,337</u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	\$ 327,064	\$ 352,865	\$ 254,356	\$ 318,728	\$ 253,864	\$ 470,885	\$ 355,323	\$ 324,440	\$ 265,068	\$ 256,191
Community services	1,175,746	1,016,328	970,855	1,018,263	1,315,084	933,020	900,461	825,813	672,719	314,729
Highways and streets	891,366	832,234	865,236	865,821	861,909	837,486	790,940	754,729	730,424	740,218
Public safety	926,953	574,554	928,159	994,799	2,299,739	1,261,826	938,489	1,026,549	1,156,323	1,447,861
Operating grants and contributions	289,311	42,807,297	314,701	299,511	821,392	450,303	160,504	699,807	654,160	25,513
Capital grants and contributions	139,528	169,298	709,919	507,970	1,805,607	450,824	909,162	-	-	-
Total governmental activities program revenues	<u>3,749,968</u>	<u>45,752,576</u>	<u>4,043,226</u>	<u>4,005,092</u>	<u>7,357,595</u>	<u>4,404,344</u>	<u>4,054,879</u>	<u>3,631,338</u>	<u>3,478,694</u>	<u>2,784,512</u>
Business-type activities:										
Charges for services:										
Water and sewer	9,756,792	9,933,243	9,057,365	8,782,371	8,901,647	8,526,099	8,035,814	8,084,493	7,294,845	6,453,411
Solid waste	2,983,601	3,099,602	3,094,402	2,991,428	3,023,495	2,690,123	2,795,138	2,430,997	2,305,309	2,314,581
Golf course	421,911	385,799	439,810	530,908	674,696	633,730	750,858	707,654	605,202	619,452
Capital grants and contributions	3,422	-	-	-	1,345,220	370,434	810,756	-	-	-
Total business-type activities program revenues	<u>13,165,726</u>	<u>13,418,644</u>	<u>12,591,577</u>	<u>12,304,707</u>	<u>13,945,058</u>	<u>12,220,386</u>	<u>12,392,566</u>	<u>11,223,144</u>	<u>10,205,356</u>	<u>9,387,444</u>
Total primary government program revenues	<u>\$ 16,915,694</u>	<u>\$ 59,171,220</u>	<u>\$ 16,634,803</u>	<u>\$ 16,309,799</u>	<u>\$ 21,302,653</u>	<u>\$ 16,624,730</u>	<u>\$ 16,447,445</u>	<u>\$ 14,854,482</u>	<u>\$ 13,684,050</u>	<u>\$ 12,171,956</u>

(continued)

TABLE 2

## CITY OF COPPERAS COVE, TEXAS

## CHANGES IN NET ASSETS

(Continued)

## LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>NET (EXPENSE) REVENUES</b>										
Governmental activities	\$( 15,122,984)	\$( 18,862,056)	\$( 13,257,863)	\$( 12,782,956)	\$( 8,748,785)	\$( 9,358,235)	\$( 10,881,490)	\$( 8,515,299)	\$( 8,446,428)	\$( 8,313,896)
Business-type activities	<u>1,373,219</u>	<u>826,236</u>	<u>747,039</u>	<u>853,353</u>	<u>2,624,506</u>	<u>2,094,568</u>	<u>1,896,919</u>	<u>2,139,349</u>	<u>1,504,036</u>	<u>1,677,515</u>
Total primary government net expense	<u>( 13,749,765)</u>	<u>( 18,035,820)</u>	<u>( 12,510,824)</u>	<u>( 11,929,603)</u>	<u>( 6,124,279)</u>	<u>( 7,263,667)</u>	<u>( 8,984,571)</u>	<u>( 6,375,950)</u>	<u>( 6,942,392)</u>	<u>( 6,636,381)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>										
Governmental activities:										
Ad valorem taxes	8,873,472	8,590,003	8,570,742	8,468,730	7,717,778	6,831,452	6,014,274	5,527,376	5,271,694	5,015,694
Sales taxes	2,585,231	2,427,417	2,479,925	2,309,693	2,582,748	2,275,752	2,122,243	2,034,195	1,985,647	1,924,665
Franchise taxes	1,361,161	1,315,430	1,318,570	1,321,777	1,246,655	1,270,632	1,325,208	1,111,332	1,075,859	1,064,181
Other taxes	352,523	410,235	428,840	362,779	103,775	97,844	99,160	86,688	78,817	77,620
Unrestricted investment earnings	17,072	16,923	48,967	143,829	489,974	610,569	372,250	206,744	87,779	138,493
Miscellaneous	176,736	319,754	245,860	344,326	-	-	-	-	-	-
Transfers	<u>683,000</u>	<u>961,309</u>	<u>1,275,776</u>	<u>1,049,271</u>	<u>1,065,087</u>	<u>996,616</u>	<u>976,090</u>	<u>897,402</u>	<u>708,408</u>	<u>970,324</u>
Total governmental activities	<u>14,049,195</u>	<u>14,041,071</u>	<u>14,368,680</u>	<u>14,000,405</u>	<u>13,206,017</u>	<u>12,082,865</u>	<u>10,909,225</u>	<u>9,863,737</u>	<u>9,208,204</u>	<u>9,190,977</u>
Business-type activities:										
Unrestricted investment earnings	12,553	15,194	16,420	60,154	260,206	456,616	442,453	200,849	157,176	140,550
Loss on sale of capital assets	-	-	-	-	-	-	-	-	-	( 5,055)
Transfers	<u>( 683,000)</u>	<u>( 961,309)</u>	<u>( 1,275,776)</u>	<u>( 1,049,271)</u>	<u>( 1,065,087)</u>	<u>( 996,616)</u>	<u>( 976,090)</u>	<u>( 897,402)</u>	<u>( 708,408)</u>	<u>( 970,324)</u>
Total business-type activities	<u>( 670,447)</u>	<u>( 946,115)</u>	<u>( 1,259,356)</u>	<u>( 989,117)</u>	<u>( 804,881)</u>	<u>( 540,000)</u>	<u>( 533,637)</u>	<u>( 696,553)</u>	<u>( 551,232)</u>	<u>( 834,829)</u>
Total primary government	<u>13,378,748</u>	<u>13,094,956</u>	<u>13,109,324</u>	<u>13,011,288</u>	<u>12,401,136</u>	<u>11,542,865</u>	<u>10,375,588</u>	<u>9,167,184</u>	<u>8,656,972</u>	<u>8,356,148</u>
<b>CHANGE IN NET ASSETS</b>										
Governmental activities	( 1,073,789)	( 4,820,985)	1,110,817	1,217,449	4,457,232	2,724,630	27,735	1,348,438	761,776	877,081
Business-type activities	<u>702,772</u>	<u>( 119,879)</u>	<u>( 512,317)</u>	<u>( 135,764)</u>	<u>1,819,625</u>	<u>1,554,568</u>	<u>1,363,282</u>	<u>1,442,796</u>	<u>952,804</u>	<u>842,686</u>
Total primary government	<u>\$( 371,017)</u>	<u>\$( 4,940,864)</u>	<u>\$ 598,500</u>	<u>\$ 1,081,685</u>	<u>\$ 6,276,857</u>	<u>\$ 4,279,198</u>	<u>\$ 1,391,017</u>	<u>\$ 2,791,234</u>	<u>\$ 1,714,580</u>	<u>\$ 1,719,767</u>

