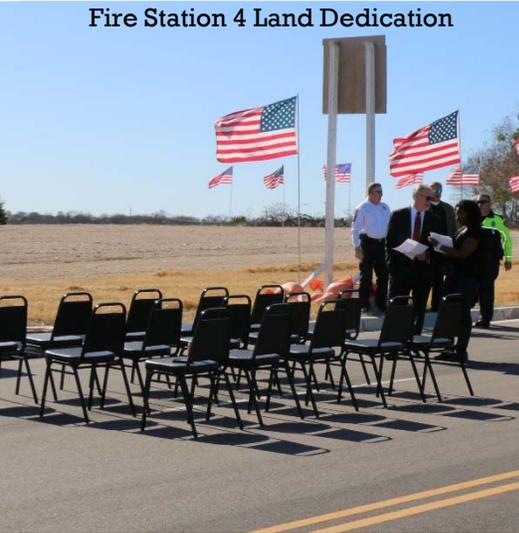


# City of Copperas Cove, Texas Comprehensive Annual Financial Report

Fire Station 4 Land Dedication



State Highway 9  
(Ribbon Cutting below)

Charles Tillman Street Dedication



Photos by Kevin Keller, PIO

**Frank Seffrood,**  
Mayor

**Kirby D. Lack,**  
Mayor Pro Tem

**City Council**

**Martha A. Smith**  
**George D. Duncan**  
**Matthew H. Russell**  
**James Pierce Jr.**  
**Dan Yancey**  
**David Morris**

**Andrea M Gardner**  
City Manager

**Velia Key**  
Director of  
Financial Services

**For the Year Ended  
September 30, 2015**



**City of Copperas Cove**

**T E X A S**

*City Built for Family Living*

**CITY OF  
COPPERAS COVE, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED SEPTEMBER 30, 2015**

# **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**  
**TABLE OF CONTENTS**  
**SEPTEMBER 30, 2015**

	<b><u>Page Number</u></b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	i – vi
Organizational Chart.....	vii
List of Principal Officials .....	viii
Certificate of Achievement for Excellence in Financial Reporting.....	ix
 <b>FINANCIAL SECTION</b>	
Independent Auditors’ Report.....	1 – 2
Management’s Discussion and Analysis .....	3 – 13
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	14
Statement of Activities .....	15 – 16
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	20

**CITY OF COPPERAS COVE, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
**SEPTEMBER 30, 2015**

	<b><u>Page Number</u></b>
Statement of Net Position – Proprietary Funds .....	21
Combining Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	22
Statement of Cash Flows – Proprietary Funds.....	23 – 24
Notes to Financial Statements.....	25 – 53
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund.....	54
Schedule of Changes in Net Pension Liability And Related Ratios .....	55
Schedule of Contributions .....	56
Schedule of Fund Progress for Post-Retirement Health Care Benefit Plan .....	57
Notes to Required Supplementary Information .....	58
<b>Combining Financial Statements and Budget Comparisons as Supplementary Information</b>	
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet by Fund Type.....	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances by Fund Type .....	60
<b>Nonmajor Special Revenue Funds</b>	
Combining Balance Sheet .....	61 – 62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	63 – 64

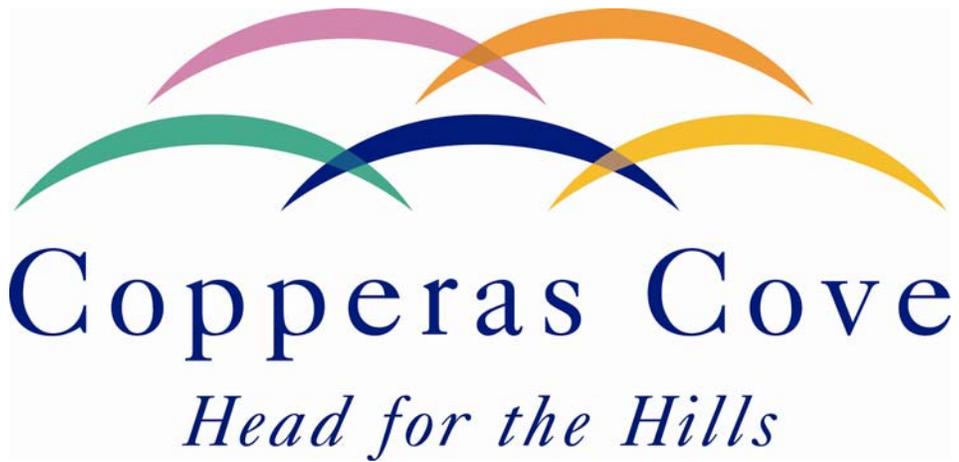
**CITY OF COPPERAS COVE, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
**SEPTEMBER 30, 2015**

	<b><u>Page Number</u></b>
Nonmajor Capital Projects Funds	
Combining Balance Sheet .....	65 – 67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	68 – 70
Schedule of Revenues – Budget and Actual (Budgetary Basis) – General Fund .....	71 – 73
Schedule of Expenditures – Budget and Actual (Budgetary Basis) – General Fund .....	74
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Hotel/Motel Fund .....	75
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Drainage Utility Fund .....	76
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Municipal Court Fund .....	77
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Tobacco Grant Fund .....	78
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Homeland Security Grants .....	79
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Debt Service Fund .....	80

**CITY OF COPPERAS COVE, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
**SEPTEMBER 30, 2015**

	<u>Table</u>	<u>Page Number</u>
<b>STATISTICAL SECTION (Unaudited)</b>		
<b>Financial Trends Information</b>		
Net Position by Component.....	1	81
Changes in Net Position.....	2	82 – 83
Governmental Activities Tax Revenues by Source.....	3	84
Fund Balances of Governmental Funds.....	4	85
Changes in Fund Balances of Governmental Funds.....	5	86 – 87
<b>Revenue Capacity Information</b>		
Assessed and Estimated Actual Value of Taxable Property.....	6	88
Direct and Overlapping Property Tax Rates.....	7	89
Principal Property Taxpayers.....	8	90
Property Tax Levies and Collections.....	9	91
Adopted Tax Rates.....	10	92
Property Value, Construction and Bank Deposits.....	11	93
<b>Debt Capacity Information</b>		
Direct and Overlapping Governmental Activities Debt.....	12	94
Computation of Legal Debt Margin.....	13	95 – 96
Ratios of Outstanding Debt by Type.....	14	97
Ratios of General Bonded Debt Outstanding.....	15	98
Revenue Bond Coverage – Water and Sewer Fund.....	16	99
<b>Demographic and Economic Information</b>		
Demographic and Economic Statistics.....	17	100
Principal Employers.....	18	101
<b>Operating Information</b>		
Full-time Equivalent City Government Employees by Function.....	19	102 – 103
Capital Asset Statistics and Operating Indicators by Function.....	20	104 – 105

# **INTRODUCTORY SECTION**



Copperas Cove

*Head for the Hills*



“The City Built for Family Living”

---

March 15, 2016

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, 2015, 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, 2015, 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, 2015, 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 provide 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, other funds exist 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 33,225 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 almost 39,000. Fort Hood has a significant 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 35% 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.

Ad Valorem Taxes. Property tax revenues are the City's largest source of funding. Tax collections totaled \$9.8 million for fiscal year 2015, an increase of 4.1% from prior year. The City has experienced a decline in net taxable value since 2009, this decline is the result of the disabled veteran's exemption plus the over 65 tax freeze.

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 2.8 percent in comparison to fiscal year 2014.

Overall the City is maintaining adequate funding for expenditures and reserves as required by the fund balance policy. The City continues 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.

### **Long-Term Financial Planning**

The City has a five-year financial plan including staffing requirements, capital improvement, and capital outlay. Due to the challenges provided by the economy these plans are closely monitored and adjusted accordingly.

The City has an Audit Committee which meets on a quarterly basis to discuss financial information for long-term planning, financial policies, internal controls, and fund balance reserve requirements.

The City began multi-year budgeting during the FY 2016 budget development. City staff prepared the FY 2016 adopted budget and the FY 2017 estimated budget.

### **MAJOR INITIATIVES**

At the end of the 2014-15 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.

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 Water System Study provides "a list of recommended improvements that has been developed to address immediate concerns and deficiencies in the Copperas Cove water system. These improvements are referred to as Phase I Improvements in the total amount of \$11.3 million and are necessary for the water distribution system to provide an adequate level of service and satisfy design criteria under current existing conditions. Phase I Improvements consists of four projects whose primary goal is to address the water storage deficiencies and improve water transmission capabilities." Phase I was authorized by City Council beginning with the Southwest Water Improvements project currently in the design phase. Phase II and III projects are longer term and total \$27.6 million to address population growth.

Fire Station #2, the construction phase is completed as of the date of this writing.  
The Courtney Lane Improvement Project was completed with an 80% grant Category 7 funding from the Federal Highway Administration.

## **ACCOMPLISHMENTS**

During fiscal year 2015, 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 numerous community events.
- ◆ 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.
- ◆ Maintained above average clearance rates in Part I & Part II crimes as compared to state averages.

### Fire

- ◆ Received and managed a Homeland Security Program Grant used to fund the purchase of Interoperability Compliant portable radios.
- ◆ 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

- ◆ Conducted two youth soccer leagues with 787 participants.
- ◆ Conducted Youth Baseball / Softball program with over 707 participants.
- ◆ Conducted Youth Flag Football and Youth Tackle Football with 416 participants.
- ◆ Conducted Youth Basketball with 450 participants.
- ◆ Conducted swimming lesson for 4 levels of ability.
- ◆ Library maintained accreditation by the Texas State Library & Archives Commission.
- ◆ The Library provided access to e-book, and downloadable materials.
- ◆ The Library created Technology Petting Zoo.

### 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.
- ◆ Improved Wastewater Treatment processes that focused on increased safety, productivity, and cost savings.
- ◆ Updated the Water Conservation and Contingency Plan.

## Solid Waste

- ◆ 7,258 households are currently participating in the single Stream Recycling Program (SSR).
- ◆ 758 tons of recyclables were collected and kept away from the landfill resulting in savings for our City and helping the environment.
- ◆ Successfully submitted quarterly and semiannual report for groundwater monitoring.

## **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 Budget Director. 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, Capital Assets, and Debt Management Policy.

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



Citizens of Copperas Cove  
32,869 Citizens <sup>1</sup>

**Mayor & City Council**  
FTE: 0 Exp: \$43,654

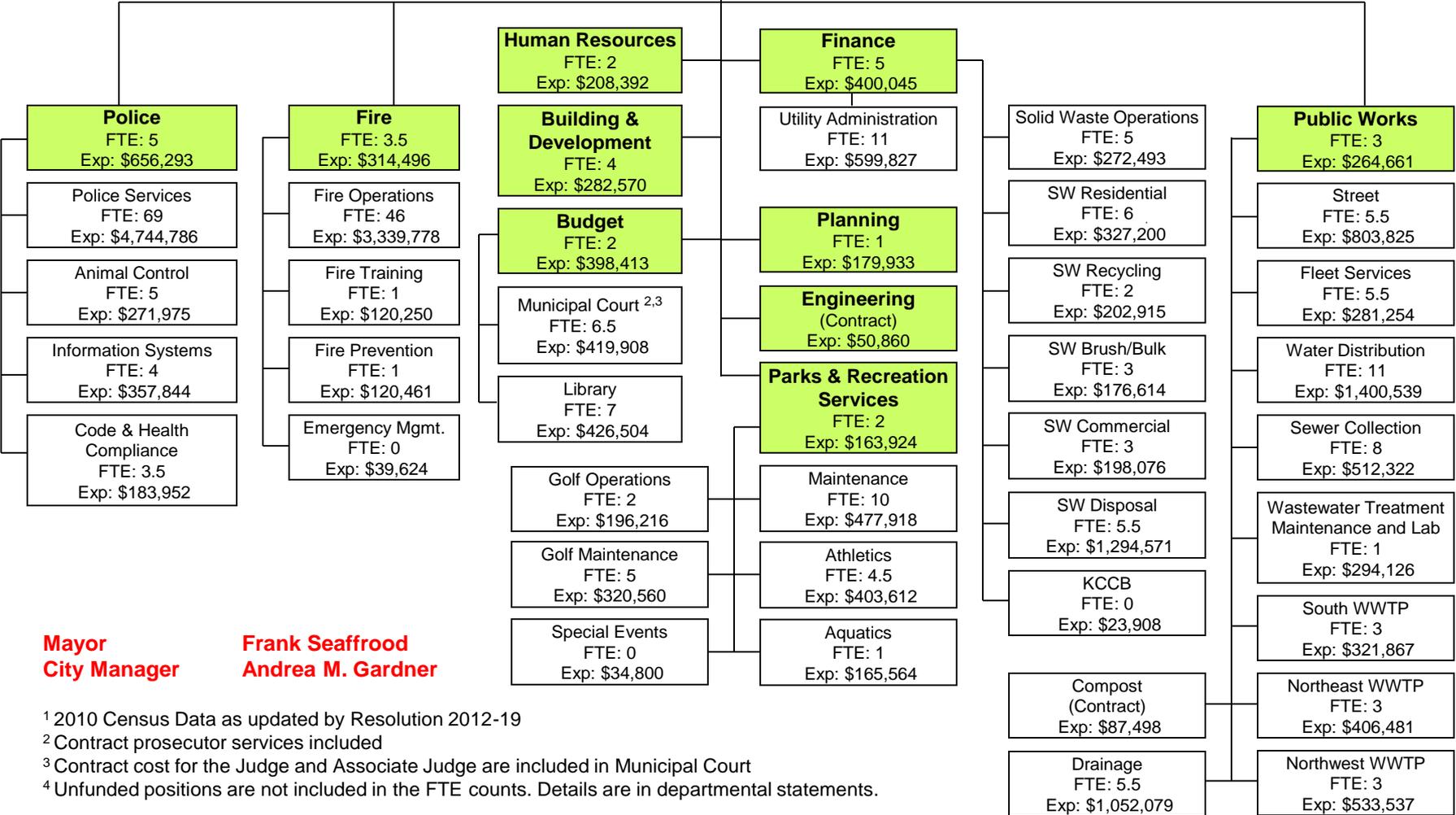
City Attorney (Contract) <sup>2</sup>  
Exp: \$139,910

City Secretary  
FTE: 2  
Exp: \$144,043

**City Manager**  
FTE: 2  
Exp: \$281,409

Municipal Judge (Contract) <sup>3</sup>

Assoc. Municipal Judge (Contract) <sup>3</sup>



**Mayor** Frank Seaffrood  
**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 counts. Details are in departmental statements.