## CITY OF COPPERAS COVE, TEXAS

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

## LAST TEN CALENDAR YEARS

Calendar Year	Property	Sales	Franchise	Bingo	Mixed Beverage	Totals
2012	\$ 8,865,725	\$ 2,585,231	\$ 1,361,162	\$ 144,019	\$ 11,767	\$ 12,967,904
2011	8,609,036	2,427,417	1,315,430	197,213	13,527	12,562,623
2010	8,528,952	2,479,925	1,318,570	185,018	16,066	12,528,531
2009	8,468,730	2,309,693	1,321,777	139,624	14,132	12,253,956
2008	7,717,778	2,582,748	1,246,655	90,073	13,702	11,650,956
2007	6,784,145	2,275,752	1,270,632	84,462	13,382	10,428,373
2006	5,965,899	2,122,243	1,325,208	85,382	13,778	9,512,510
2005	5,527,376	2,034,195	1,111,332	71,964	14,724	8,759,591
2004	5,271,694	1,985,647	1,075,859	62,794	16,023	8,412,017
2003	5,015,694	1,924,665	1,064,181	61,489	16,131	8,082,160

Source: City of Copperas Cove Finance Department

## CITY OF COPPERAS COVE, TEXAS

FUND BALANCES  
GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General fund										
Reserved										
Encumbrances	\$ -	\$ -	\$ 97,009	\$ 147,926	\$ 439,561	\$ 590,556	\$ 131,428	\$ 60,697	\$ 77,437	\$ 83,476
Inventory and prepaid items	-	-	75,642	75,462	73,708	67,352	108,590	131,954	125,190	60,334
Unreserved										
Designated for contingencies	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Unreserved, undesignated	-	-	5,389,639	3,982,944	3,678,639	3,328,429	3,124,192	2,940,696	2,590,806	2,933,941
Nonspendable	88,819	71,983	-	-	-	-	-	-	-	-
Restricted	9,430	22,680	-	-	-	-	-	-	-	-
Assigned	78,208	136,710	-	-	-	-	-	-	-	-
Unassigned	<u>5,684,953</u>	<u>5,362,117</u>	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 5,861,410</u>	<u>\$ 5,593,490</u>	<u>\$ 5,562,290</u>	<u>\$ 5,206,332</u>	<u>\$ 5,191,908</u>	<u>\$ 4,986,337</u>	<u>\$ 4,364,210</u>	<u>\$ 4,133,347</u>	<u>\$ 3,793,433</u>	<u>\$ 4,077,751</u>
All other governmental funds										
Reserved:										
Debt service	\$ -	\$ -	\$ 438,056	\$ 424,487	\$ 366,564	\$ 156,930	\$ 97,478	\$ 129,781	\$ 121,112	\$ 221,994
Capital projects	-	-	-	-	5,515,872	5,338,633	1,124,834	1,700,723	2,056,112	4,087,400
Encumbrances	-	-	543,181	64,805	729,673	638,251	562,887	226,636	265,466	44,432
Inventory and prepaid items	-	-	-	94	2,510	323	936	452	-	-
Notes receivable	-	-	115,499	127,799	-	-	-	-	52,000	59,200
Unreserved, reported in:										
Special revenue funds	-	-	1,538,631	1,893,415	1,110,626	1,076,333	1,030,414	1,085,112	965,868	947,594
Capital projects funds	-	-	2,214,095	5,387,776	8,078,317	7,394,289	2,964,353	2,078,533	2,514,807	4,469,610
Nonspendable	110,535	123,779	-	-	-	-	-	-	-	-
Restricted	15,918,697	5,188,837	-	-	-	-	-	-	-	-
Unassigned	<u>( 1,228)</u>	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 16,028,004</u>	<u>\$ 5,312,616</u>	<u>\$ 4,849,462</u>	<u>\$ 7,898,376</u>	<u>\$ 15,803,562</u>	<u>\$ 14,604,759</u>	<u>\$ 5,780,902</u>	<u>\$ 5,221,237</u>	<u>\$ 5,975,365</u>	<u>\$ 9,830,230</u>

Note: The City of Copperas Cove first applied GASB Statement No. 54 in fiscal year 2011.

## CITY OF COPPERAS COVE, TEXAS

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>REVENUES</b>										
Taxes	\$ 13,164,642	\$ 12,762,118	\$ 12,756,287	\$ 12,472,480	\$ 11,636,499	\$ 10,435,134	\$ 9,526,380	\$ 8,747,317	\$ 8,398,186	\$ 8,028,158
Charges for services	2,168,844	1,920,904	1,935,879	1,976,286	1,957,335	1,790,420	1,707,578	1,486,260	1,312,024	1,346,013
Intergovernmental	13,089,316	635,435	991,057	573,215	728,358	103,226	220,980	781,026	760,500	191,917
Fines	730,528	617,983	851,855	923,735	800,841	815,533	706,025	733,830	938,078	862,917
Licenses	50,262	48,403	50,438	51,347	38,848	39,784	49,830	47,858	52,878	55,847
Permits	186,774	161,296	209,272	143,658	181,354	178,795	216,373	181,123	117,262	112,590
Contributions	60,784	17,627	32,305	75,355	98,560	153,077	43,420	126,549	46,792	1,612
Investment income	17,072	16,923	48,967	143,829	489,974	610,569	372,250	206,744	87,779	138,493
Miscellaneous	<u>273,065</u>	<u>505,133</u>	<u>335,267</u>	<u>397,183</u>	<u>320,553</u>	<u>509,390</u>	<u>214,310</u>	<u>226,273</u>	<u>247,657</u>	<u>242,176</u>
Total revenues	<u>29,741,287</u>	<u>16,685,822</u>	<u>17,211,327</u>	<u>16,757,088</u>	<u>16,252,322</u>	<u>14,635,928</u>	<u>13,057,146</u>	<u>12,536,980</u>	<u>11,961,156</u>	<u>10,979,723</u>
<b>EXPENDITURES</b>										
General government	2,295,603	2,571,032	2,340,206	2,739,976	2,054,435	1,872,769	1,823,669	1,849,677	1,752,068	1,556,318
Community services	2,035,401	2,207,167	2,193,410	2,103,284	1,884,340	1,780,748	1,604,037	1,429,971	1,421,453	1,352,840
Fleet and facility services	216,223	269,820	360,257	347,946	400,647	376,342	361,661	341,005	331,170	306,347
Highways and streets	813,253	46,453,663	959,247	815,197	986,425	878,940	854,966	711,295	632,486	602,395
Public safety	9,102,313	8,933,461	8,962,367	8,559,414	8,274,073	7,433,330	6,807,383	6,333,450	6,010,275	5,783,487
Capital outlay	1,734,555	1,976,709	5,610,024	10,031,225	4,418,877	2,370,118	3,088,289	1,870,826	3,472,547	1,538,534
Debt service										
Principal retirement	2,826,748	1,595,508	1,428,939	1,277,501	873,731	926,000	710,600	640,000	635,000	751,111
Interest and fiscal charges	2,837,194	1,783,514	915,609	729,758	666,848	464,207	411,537	508,259	550,497	381,784
Bond issuance costs	<u>32,328</u>	<u>670,233</u>	<u>-</u>	<u>91,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>21,893,618</u>	<u>66,461,107</u>	<u>22,770,059</u>	<u>26,695,373</u>	<u>19,559,376</u>	<u>16,102,454</u>	<u>15,662,142</u>	<u>13,684,483</u>	<u>14,805,496</u>	<u>12,272,816</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>										
<b>EXPENDITURES</b>	<u>7,847,669</u>	<u>( 49,775,285)</u>	<u>( 5,558,732)</u>	<u>( 9,938,285)</u>	<u>( 3,307,054)</u>	<u>( 1,466,526)</u>	<u>( 2,604,996)</u>	<u>( 1,147,503)</u>	<u>( 2,844,340)</u>	<u>( 1,293,093)</u>