# City of Copperas Cove, Texas

## List of Principal Officials

---

### City Council

Frank Seffrood - Mayor  
Kirby D. Lack - Mayor Pro Tem

George D. Duncan - Council Member  
Matthew H. Russell - Council Member  
Dan Yancey - Council Member

Martha A. Smith - Council Member  
James Pierce Jr. - Council Member  
David Morris - Council Member

### City Staff

#### Reporting to City Council

Andrea M. Gardner, City Manager  
Denton, Navarro, Rocha & Bernal, City Attorney  
Mariela Altott, 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  
Roy "Jeff" Davis, Human Resources Director  
Ryan D. Haverlah, Budget Director/Asst. to the City Manager  
Velia Key, Director of Financial Services  
Joseph Brown, Parks & Recreation Director  
Michael T. Morton, Chief Building Official  
Kevin Keller, Public Information Officer  
Greg Mitchell, IS Director  
Michael Neujahr, Fire Chief



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

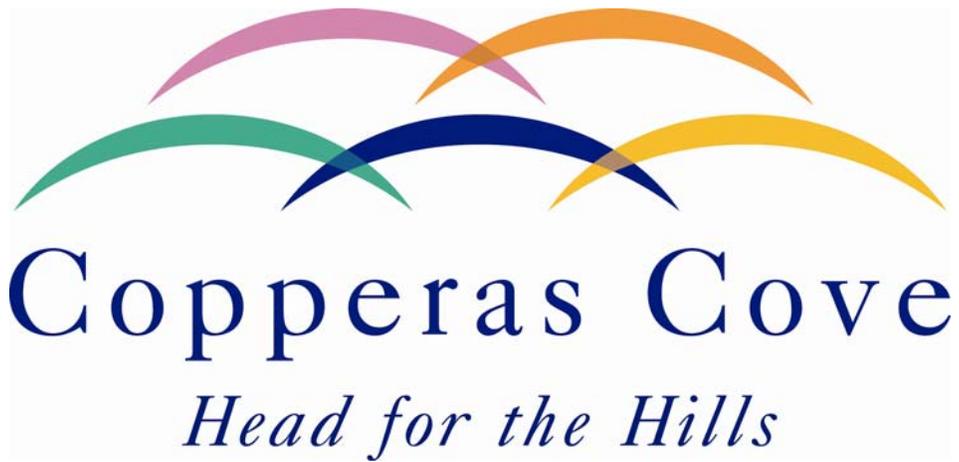
Presented to

**City of Copperas Cove  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

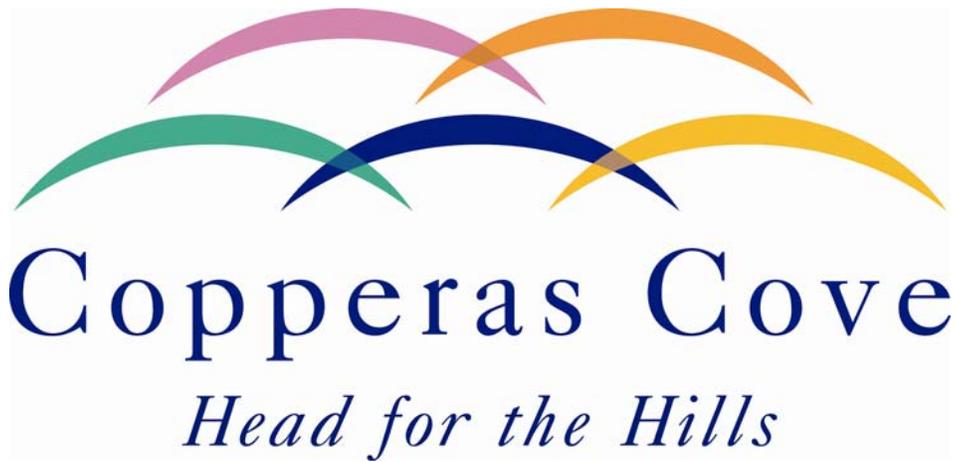
Executive Director/CEO



Copperas Cove

*Head for the Hills*

# **FINANCIAL SECTION**



Copperas Cove

*Head for the Hills*



PATILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

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 (the "City"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note I to the financial statements, in 2015 the City adopted new accounting guidance, Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Accounting Standards (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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 (Budgetary Basis)—General Fund, the pension information on pages 54 and 55, 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Copperas Cove, Texas' basic financial statements. 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic 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.

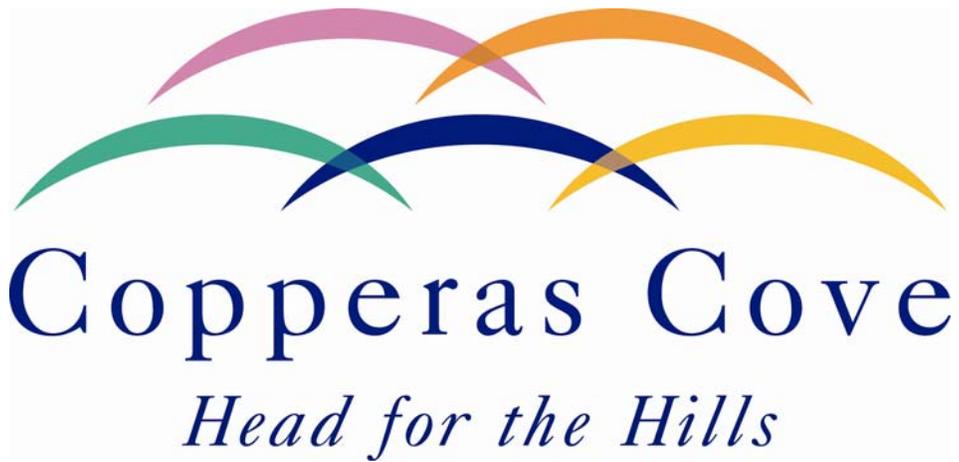
### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2016, on our consideration of the City of Copperas Cove, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Copperas Cove, Texas' internal control over financial reporting and compliance.

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

Waco, Texas  
March 15, 2016

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**



Copperas Cove

*Head for the Hills*



## **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, 2015. 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 14 and the accompanying notes to the financial statements.

### **Financial Highlights**

- The total net position of the City decreased to \$46 million from the prior year's 48.4 million.
- As of September 30, 2015, the City's governmental funds reported combined ending fund balances of \$14.2 million, a decrease of \$13.4 million in comparison with prior year.
- As of September 30, 2015, unassigned fund balance for the General Fund was \$6.4 million, or 45% of total General Fund expenditures. Unassigned fund balance, when compared to prior year, increased 10%.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is 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 position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 54 and 66 – 75.

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 – 49 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 54 – 65 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, 2015.

### Net Position

The following table reflects the Condensed Statement of Net Position as of September 30, 2015 and the previous year.

#### Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 16,416,972	\$ 29,103,503	\$ 21,953,949	\$ 19,416,660	\$ 38,370,921	\$ 48,520,163
Capital assets	<u>40,004,573</u>	<u>38,305,858</u>	<u>48,242,191</u>	<u>46,630,548</u>	<u>88,246,764</u>	<u>84,936,406</u>
Total assets	<u>56,421,545</u>	<u>67,409,361</u>	<u>70,196,140</u>	<u>66,047,208</u>	<u>126,617,685</u>	<u>133,456,569</u>
Deferred outflows of resources	<u>1,341,916</u>	<u>267,391</u>	<u>726,304</u>	<u>485,500</u>	<u>2,068,220</u>	<u>752,891</u>
Other liabilities	1,978,664	1,427,171	2,114,945	1,838,485	4,093,609	3,265,656
Long-term liabilities	<u>41,053,923</u>	<u>48,863,419</u>	<u>37,099,485</u>	<u>33,684,036</u>	<u>78,153,408</u>	<u>82,547,455</u>
Total liabilities	<u>43,032,587</u>	<u>50,290,590</u>	<u>39,214,430</u>	<u>35,522,521</u>	<u>82,247,017</u>	<u>85,813,111</u>
Deferred inflows of resources	<u>325,783</u>	<u>-</u>	<u>87,466</u>	<u>-</u>	<u>413,249</u>	<u>-</u>
Net position:						
Net investment in						
capital assets	11,141,316	10,205,332	25,997,032	20,327,650	37,138,348	30,532,982
Restricted	2,595,110	2,533,492	504,099	511,264	3,099,209	3,044,756
Unrestricted	<u>668,665</u>	<u>4,647,338</u>	<u>5,119,417</u>	<u>10,171,273</u>	<u>5,788,082</u>	<u>14,818,611</u>
Total net position	<u>\$ 14,405,091</u>	<u>\$ 17,386,162</u>	<u>\$ 31,620,548</u>	<u>\$ 31,010,187</u>	<u>\$ 46,025,639</u>	<u>\$ 48,396,349</u>

The City's combined net position was \$46 million as of September 30, 2015. Of the \$46 million, \$14.4 million was in the governmental activities and \$31.6 million was in the business-type activities. The City's total net position decreased when compared to the prior year with a decrease of \$2.4 million.

Net position consists of three components: net investment in capital assets, restricted net position and unrestricted net position. The first portion of net position (\$37.1 million or 81 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 net investment in capital assets increased \$6.6 million or 22 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 position which totaled \$3.1 million at September 30, 2015, or 7 percent of overall total net position. Restricted net position represents resources that are subject to external restrictions on how they may be used. Restricted net position increased \$57,423 or 2 percent compared to September 30, 2014.

The third portion consists of unrestricted net position totaling \$5.8 million or 13 percent of total net position. Unrestricted net position may be used to meet the City's ongoing obligation to citizens and creditors. Unrestricted net position decreased \$9 million or 61 percent compared to September 30, 2014.

**Changes in Net Position.** The City's total revenues for the fiscal year ended September 30, 2015, were \$34.1 million. Total revenues increased when compared to the prior year by \$1.8 million or 6 percent. The City's total costs of all programs and services were basically flat compared to the prior year's \$31.5 million.

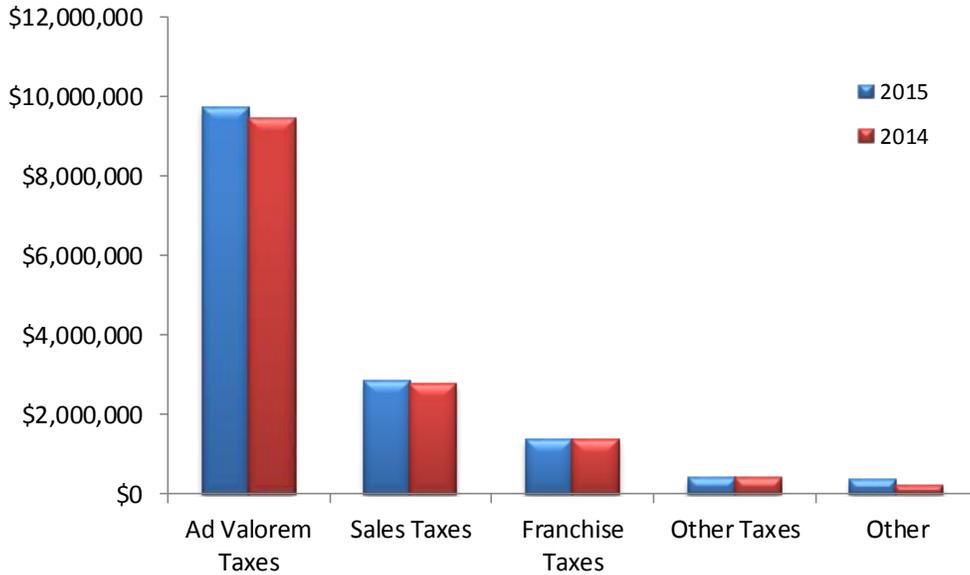
**Changes in Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 3,231,357	\$ 3,071,690	\$ 15,411,764	\$ 14,626,607	\$ 18,643,121	\$ 17,698,297
Operating grants and contributions	571,277	376,813	-	-	571,277	376,813
Capital grants and contributions	3,500	2,776	-	-	3,500	2,776
General revenues:						
Ad valorem taxes	9,742,586	9,430,398	-	-	9,742,586	9,430,398
Franchise taxes	1,375,791	1,359,461	-	-	1,375,791	1,359,461
Sales taxes	2,848,964	2,771,359	-	-	2,848,964	2,771,359
Other taxes	406,468	410,158	-	-	406,468	410,158
Interest and investment earnings	101,631	42,537	37,684	33,707	139,315	76,244
Miscellaneous	<u>267,602</u>	<u>177,552</u>	<u>128,586</u>	<u>22,764</u>	<u>396,188</u>	<u>200,316</u>
Total revenues	<u>18,549,176</u>	<u>17,642,744</u>	<u>15,578,034</u>	<u>14,683,078</u>	<u>34,127,210</u>	<u>32,325,822</u>
Expenses:						
General government	3,535,829	3,293,107	-	-	3,535,829	3,293,107
Community services	3,214,351	2,074,947	-	-	3,214,351	2,074,947
Fleet and facility maintenance	456,308	266,975	-	-	456,308	266,975
Highways and streets	1,434,484	1,592,976	-	-	1,434,484	1,592,976
Public safety	9,162,709	10,177,406	-	-	9,162,709	10,177,406
Interest on long-term debt	1,054,111	1,972,914	-	-	1,054,111	1,972,914
Water and sewer	-	-	9,221,685	8,708,517	9,221,685	8,708,517
Solid waste	-	-	3,041,437	2,905,397	3,041,437	2,905,397
Golf course	-	-	565,774	546,309	565,774	546,309
Total expenses	<u>18,857,792</u>	<u>19,378,325</u>	<u>12,828,896</u>	<u>12,160,223</u>	<u>31,686,688</u>	<u>31,538,548</u>
Increase (decrease) in net position before transfers	( 308,616)	( 1,735,581)	2,749,138	2,522,855	2,440,522	787,274
Transfers	<u>1,157,733</u>	<u>1,137,835</u>	<u>( 1,157,733)</u>	<u>( 1,137,835)</u>	<u>-</u>	<u>-</u>
Change in net position	849,117	( 597,746)	1,591,405	1,385,020	2,440,522	787,274
Net position, beginning	<u>17,386,162</u>	<u>18,744,729</u>	<u>31,010,187</u>	<u>29,942,030</u>	<u>48,396,349</u>	<u>48,686,759</u>
Change in accounting principle	<u>( 3,830,188)</u>	<u>( 760,821)</u>	<u>( 981,044)</u>	<u>( 316,863)</u>	<u>( 4,811,232)</u>	<u>( 1,077,684)</u>
Net position, ending	<u>\$ 14,405,091</u>	<u>\$ 17,386,162</u>	<u>\$ 31,620,548</u>	<u>\$ 31,010,187</u>	<u>\$ 46,025,639</u>	<u>\$ 48,396,349</u>

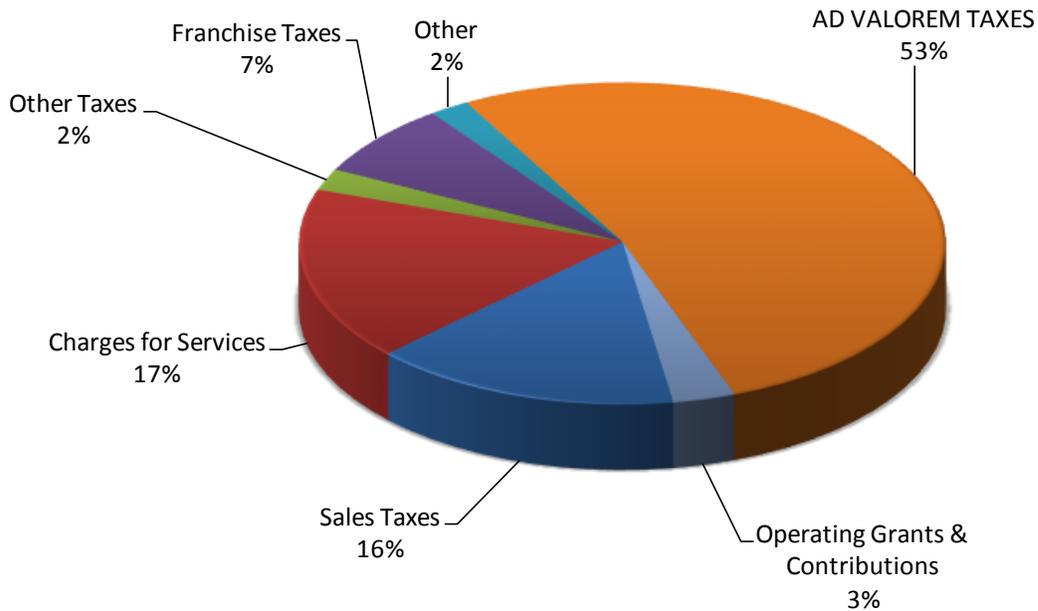
**General Revenues – Governmental Activities**

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 \$312,188, which is an increase of 3 percent compared to last year. Sales tax increased by \$77,605 or 3 percent compared to last year.