(continued)

**CITY OF COPPERAS COVE, TEXAS**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**(Continued)**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of capital leases	\$ -	\$ -	\$ -	\$ 50,612	\$ 50,823	\$ -	\$ 559,828	\$ 191,286	\$ -	\$ -
Issuance of bonds	1,962,000	48,360,540	1,590,000	6,895,000	1,612,673	5,251,270	1,226,147	-	-	4,087,400
Premium on bonds	52,821	3,401,878	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	( 2,454,088)	-	-	-	-	-	-	-	-
Sale of capital assets	14,104	-	-	-	-	-	300,186	-	-	-
Proceeds from insurance	8,714	-	-	-	-	-	-	-	-	-
Transfers in	1,374,156	1,538,349	1,938,505	1,386,352	1,571,164	1,264,260	1,280,920	1,194,335	1,143,412	1,084,188
Transfers out	( 276,156)	( 577,040)	( 662,729)	( 337,081)	( 506,077)	( 267,643)	( 304,830)	( 296,933)	( 435,004)	( 113,864)
Total other financing sources (uses)	<u>3,135,639</u>	<u>50,269,639</u>	<u>2,865,776</u>	<u>7,994,883</u>	<u>2,728,583</u>	<u>6,247,887</u>	<u>3,062,251</u>	<u>1,088,688</u>	<u>708,408</u>	<u>5,057,724</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 10,983,308</u>	<u>\$ 494,354</u>	<u>\$( 2,692,956)</u>	<u>\$( 1,943,402)</u>	<u>\$( 578,471)</u>	<u>\$ 4,781,361</u>	<u>\$ 457,255</u>	<u>\$( 58,815)</u>	<u>\$( 2,135,932)</u>	<u>\$ 3,764,631</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<u>28.1%</u>	<u>5.2%</u>	<u>13.6%</u>	<u>12.0%</u>	<u>10.2%</u>	<u>10.1%</u>	<u>8.9%</u>	<u>9.7%</u>	<u>10.5%</u>	<u>10.6%</u>



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**REVENUE CAPACITY  
INFORMATION**

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TABLE 6

CITY OF COPPERAS COVE, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Real Property		Other Property		Less: Tax-exempt Property	Less: Real Property Freeze*	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
		Residential Property	Commercial Property	Personal Property	Other					
2012	2011	\$ 1,015,850,788	\$ 247,919,476	\$ 66,073,230	\$ 197,870	\$ 156,486,756	\$ 88,906,752	\$ 1,084,647,856	0.7639	\$ 1,084,647,856
2011	2010	982,229,990	242,493,067	67,350,050	192,230	146,385,820	78,422,116	1,067,456,541	0.760	1,067,456,541
2010	2009	1,042,392,798	243,294,708	64,040,190	186,290	131,303,669	81,695,580	1,136,914,737	0.760	1,136,914,737
2009	2008	1,041,083,408	236,161,374	67,222,770	114,180	119,893,916	86,150,945	1,138,536,871	0.740	1,138,536,871
2008	2007	867,633,248	204,100,078	66,011,498	115,920	102,803,530	-	1,035,057,214	0.740	1,035,057,214
2007	2006	785,140,036	159,987,484	62,029,470	90,590	87,723,750	-	919,523,830	0.740	919,785,031
2006	2005	737,593,910	52,350,230	59,473,482	50,180	70,659,836	-	778,807,966	0.775	778,807,966
2005	2004	716,849,289	846,460	66,419,767	-	67,161,105	-	716,954,411	0.775	716,954,411
2004	2003	685,748,077	828,660	60,726,750	-	63,795,771	-	683,507,716	0.775	683,946,827
2003	2002	676,074,030	39,800	56,052,960	54,300	61,948,770	-	670,272,320	0.745	670,544,556

\* Freeze on real property started Tax Year 2008

Source: Coryell County Appraisal District

TABLE 7

**CITY OF COPPERAS COVE, TEXAS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Tax Year	City of Copperas Cove Rates			Coryell County Rate	Copperas Cove ISD Rate	Central Texas College	Middle Trinity GWCD*	Total Direct and Overlapping Rates
		Basic Rate	Debt Service	Total City Rate					
2012	2011	0.545	0.219	0.7639	0.424	1.217	0.141	0.015	\$ 2.561
2011	2010	0.584	0.177	0.760	0.423	1.217	0.141	0.015	2.556
2010	2009	0.613	0.147	0.760	0.398	1.181	0.141	-	2.479
2009	2008	0.599	0.141	0.740	0.399	1.181	0.141	-	2.461
2008	2007	0.598	0.142	0.740	0.399	1.181	0.142	-	2.462
2007	2006	0.607	0.133	0.740	0.399	1.478	0.142	-	2.759
2006	2005	0.653	0.122	0.775	0.424	1.604	0.146	-	2.949
2005	2004	0.640	0.135	0.775	0.424	1.604	0.147	-	2.950
2004	2003	0.629	0.146	0.775	0.412	1.592	0.148	-	2.927
2003	2002	0.606	0.139	0.745	0.388	1.592	0.148	-	2.873

\* GWCD - Groundwater Conservation District

Source: Coryell County Tax Assessor - Collector

**CITY OF COPPERAS COVE, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

		2012	
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Wal-Mart Real Estate	Developer	\$ 115,000,000	10.77%
Oncor Electric Delivery Co. (FKA TXU)	Electric utility	9,550,360	0.89%
Wal-Mart Properties Stores East	Developer	8,999,650	0.84%
Copperas Cove AL LLC	Assisted Living	6,508,920	0.61%
Cove Terrace Associates, Ltd.	Developer	5,930,000	0.56%
Colonial Plaza Partnership	Retailer	5,870,270	0.55%
Cinergy Cinemas LP	Movie Theater	5,551,410	0.52%
HEB Grocery Store	Retailer	4,792,560	0.45%
Crosstowne, Ltd.	Retailer	4,415,230	0.41%
TWE-ADV/Newhouse Partnership	Telephone utility	4,038,730	0.38%
Subtotal		<u>170,657,130</u>	<u>15.99%</u>
All other taxpayers		<u>896,799,411</u>	<u>84.01%</u>
Total		<u>\$ 1,067,456,541</u>	<u>100.00%</u>
		2003	
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Central Telephone Co.	Telephone utility	\$ 8,130,090	1.27%
Oncor Electric Delivery Co.	Electric utility	8,054,490	1.25%
Walmart Real Estate	Developer	7,437,220	1.16%
Walmart Stores, Inc.	Retailer	7,066,850	1.10%
Cove Terrace Associates	Retailer	4,434,810	0.69%
TWE Advance Newhse Partnership	Cable Television	3,851,120	0.60%
Colonial Plaza Part.	Apartment Complex	3,172,540	0.49%
Veterans' Administration	Retailer	2,960,080	0.46%
Judy Lane Properties	Retailer	2,833,210	0.44%
Royal Town Plaza INV	Developer	2,787,130	0.43%
Subtotal		<u>50,727,540</u>	<u>7.90%</u>
All other taxpayers		<u>591,557,692</u>	<u>92.10%</u>
Total		<u>\$ 642,285,232</u>	<u>100.00%</u>

Source: Coryell County Appraisal District, Gatesville, Texas

TABLE 9

**CITY OF COPPERAS COVE, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Collected With the Fiscal Year of the Levy		Delinquent Taxes Collected	Total Collections to Date		Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Current Levy
			Amount	Percentage of Levy		Amount	Percentage of Levy		
2012	2011	\$ 8,825,688	\$ 8,737,130	99.0%	\$ 61,838	\$ 8,798,968	99.70%	\$ 88,558	1.00%
2011	2010	8,582,640	8,496,718	99.0%	37,662	8,534,381	99.44%	85,922	1.00%
2010	2009	8,525,125	8,388,219	98.4%	28,529	8,416,748	98.73%	108,377	1.27%
2009	2008	8,425,173	8,323,643	98.8%	7,462	8,331,105	98.88%	94,068	1.12%
2008	2007	7,659,423	7,552,143	98.6%	55,542	7,607,685	99.32%	51,738	0.68%
2007	2006	6,806,409	6,672,244	98.0%	65,870	6,738,114	99.00%	68,295	1.00%
2006	2005	6,028,012	5,917,161	98.2%	54,883	5,972,044	99.07%	55,968	0.93%
2005	2004	5,556,397	5,439,155	97.9%	51,672	5,490,827	98.82%	65,570	1.18%
2004	2003	5,300,588	5,187,537	97.9%	72,677	5,260,214	99.24%	40,374	0.76%
2003	2002	4,995,557	4,907,299	98.2%	48,118	4,955,417	99.20%	40,140	0.80%

Source: City of Copperas Cove Finance Department

## CITY OF COPPERAS COVE, TEXAS

## ADOPTED TAX RATES

## LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Gross Tax Rate</u>
2012	2011	\$ 1,084,647,856	100.00%	0.76390
2011	2010	1,067,456,541	100.00%	0.7600
2010	2009	1,136,914,737	100.00%	0.7600
2009	2008	1,138,536,871	100.00%	0.7400
2008	2007	1,035,057,214	100.00%	0.7400
2007	2006	919,785,031	100.00%	0.7400
2006	2005	778,395,652	100.00%	0.7750
2005	2004	716,601,938	100.00%	0.7750
2004	2003	679,479,318	100.00%	0.7750
2003	2002	670,339,356	100.00%	0.7450

Source: City of Copperas Cove Budget Department

## CITY OF COPPERAS COVE, TEXAS

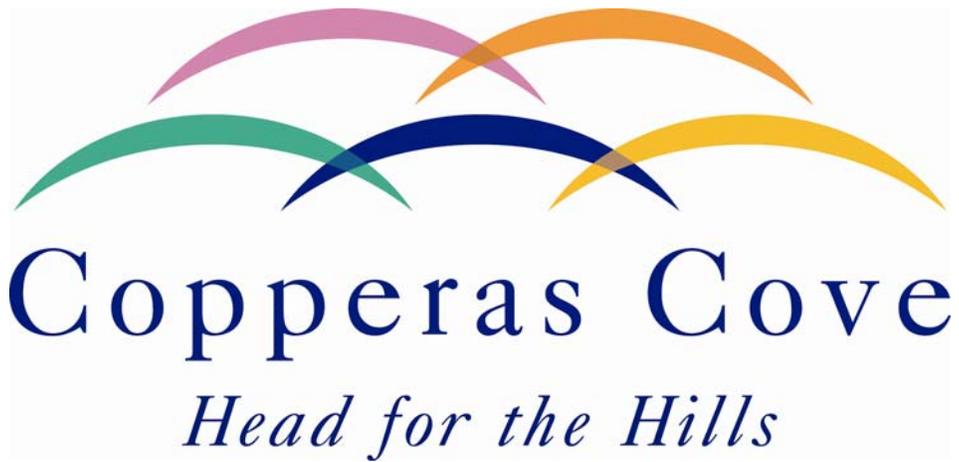
## PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

## LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Estimated Actual Property Value<sup>1</sup></u>	<u>Value of Construction Permits Issued<sup>2</sup></u>	<u>Bank Deposits<sup>3</sup></u>
2012	2011	\$ 1,084,647,856	\$ 24,524,972	\$ 204,219,000
2011	2010	1,067,456,541	24,524,972	203,718,000
2010	2009	1,136,914,737	95,144,178	223,399,000
2009	2008	1,138,536,871	29,127,185	211,349,000
2008	2007	1,035,057,214	35,712,399	213,645,000
2007	2006	919,785,031	46,936,833	199,955,000
2006	2005	778,807,996	58,148,330	194,539,000
2005	2004	716,936,911	53,956,123	171,489,000
2004	2003	683,946,827	31,519,255	145,366,000
2003	2002	670,249,206	22,299,548	134,272,000