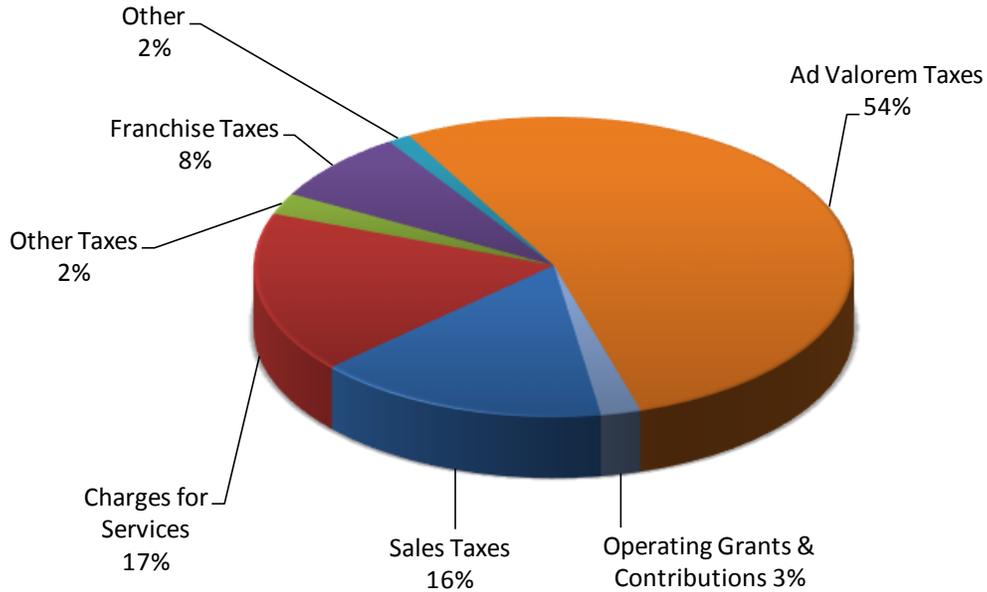
**General Revenues – Governmental Activities**



**Revenues by Source – Governmental Activities – FY 2015**



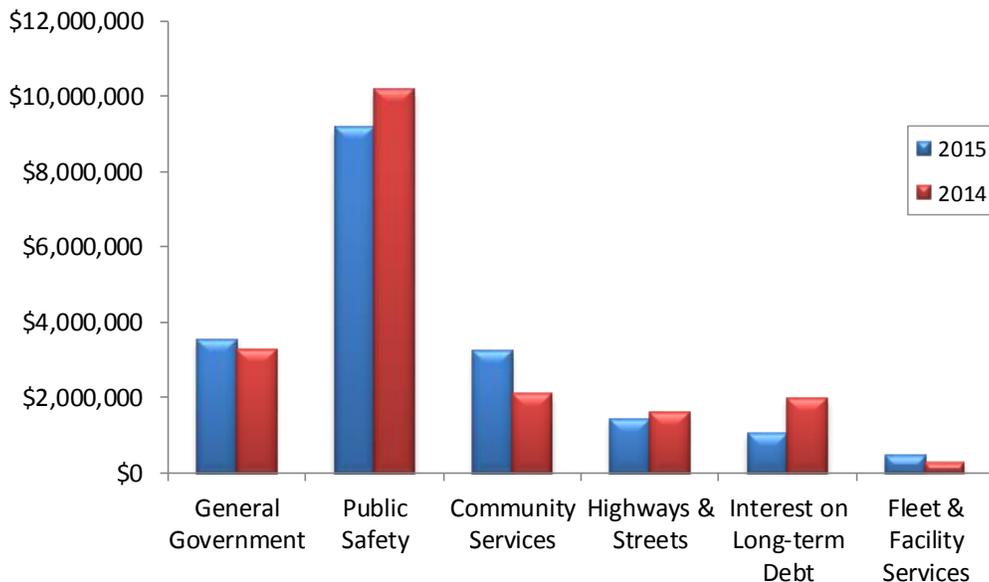
### Revenues by Source – Governmental Activities – FY 2014



### 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 \$9.2 million, or 49 percent of total expenses compared to the prior year’s \$10.2 million, or 53 percent, followed by General Government at \$3.5 million, or 19 percent compared to prior year’s \$3.3 million, or 17 percent. Community Services recorded \$3.2 million, or 17 percent compared to prior year’s \$2.1 million, or 11 percent. Highways and Streets recorded \$1.4 million, or 8 percent compared to prior year’s \$1.6 million, or 8 percent.

### Expenses – Governmental Activities

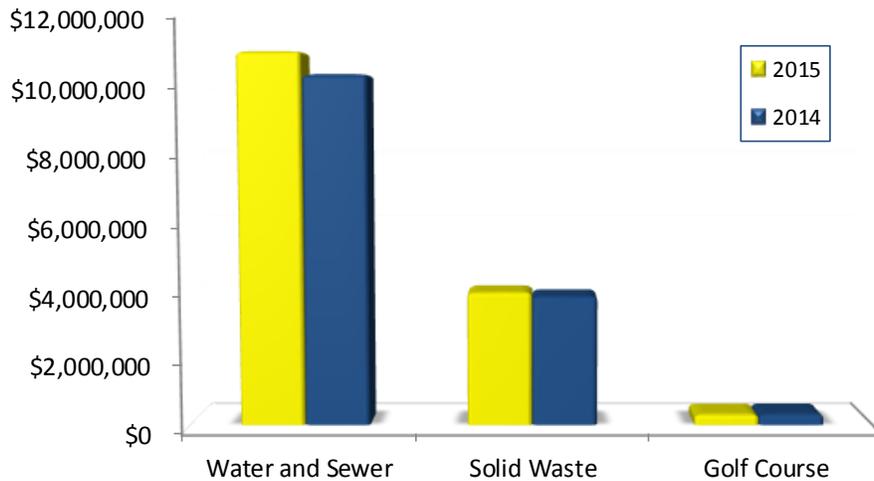


### Business-type Activities – Revenues

Business-type activities increased the City’s net position by \$1.6 million. Charges for services provided the largest share of revenues at 99 percent.

Water and sewer fees are the major revenue source for the business-type activities of the City, which recorded \$11.1 million in revenue. Compared to the prior year, water and sewer revenues increased \$674,240 or 6 percent. Solid Waste revenues increased \$118,791 or 3 percent. The Golf Course Fund revenues decreased from \$331,204 in 2014 to \$323,330 in 2015, a decrease of \$7,874 or 2 percent.