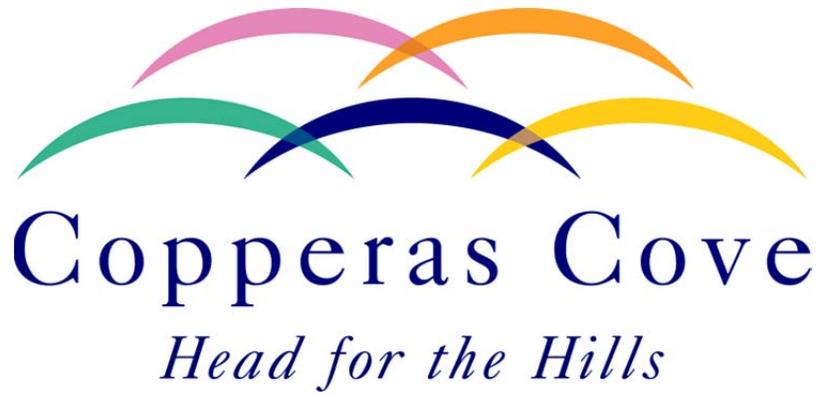
## Sources:

- 1 - Coryell County Appraisal District
  - 2 - Building Department, City of Copperas Cove, Texas
  - 3 - Financial Institutions, Copperas Cove, Texas Only
- <http://www2.fdic.gov/sod>



Copperas Cove

*Head for the Hills*



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**DEBT CAPACITY  
INFORMATION**

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## CITY OF COPPERAS COVE, TEXAS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2012

Taxing Entity	Net General Obligation Debt	Percentage Applicable to the City of Copperas Cove	Amount Applicable to the City of Copperas Cove
Copperas Cove Independent School District	\$ 33,291,518 *	81.57%	\$ 27,155,891
Lampasas County	6,230,000 *	2.30%	143,290
Lampasas Independent School District	44,279,982 *	2.40%	<u>1,062,720</u>
Subtotal overlapping debt			28,361,901
City direct debt			<u>66,448,761</u>
Total direct and overlapping debt			\$ <u>94,810,662</u>
Total direct and overlapping debt % of A.V.			0.94%
Total direct and overlapping debt Per Capita			\$ 2,935

\* Gross debt

Source: Municipal Advisory Council

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. The percentage of overlapping debt applicable is estimated using taxable assessed property values.

## CITY OF COPPERAS COVE, TEXAS

### LEGAL DEBT MARGIN INFORMATION

#### LAST TEN FISCAL YEARS

Constitutional Basis	Fiscal Year			
	2012	2011	2010	2009
Assessed value, tax roll	\$ 1,084,647,856	\$ 1,067,456,541	\$ 1,136,914,737	\$ 1,138,536,871
\$2.50 tax rate levy (1)	27,116,196	26,686,414	28,422,868	28,463,422
Actual City debt tax rate	\$ 0.219	\$ 0.177	\$ 0.147	\$ 0.141
Actual City debt tax levy	<u>2,376,463</u>	<u>1,884,061</u>	<u>1,672,947</u>	<u>1,601,921</u>
Legal annual debt service margin	\$ 24,739,733	\$ 24,802,353	\$ 26,749,921	\$ 26,861,500
Legal debt capacity (2)	\$ 308,311,756	\$ 309,092,137	\$ 333,363,144	\$ 334,753,668

(1) Article XI, Section 5 of the Texas Constitution limits the tax rate for annual debt service to \$2.50 per \$100 valuation.

(2) Calculation based upon 20-year term financing at an interest rate of 5.0%.

Attorney General Basis	Fiscal Year			
	2012	2011	2010	2009
Assessed value, tax roll	\$ 1,084,647,856	\$ 1,067,456,541	\$ 1,136,914,737	\$ 1,138,536,871
\$1.50 tax rate levy (1)	16,269,718	16,011,848	17,053,721	17,078,053
Actual City debt tax rate	\$ 0.219	\$ 0.177	\$ 0.147	\$ 0.141
Actual City debt tax levy	<u>2,376,463</u>	<u>1,884,061</u>	<u>1,672,947</u>	<u>1,601,921</u>
Legal annual debt service margin	\$ 13,893,254	\$ 14,127,787	\$ 15,380,774	\$ 15,476,132
Legal debt capacity (2)	\$ 173,140,659	\$ 176,063,457	\$ 191,678,438	\$ 192,866,808

(1) The Texas Attorney General, administratively, further limits the tax rate for annual debt service to \$1.50 per \$100 valuation.

(2) Calculation based upon 20-year term financing at an interest rate of 5.0%.

TABLE 13

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$ 1,035,057,214	\$ 919,785,031	\$ 778,807,966	\$ 716,954,411	\$ 683,946,827	\$ 670,544,556
25,876,430	22,994,626	19,470,199	17,923,860	17,098,671	16,763,614
\$ 0.142	\$ 0.133	\$ 0.122	\$ 0.135	\$ 0.146	\$ 0.139
<u>1,469,481</u>	<u>1,222,532</u>	<u>947,926</u>	<u>965,422</u>	<u>998,898</u>	<u>929,609</u>
\$ 24,406,949	\$ 21,772,094	\$ 18,522,273	\$ 16,958,438	\$ 16,099,773	\$ 15,834,004
\$ 304,164,536	\$ 271,328,409	\$ 230,828,463	\$ 211,339,623	\$ 200,638,760	\$ 197,326,694

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$ 1,035,057,214	\$ 919,785,031	\$ 778,807,966	\$ 716,954,411	\$ 683,946,827	\$ 670,544,556
15,525,858	13,796,775	11,682,119	10,754,316	10,259,202	10,058,168
\$ 0.142	\$ 0.133	\$ 0.122	\$ 0.135	\$ 0.146	\$ 0.139
<u>1,469,481</u>	<u>1,222,532</u>	<u>947,926</u>	<u>965,422</u>	<u>998,898</u>	<u>929,609</u>
\$ 14,056,377	\$ 12,574,243	\$ 10,734,193	\$ 9,788,894	\$ 9,260,305	\$ 9,128,559
\$ 175,173,528	\$ 156,702,864	\$ 133,771,776	\$ 121,991,256	\$ 115,403,868	\$ 113,762,021

**CITY OF COPPERAS COVE, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Amounts Expressed in Thousands, Except Per Capita Amount)**

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Capital Leases	Note Payable	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Tax Notes	Capital Leases			
2012	\$ 16,924	\$ 44,220	\$ 5,305	\$ -	\$ -	\$ 20,901	\$ 2,290	\$ -	\$ 6,570	\$ -	\$ 96,210	3.19%	\$ 3,004
2011	16,861	45,340	4,690	8	-	18,379	4,875	-	7,315	93	97,561	3.23%	3,046
2010	16,246	11,116	4,383	88	-	21,326	10,959	-	8,077	331	72,524	2.74%	2,418
2009	15,060	11,629	4,748	391	-	17,313	11,991	-	4,090	721	65,943	2.49%	2,199
2008	7,630	13,280	4,421	460	27	18,537	12,219	-	2,466	1,211	60,251	2.29%	2,003
2007	8,473	14,588	1,443	546	29	19,670	12,820	-	-	750	58,319	2.44%	1,933
2006	2,259	16,326	-	761	31	5,902	26,711	-	-	1,083	53,073	2.43%	1,818
2005	3,768	10,380	-	350	31	6,641	34,558	-	-	953	56,681	2.85%	1,890
2004	10,238	11,037	-	269	34	1,399	32,068	-	-	206	55,251	3.14%	1,842
2003	10,910	11,723	-	293	38	1,682	34,691	47	-	116	59,500	3.61%	1,984

Notes: The personal income used to calculate the percentage of personal income and the population used to compute the Per Capita are taken from the Demographic Statistics Report.

## CITY OF COPPERAS COVE, TEXAS

## RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

## LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands, Except for Capita Amount)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2012	\$ 84,335	\$ 13,151	\$ 71,184	6.56%	\$ 2,204
2011	85,455	438	85,017	7.96%	2,654
2010	59,647	424	59,223	5.21%	1,975
2009	55,993	367	55,626	4.89%	1,855
2008	51,666	157	51,509	4.98%	1,718
2007	55,551	97	55,454	6.03%	1,849
2006	51,198	1,298	49,900	6.41%	1,664
2005	55,347	340	55,007	7.67%	1,834
2004	54,742	222	54,520	7.98%	1,818
2003	59,006	115	58,891	8.79%	1,964

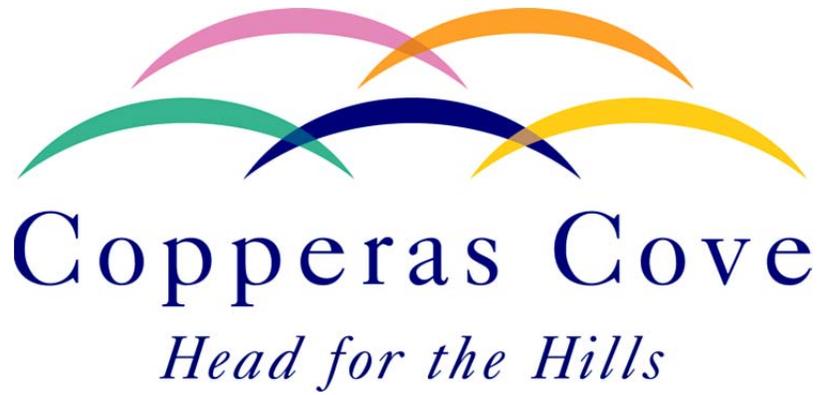
Source: Finance Department, City of Copperas Cove

**CITY OF COPPERAS COVE, TEXAS**  
**REVENUE BOND COVERAGE - WATER AND SEWER FUND**  
**LAST NINE FISCAL YEARS**

Fiscal Year	Waterworks and Sewer Revenue Bonds						
	Gross Revenue	Less: Operating Expenses*	Net Revenue Available for Debt Service	Debt Service		Total	Coverage
				Principal	Interest		
2012	\$ 9,714,990	\$ 5,556,574	\$ 4,158,416	\$ 2,369,092	\$ 985,823	\$ 3,354,915	\$ 1.24
2011	9,945,917	6,229,349	3,716,568	1,906,068	1,227,189	3,133,257	1.19
2010	9,228,873	6,712,050	2,516,823	1,778,964	1,004,189	2,783,153	0.90
2009	8,782,371	5,814,507	2,967,864	1,624,048	1,051,425	2,675,473	1.11
2008	8,901,647	5,659,695	3,241,952	1,390,177	1,051,998	2,442,175	1.33
2007	8,526,099	4,824,370	3,701,729	1,340,000	1,075,349	2,415,349	1.53
2006	8,035,814	4,622,498	3,413,316	1,410,000	1,093,275	2,503,275	1.36
2005	7,468,582	4,023,862	3,444,720	1,135,000	1,166,100	2,301,100	1.50
2004	7,294,845	3,728,182	3,566,663	853,159	1,367,954	2,221,113	1.61

\* Total operating expense less depreciation.

Source: Finance Department, City of Copperas Cove



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## **DEMOGRAPHIC & ECONOMIC INFORMATION**

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**CITY OF COPPERAS COVE, TEXAS**  
**DEMOGRAPHIC & ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income (millions of dollars)<sup>2</sup></b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Median Age<sup>3</sup></b>	<b>School Enrollment<sup>4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>
2012	32,300	3,018	36,932	29.1	8,324	8.4%
2011	32,032	2,826	49,013	29.7	8,324	8.3%
2010	29,988	2,646	43,501	29.4	8,234	7.5%
2009	29,988	2,651	38,609	30.5	7,932	6.9%
2008	29,988	2,633	34,267	27.3	7,871	5.4%
2007	29,988	2,389	32,613	26.9	7,788	4.7%
2006	29,988	2,181	30,401	28.1	7,315	5.4%
2005	29,988	1,992	26,657	28.1	7,340	5.4%
2004	29,988	1,758	23,679	27.1	7,444	5.3%
2003	29,988	1,649	20,389	28.0	7,592	5.5%

**Source:**

1 <http://quickfacts.census.gov/qfd/states/48/4816624.html>

2 <http://www.bea.gov>

Personal income and per capita personal income are for Coryell County.

Per capital personal income was computed using Census Bureau mid-year population estimates.

Estimates for 2003-2010 reflect county population estimates available as of May 2011.

2010 and 2011 personal income and per capital personal income are calculated estimations based on prior year increases.

3 <http://factfinder.census.gov/servlet/DatasetMainPageServlet>

4 <http://.tea.state.tx.us/per report/aegis> (Updated data for 2012 was not available.)

5 <http://www.tracer2.com/cgi/dataanalysis/>

## CITY OF COPPERAS COVE, TEXAS

## PRINCIPAL EMPLOYERS

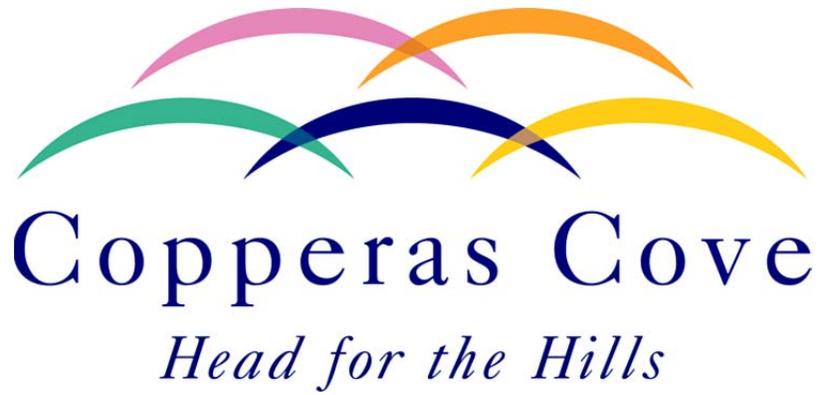
## CURRENT AND NINE YEARS AGO

Employer	2012		Rank
	Employees	Percentage of Total City Taxable Assessed Value	
Fort Hood - Military	45,000	64.3%	1
Fort Hood - Civilian	21,240	30.4%	2
Copperas Cove ISD	1,275	1.8%	3
GS Services	1,248	1.8%	4
Wal-Mart Supercenter	445	0.6%	5
City of Copperas Cove	276	0.4%	6
H.E.B. Grocery Store	170	0.2%	7
WindCrest Nursing Center	100	0.1%	8
McDonald's	95	0.1%	9
Hill Country Rehab. & Nursing Ctr.	90	0.1%	10
<b>Total</b>	<b>69,939</b>	<b>100.0%</b>	