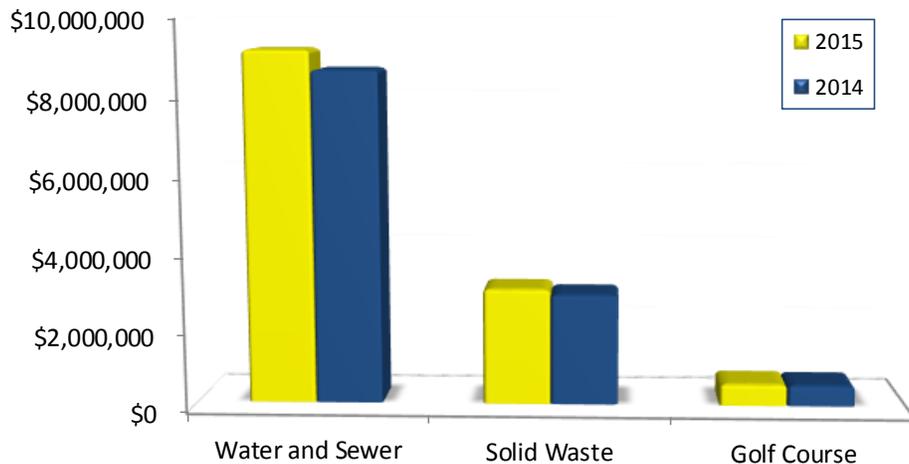
### Program Revenues – Business-type Activities



## Business-type Activities – Expenses

Total expenses for business-type activities were \$12.8 million, an increase of \$668,673 or 5 percent compared to the prior year. Water and Sewer recorded \$9.2 million in expenses, an increase of \$513,168 or 6 percent compared to the prior year. Solid Waste expenses increased \$136,040 or 5 percent. Golf Course expenses increased from \$546,309 in 2014 to \$565,774 in 2015, an increase of \$19,465 or 5 percent.

### Program Expenses – Business-type Activities



## 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 \$14.2 million, a decrease of \$13.4 million in comparison with the prior year.

The General Fund is the chief operating fund of the City. At September 30, 2015, unassigned fund balance of the General Fund was \$6.2 million, while total fund balance was \$6.4 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 44 percent of total General Fund expenditures.

The Debt Service Fund has a total fund balance of \$369,913, all of which is restricted for the payment of debt service.

### 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 position of the Water & Sewer Fund as of the end of the year amounted to \$4 million, a decrease of \$5.2 million or 56 percent. The Solid Waste Fund unrestricted net position was \$2.5 million, an increase of \$340,345 or 16 percent. Unrestricted net position for the Golf Course Fund decreased \$226,539 in 2015.

The total decrease/increase in net position for the three funds was \$1.2 million, \$486,507, and \$(158,177) respectively. Total operating revenues in fiscal year 2014-15 were \$15.4 million, an increase of 5 percent from the year ending September 2014. Total operating expenses totaled \$11.7 million, an increase of 7 percent. Total operating income was \$3.7 million, an increase of \$30,867 or 1 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 57 for more information on budget policies).

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2015, the City has \$88.2 million invested in various capital assets, net of accumulated depreciation. Of the \$88.2 million, \$40 million is invested in governmental activities and \$48.2 million is invested in business-type activities. Compared to last year, total capital assets increased \$3.3 million. Capital assets in governmental activities increased \$1.7 million from the prior year. Capital assets in business-type activities increased \$1.6 million or 3 percent from the prior year.

The following table provides a breakdown of the capital asset balances net of accumulated depreciation at September 30, 2015. 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	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,278,035	\$ 1,263,035	\$ 917,921	\$ 828,817	\$ 2,195,956	\$ 2,091,852
Buildings and improvements	2,722,464	3,030,426	22,131	28,105	2,744,595	3,058,531
Furniture and fixtures	7,506	15,550	-	-	7,506	15,550
Vehicles	2,644,194	1,638,534	990,179	922,397	3,634,373	2,560,931
Equipment	1,313,082	1,825,142	516,764	691,778	1,829,846	2,516,920
Facilities/infrastructure	27,721,186	28,589,902	38,483,570	39,916,762	66,204,756	68,506,664
Construction in progress	4,318,106	1,943,269	7,311,626	4,242,689	11,629,732	6,185,958
Total capital assets	<u>\$ 40,004,573</u>	<u>\$ 38,305,858</u>	<u>\$ 48,242,191</u>	<u>\$ 46,630,548</u>	<u>\$ 88,246,764</u>	<u>\$ 84,936,406</u>

**Long-term Debt**

The City's total debt decreased by \$9.8 million during the current fiscal year. During fiscal year 2015, the City had the following debt issuances:

- Series 2015 Combination Tax and Revenue Certificates of Obligation in the amount of \$8,100,000.

The following schedule shows the outstanding bonds and notes of the City (both current and long-term) as of September 30, 2015.

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

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligations	\$ 20,087,980	\$ 21,195,040	\$ 15,717,020	\$ 17,534,961	\$ 35,805,000	\$ 38,730,001
Tax/revenue certificates of obligation	10,670,000	20,356,036	13,725,000	9,013,964	24,395,000	29,370,000
Tax notes	<u>2,975,000</u>	<u>4,110,951</u>	<u>4,940,000</u>	<u>5,704,049</u>	<u>7,915,000</u>	<u>9,815,000</u>
	<u>\$ 33,732,980</u>	<u>\$ 45,662,027</u>	<u>\$ 34,382,020</u>	<u>\$ 32,252,974</u>	<u>\$ 68,115,000</u>	<u>\$ 77,915,001</u>

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

**Bonded Debt Ratings**  
September 30, 2015

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**

Property tax revenues for maintenance and operations are projected to decrease in FY 2016, the decrease is attributed to the increase in debt service payments, high number of foreclosures, and the lost property tax revenue from the over 65 tax freeze and the disabled veteran's exemption.

The sales tax revenue source is extremely important to the City in that it reduces the general fund's dependency on property taxes. Sales tax comprises 21% of the general fund revenue, compared to property taxes being 40% of general fund revenue. Sales tax as a revenue source is subject to the economic cycles and discretionary purchasing power of the consumer, thus it must be monitored carefully and projected conservatively during this volatile economic environment.

The City is anticipating several housing developments to begin construction in the very near future and continue for more than a decade. Heartwood Park Phase I, a development of 222 lots, has sold a number of homes and continues construction. The Reserves at Skyline Mountain, a development of 57 lots, has installed infrastructure and is currently constructing and selling sites homes. There are also three additional housing developments proposed in concept totaling 1,869 lots.

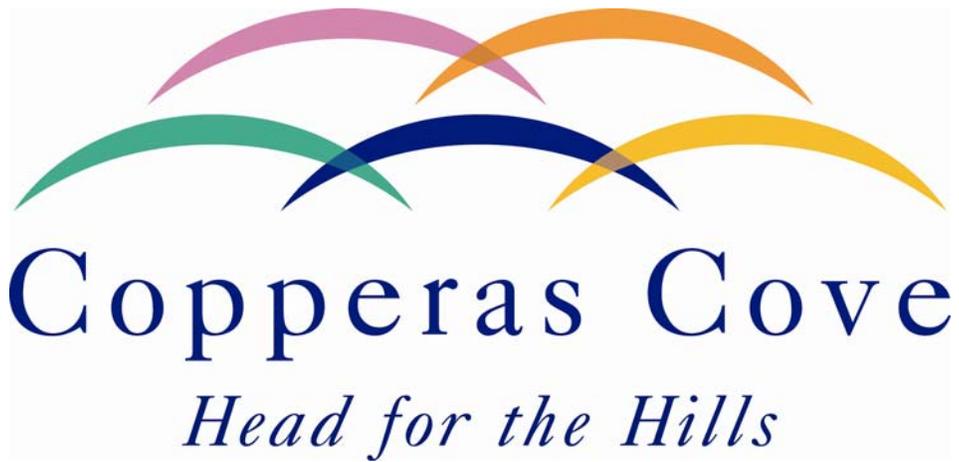
## **REQUESTS FOR INFORMATION**

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:

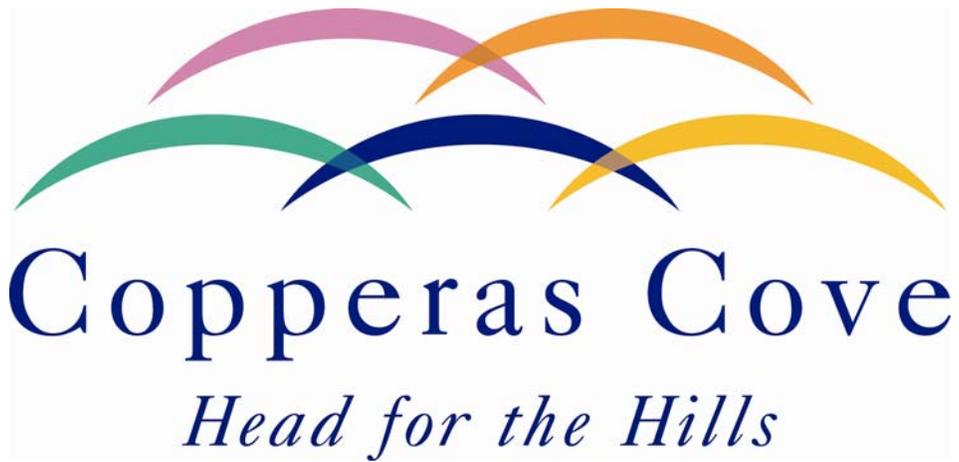
<http://www.copperascovetx.gov>



Copperas Cove

*Head for the Hills*

**BASIC  
FINANCIAL STATEMENTS**



Copperas Cove

*Head for the Hills*

**CITY OF COPPERAS COVE, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 13,387,059	\$ 5,565,748	\$ 18,952,807	\$ 2,411,981
Restricted cash and investments	-	12,723,850	12,723,850	-
Receivables (net of allowance):				
Taxes	846,081	-	846,081	229,112
Accounts	344,140	4,577,981	4,922,121	1,384
Fines	77,425	-	77,425	-
Ambulance fees	141,173	-	141,173	-
Grants	17,491	-	17,491	-
Internal balances	1,323,552	( 1,323,552)	-	-
Inventories	71,395	40,861	112,256	-
Prepaid items	92,282	39,061	131,343	-
Notes receivable	116,374	330,000	446,374	-
Capital assets:				
Nondepreciable	5,596,141	8,229,547	13,825,688	1,119,902
Depreciable (net)	34,408,432	40,012,644	74,421,076	527,239
Total assets	<u>56,421,545</u>	<u>70,196,140</u>	<u>126,617,685</u>	<u>4,289,618</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	1,160,318	311,527	1,471,845	33,109
Deferred charge on refunding	181,598	414,777	596,375	-
Total deferred outflows of resources	<u>1,341,916</u>	<u>726,304</u>	<u>2,068,220</u>	<u>33,109</u>
<b>LIABILITIES</b>				
Accounts payable	1,162,455	746,944	1,909,399	22,948
Retainage payable	118,293	-	118,293	-
Accrued liabilities	312,211	240,336	552,547	3,143
Due to other governments	90,431	-	90,431	-
Retainage payable	-	165,465	165,465	-
Unearned revenue	58,934	1,001	59,935	-
Other liabilities	89,978	-	89,978	-
Accrued interest payable	146,362	135,673	282,035	10,298
Customer deposits	-	825,526	825,526	-
Noncurrent liabilities:				
Due within one year	3,503,800	6,255,928	9,759,728	87,217
Due in more than one year	37,550,123	30,843,557	68,393,680	1,885,572
Total liabilities	<u>43,032,587</u>	<u>39,214,430</u>	<u>82,247,017</u>	<u>2,009,178</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	325,783	87,466	413,249	9,296
Total deferred inflows of resources	<u>325,783</u>	<u>87,466</u>	<u>413,249</u>	<u>9,296</u>
<b>NET POSITION</b>				
Net investment in capital assets	11,141,316	25,997,032	37,138,348	1,647,141
Restricted for:				
Debt service	301,339	504,099	805,438	-
Community services	354,908	-	354,908	-
Highways and streets	1,867,333	-	1,867,333	-
Public safety	71,530	-	71,530	-
Economic development	-	-	-	657,112
Unrestricted	668,665	5,119,417	5,788,082	-
Total net position	<u>\$ 14,405,091</u>	<u>\$ 31,620,548</u>	<u>\$ 46,025,639</u>	<u>\$ 2,304,253</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, 2015**

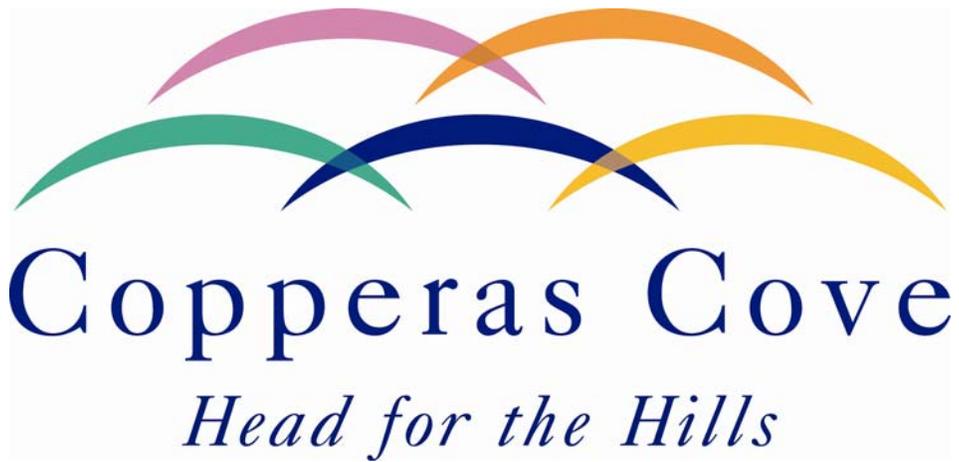
Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities:				
General government	\$ 3,535,829	\$ 354,870	\$ 7,571	\$ -
Community services	3,214,351	1,136,980	71,932	-
Fleet and facility services	456,308	-	-	-
Highways and streets	1,434,484	930,020	133,350	-
Public safety	9,162,709	809,487	358,424	3,500
Interest on long-term debt	1,054,111	-	-	-
Total governmental activities	<u>18,857,792</u>	<u>3,231,357</u>	<u>571,277</u>	<u>3,500</u>
Business-type activities:				
Water and sewer	9,221,685	11,095,431	-	-
Solid waste	3,041,437	3,993,003	-	-
Golf course	565,774	323,330	-	-
Total business-type activities	<u>12,828,896</u>	<u>15,411,764</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 31,686,688</u>	<u>\$ 18,643,121</u>	<u>\$ 571,277</u>	<u>\$ 3,500</u>
<b>COMPONENT UNIT</b>				
Economic development	<u>\$ 3,335,884</u>	<u>\$ 7,219</u>	<u>\$ -</u>	<u>\$ -</u>
Total component unit	<u>\$ 3,335,884</u>	<u>\$ 7,219</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	
\$( 3,173,388)	\$ -	\$( 3,173,388)	
( 2,005,439)	-	( 2,005,439)	
( 456,308)	-	( 456,308)	
( 371,114)	-	( 371,114)	
( 7,991,298)	-	( 7,991,298)	
( 1,054,111)	-	( 1,054,111)	
<u>( 15,051,658)</u>	<u>-</u>	<u>( 15,051,658)</u>	
-	1,873,746	1,873,746	
-	951,566	951,566	
-	<u>( 242,444)</u>	<u>( 242,444)</u>	
-	<u>2,582,868</u>	<u>2,582,868</u>	
<u>( 15,051,658)</u>	<u>2,582,868</u>	<u>( 12,468,790)</u>	
			<u>\$( 3,328,665)</u>
			<u>( 3,328,665)</u>
9,742,586	-	9,742,586	-
2,848,964	-	2,848,964	1,424,471
1,375,791	-	1,375,791	-
406,468	-	406,468	-
267,602	128,586	396,188	-
101,631	37,684	139,315	1,566
-	-	-	462,003
<u>1,157,733</u>	<u>( 1,157,733)</u>	<u>-</u>	<u>-</u>
<u>15,900,775</u>	<u>( 991,463)</u>	<u>14,909,312</u>	<u>1,888,040</u>
849,117	1,591,405	2,440,522	( 1,440,625)
17,386,162	31,010,187	48,396,349	3,858,091
<u>( 3,830,188)</u>	<u>( 981,044)</u>	<u>( 4,811,232)</u>	<u>( 113,213)</u>
<u>13,555,974</u>	<u>30,029,143</u>	<u>43,585,117</u>	<u>3,744,878</u>
<u>\$ 14,405,091</u>	<u>\$ 31,620,548</u>	<u>\$ 46,025,639</u>	<u>\$ 2,304,253</u>