Taxpayer	2003		Rank
	Employees	Percentage of Total City Taxable Assessed Value	
Fort Hood - Military	42,000	75.2%	1
Fort Hood - Civilian	8,909	15.9%	2
Central Texas College	1,439	2.6%	3
Copperas Cove ISD	1,213	2.2%	4
Metroplex Hospital	900	1.6%	5
GC Services	498	0.9%	6
Wal-Mart	400	0.7%	7
City of Copperas Cove	279	0.5%	8
HEB Grocery Store	140	0.3%	9
Tarleton State University	100	0.2%	10
<b>Total</b>	<b>55,878</b>	<b>100.0%</b>	

Source: Each entity provided data.



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## **OPERATING INFORMATION**

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## CITY OF COPPERAS COVE, TEXAS

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

## LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>General Fund</b>										
City Manager	2	2	3	4	2	2	2	2	2	2
City Secretary	1.5	1.5	2	2	2	2	2	2	2	1.5
City Attorney (Contract)	1	1	1	1	1	1	1	1	1	1.5
Finance	7	7	7	7	6	5	6	6	6	6
Grants Administration	0	0	0	0	0	1	1	1	1	1
Human Resources	3	3	4.5	3.5	2	2	2	2	2	2
Information Systems	3	3	3	3	3	2	2	2	2	2
Municipal Court	6.5	6.5	7	7	8	8	7	7	7	7
City Judge (Contract)	1	1	1	1	1	1	1	1	1	1
Associate Judge (Contract)	1	1	1	1	1	1	1	1	0	0
Police	73	73	73.5	73.5	71	71	69	69	69	69
Public Affairs Office	0	0	1	1	1	0	0	0	0	0
Animal Control	5	5	5	5	4	4	4	4	4	4
Fire/EMS	51	51	53	53	52.5	52	46	46	46	46
Emergency Management	0	0	0	0	1	1	0	0	0	0
Engineering	0	0	2	2	2	1	4.5	4.5	4.5	5
Building & Development	4	4	4	4	5.5	5.5	5	4.5	4.5	4
Street	5.5	5.5	7.5	7.5	7.5	7	7	7	7	7
Public Works	0	0	0	0	0.5	0.5	0.5	0.5	0.5	1
Parks & Recreation	18	18	18	18	16	18	14	14	14	15
Fleet Services	5.5	4.5	5	5	5	5	5	5	5	4
Facility Maintenance	0	0	2	2	5	5	5	5	5	5
Planning	0	0	1	2	3	3	1	0.5	0.5	0.5
Library	6.5	8.5	10	10	10	10	9.5	9.5	9.5	9.5
Code & Health	3	3	4	4	3.5	3.5	2.5	2	2	2
<b>Total General Fund</b>	<u>197.5</u>	<u>198.5</u>	<u>215.5</u>	<u>216.5</u>	<u>213.5</u>	<u>211.5</u>	<u>198.0</u>	<u>196.5</u>	<u>195.5</u>	<u>196.0</u>
<b>Water &amp; Sewer Fund</b>										
Water & Sewer Admin	4	3	2.3	2.3	2	2	2	2	2	1.5
Utility Administration	11	11	11	11	10	10	11	8	8	8
Water Distribution	11	11	11	11	9	9	9	12	12	12
Sewer Collection	8	8	9	9	7	7	7	7	7	7
Wastewater Treatment	11	11	11	11	11	11	11	10	10	10
Composting	0	0	3	3	3	3	2	2	2	2
<b>Total Water &amp; Sewer Fund</b>	<u>45.0</u>	<u>44.0</u>	<u>47.3</u>	<u>47.3</u>	<u>42.0</u>	<u>42.0</u>	<u>42.0</u>	<u>41.0</u>	<u>41.0</u>	<u>40.5</u>
<b>Solid Waste Fund</b>										
Administration	5	5	4	4	4	4	4	2.5	2.5	2.5
Residential	5	4	4	4	4	4	4	4	4	4
Recycling	2	2	2	2	2	2	2	3	3	3
Brush	3	2	2	2	2	2	2	2	2	2
Commercial	3	3	4	4	4	4	4	4	5	5
Composting	3	3	0	0	0	0	0	0	0	0
Disposal	5.5	5	5	5	4.5	4	4	4.5	4.5	4.5
<b>Total Solid Waste Fund</b>	<u>26.2</u>	<u>23.7</u>	<u>21.3</u>	<u>21.3</u>	<u>20.5</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>21.0</u>	<u>21.0</u>

(continued)

## CITY OF COPPERAS COVE, TEXAS

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**(Continued)**  
**LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Recreational Activities Fund</b>										
Recreational Activities Fund	<u>0</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Total Recreational Activities Fund</b>	<u>0</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Cemetery Fund</b>										
Cemetery Fund	<u>0</u>	<u>1</u>								
<b>Total Cemetery Fund</b>	<u>0</u>	<u>1</u>								
<b>Drainage Fund</b>										
Drainage Utility	<u>5.8</u>	<u>5.8</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>
<b>Total Drainage Fund</b>	<u>5.8</u>	<u>5.8</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>
<b>Golf Course Fund</b>										
Golf Course	<u>7</u>	<u>6.5</u>	<u>9.5</u>	<u>14.5</u>	<u>13.5</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
<b>Total Golf Course Fund</b>	<u>7</u>	<u>6.5</u>	<u>9.5</u>	<u>14.5</u>	<u>13.5</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>
<b>Total All Funds</b>	<u>281.5</u>	<u>282</u>	<u>303</u>	<u>309</u>	<u>299</u>	<u>298</u>	<u>282</u>	<u>279</u>	<u>279</u>	<u>279</u>

Source: Finance Department, City of Copperas Cove, TX

# CITY OF COPPERAS COVE, TEXAS

## CAPITAL ASSET STATISTICS AND OPERATING INDICATORS BY FUNCTIONS

### LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2011	2010	2009
<b><u>Government Facilities</u></b>				
<b><u>Building and Development</u></b>				
<i>Use or Nature: Development Services</i>				
Building permits issued:	3,172	3,237	3,092	2,455
Inspections performed:	5,739	6,032	7,367	5,505
<b><u>Fire Protection</u></b>				
<i>Use or Nature: Public Safety</i>				
Number of stations:	3	3	3	3
Number of hydrants (approx.):	1,049	1,042	1,042	1,105
Number of volunteer firemen:	4	5	4	12
Number of paid firemen:	46	46	51	51
Firemen per 1,000 population:	1.44	1.44	1.70	1.70
Fire responses:	1,268	1,302	1,694	1,842
Emergency medical services responses:	3,357	2,968	2,694	2,882
<b><u>Police Protection</u></b>				
<i>Use or Nature: Public Safety</i>				
Number of stations:	1	1	1	1
Number of sworn officers:	59	55	56	56
Officers per 1,000 population:	1.84	1.72	1.87	1.87
Calls for service:	19,000	17,731	19,000	19,000
Part I violent crimes reported*:	1,200	1,048	1,300	1,100
* Part I Crimes: Murder, Rape, Aggravated Assaulted, Burglary, Larceny, and Motor Vehicle Theft.				
<b><u>Animal Control</u></b>				
<i>Use or Nature: Public Safety</i>				
Number of animals impounded:	2,047	1,905	1,834	2,409
Number of euthanized:	800	857	869	981
Number of animals adopted:	456	660	595	663
Number of animals re-claimed:	373	330	461	660
<b><u>Municipal Court</u></b>				
<i>Use or Nature: Public Safety</i>				
Number of warrants issued:	950	2,750	3,243	3,258
Number of warrants cleared:	3,447	7,500	3,098	2,662
Number of violations processed:	9,990	9,575	11,159	9,846
<b><u>Libraries</u></b>				
<i>Use or Nature: Community Services</i>				
Number of public libraries:	1	1	1	1
Number of volumes:	70,566	69,000	66,357	68,972
Circulation of items:	95,000	87,000	98,893	120,224
Circulation per capita:	2.97	2.72	3.30	4.01

TABLE 20

Fiscal Year					
2008	2007	2006	2005	2004	2003
2,178	2,229	3,232	3,019	NA**	NA**
10,299	9,242	8,501	6,036	NA**	NA**
3	3	3	3	3	2
1,050	1,014	1,600	1,600	885	750
9	8	-	-	-	-
52	52	46	46	45	45
1.73	1.73	1.51	1.51	1.48	1.74
2,177	2,356	2,275	2,190	1,845	1,543
3,402	3,339	3,100	3,242	2,845	2,645
1	1	1	1	1	1
56	54	53	53	53	51
1.87	1.80	1.74	1.74	1.74	1.70
17,808	21,000	21,467	NA**	NA**	NA**
1,161	1,211	1,274	NA**	1,072	984
2,035	2,793	2,804	2,380	NA**	NA**
1,104	1,432	1,324	1,075	NA**	NA**
638	648	696	1,365	NA**	NA**
612	595	602	683	NA**	NA**
3,266	3,129	3,493	6,847	NA**	NA**
1,648	1,936	2,989	2,544	NA**	NA**
10,581	8,561	10,124	12,450	NA**	NA**
1	1	1	1	1	1
66,606	64,180	62,572	59,957	57,363	57,427
113,457	95,826	102,986	109,299	106,348	130,785
3.78	3.19	3.50	3.70	3.63	5.12

(continued)

## CITY OF COPPERAS COVE, TEXAS

### CAPITAL ASSET STATISTICS AND OPERATING INDICATORS BY FUNCTIONS (Continued) LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2011	2010	2009
<u>Parks and Recreation</u>				
<i>Use or Nature: Community Services</i>				
Park acreage developed:	380	380	380	380
Park acreage undeveloped:	5	5	5	5
Playgrounds:	8	7	7	7
Participants in sports activities:	2,781	2,869	2,683	2,889
Coaches certified:	278	596	625	644
<u>Street</u>				
<i>Use or Nature: Public Works</i>				
Paved streets:	133 miles	133 miles	132.5 miles	132 miles
<u>Utilities</u>				
<u>Water System</u>				
<i>Use or Nature: Public Works</i>				
Miles of water mains:	220	226	225	225
Daily average consumption:	4.1 MGD	3.9 MGD	4.2 MGD	4.2 MGD
Maximum daily capacity:	8.1 MGD	7.6 MGD	13.5 MGD	13.5 MGD
Number of service connections:	12,387	13,099	12,072	11,936
Source of water:	Belton Lake	Belton Lake	Belton Lake	
<u>Sewage System</u>				
<i>Use or Nature: Public Works</i>				
Miles of sanitary sewers:	377	375	375	375
Number of lift stations:	16	16	16	16
Daily average treatment:	2.6 MGD	1.9 MGD	3.1 MGD	3.1 MGD
Maximum capacity of treatment plants:	9.0 MGD	9.0 MGD	9.0 MGD	9.0 MGD
Number of service connections (active):	11,149	11,400	11,171	10,947
<u>Golf Course</u>				
<i>Use or Nature: Community Services</i>				
Rounds of golf played (annually):	25,550	19,300	22,592	27,911
Tournament rounds (annually):	1,200	676	662	1,190
Annual dues (memberships):	286	264	229	240
<u>Community Statistics</u>				
<i>Use or Nature: Employee Information</i>				
School District Employees:	1,275	1,324	1,300	1,300
City Employees:	276	298	303	309
Fort Hood Servicemen:	45,000	47,700	44,000	44,000
Fort Hood Employees (Civilians):	21,240	15,800	17,098	17,098

**Source: Various Departments, City of Copperas Cove**

TABLE 20

Fiscal Year					
2008	2007	2006	2005	2004	2003
380	214	214	214	214	214
5	163	163	163	163	163
7	6	5	5	5	5
2,700	2,837	2,382	2,353	1,500	1,484
602	638	486	486	125	150
132 miles	129 miles	121 miles	121 miles	110 miles	110 miles
183	255	230	230	227	225
4 MGD	4 MGD	4 MGD	4 MGD	5 MGD	3.7 MGD
13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	7.21 MGD
11,966	12,472	11,195	10,801	10,466	10,132
350	350	210	210	200	200
15	14	14	14	14	13
3.1 MGD	3.1 MGD	3.1 MGD	3.1 MGD	3.1 MGD	2.6 MGD
9.0 MGD	9.0 MGD	9.0 MGD	9.0 MGD	6.35 MGD	6.35 MGD
11,025	10,512	10,359	10,022	9,794	9,531
32,954	30,004	32,437	35,060	NA**	NA**
1,495	1,429	1,798	NA**	NA**	NA**
240	232	213	NA**	NA**	NA**
1,300	1,218	1,162	1,159	1,142	1,253
299	298	281.5	279	279	279
53,416	39,262	43,995	45,777	45,777	40,672
17,098	8,909	8,909	12,134	12,134	13,724