Copperas Cove

*Head for the Hills*

# CITY OF COPPERAS COVE, TEXAS

## GOVERNMENTAL FUNDS

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

“The City Built for Family Living”

**CITY OF COPPERAS COVE, TEXAS**

**GOVERNMENTAL FUNDS**

**BALANCE SHEET**

**SEPTEMBER 30, 2015**

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 5,316,386	\$ 86,552	\$ 7,984,121	\$ 13,387,059
Receivables (net of allowance):				
Taxes	726,319	77,938	41,824	846,081
Ambulance fees	141,173	-	-	141,173
Accounts	107,574	-	236,566	344,140
Fines	72,248	-	5,177	77,425
Grants	350	-	17,141	17,491
Due from other funds	1,034,876	289,649	3,937	1,328,462
Inventory	71,395	-	-	71,395
Prepaid items	89,312	-	2,970	92,282
Notes receivable	-	-	116,374	116,374
Total assets	<u>7,559,633</u>	<u>454,139</u>	<u>8,408,110</u>	<u>16,421,882</u>
<b>LIABILITIES</b>				
Accounts payable	304,851	6,438	851,166	1,162,455
Retainage payable	-	-	118,293	118,293
Due to other funds	40	-	4,870	4,910
Due to other governments	90,431	-	-	90,431
Unearned revenue	47,891	-	11,043	58,934
Accrued liabilities	302,849	-	9,362	312,211
Other liabilities	89,978	-	-	89,978
Total liabilities	<u>836,040</u>	<u>6,438</u>	<u>994,734</u>	<u>1,837,212</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable:				
Property taxes	137,231	77,788	-	215,019
Municipal court fines	72,248	-	5,177	77,425
Ambulance fees	141,173	-	-	141,173
Total deferred inflows of resources	<u>350,652</u>	<u>77,788</u>	<u>5,177</u>	<u>433,617</u>
<b>FUND BALANCES</b>				
Nonspendable	160,707	-	2,970	163,677
Restricted	9,457	369,913	7,405,229	7,784,599
Assigned	50,326	-	-	50,326
Unassigned	6,152,451	-	-	6,152,451
Total fund balances	<u>6,372,941</u>	<u>369,913</u>	<u>7,408,199</u>	<u>14,151,053</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,559,633</u>	<u>\$ 454,139</u>	<u>\$ 8,408,110</u>	<u>\$ 16,421,882</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 POSITION**

**SEPTEMBER 30, 2015**

Total fund balances - governmental funds balance sheet \$ 14,151,053

Amounts reported for governmental activities in the statement of net position 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. 40,004,573

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. ( 40,184,152)

Unavailable revenues are deferred inflows of resources in the fund financial statements, but such revenues are recognized in the government-wide financial statements. 433,617

Net position of governmental activities - statement of net position \$ 14,405,091

**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, 2015

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 10,734,484	\$ 3,548,864	\$ 170,290	\$ 14,453,638
Charges for services	1,195,085	-	929,082	2,124,167
Intergovernmental	11,071	133,350	409,771	554,192
Fines	546,382	-	29,745	576,127
Licenses	54,318	-	-	54,318
Permits	226,239	-	-	226,239
Investment income	15,442	47,481	38,708	101,631
Miscellaneous	383,041	-	4,761	387,802
Total revenues	13,166,062	3,729,695	1,582,357	18,478,114
<b>EXPENDITURES</b>				
Current:				
General government	2,579,037	-	-	2,579,037
Community services	1,683,670	-	122,527	1,806,197
Fleet and facility services	272,903	-	-	272,903
Highways and streets	550,619	-	341,541	892,160
Public safety	8,959,354	-	140,180	9,099,534
Capital outlay	75,580	-	4,867,203	4,942,783
Debt service:				
Principal retirement	-	14,887,665	137,440	15,025,105
Interest and fiscal charges	-	1,622,265	15,197	1,637,462
Bond issuance costs	-	100	34,295	34,395
Total expenditures	14,121,163	16,510,030	5,658,383	36,289,576
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 955,101)	( 12,780,335)	( 4,076,026)	( 17,811,462)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	-	-	3,055,000	3,055,000
Premium on bonds	-	11,477	98,217	109,694
Sale of capital assets	57,037	-	953	57,990
Insurance recoveries	26,299	-	-	26,299
Transfers in	1,404,000	-	-	1,404,000
Transfers out	-	( 84,267)	( 112,000)	( 196,267)
Total other financing sources (uses)	1,487,336	( 72,790)	3,042,170	4,456,716
<b>NET CHANGE IN FUND BALANCES</b>	532,235	( 12,853,125)	( 1,033,856)	( 13,354,746)
<b>FUND BALANCES, BEGINNING</b>	5,840,706	13,223,038	8,442,055	27,505,799
<b>FUND BALANCES, ENDING</b>	\$ 6,372,941	\$ 369,913	\$ 7,408,199	\$ 14,151,053

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, 2015**

Net change in fund balances - total governmental funds \$( 13,354,746)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report all 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. This reconciling item represents the amount by which capital outlay exceeded depreciation in the current period. 2,864,317

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 position. Also, governmental funds report the effect of 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. 12,348,100

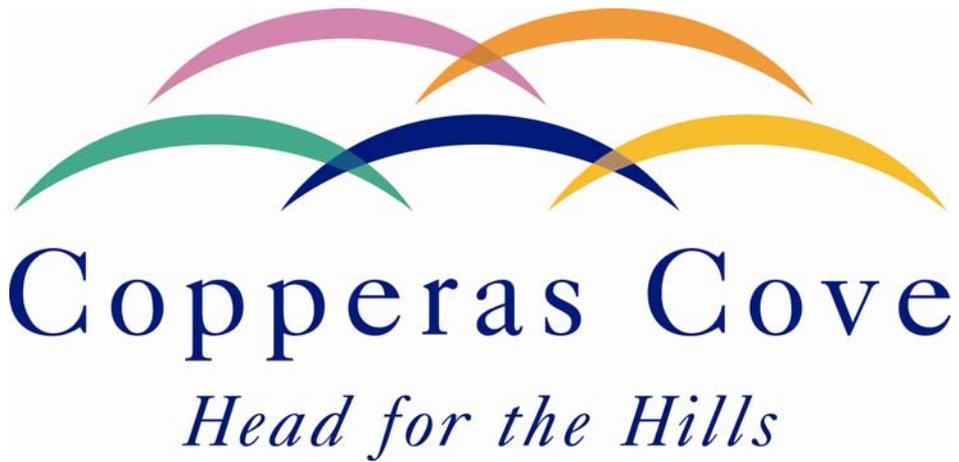
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This reconciling item reflects the net of such expenses. 94,928

Some revenues in the statement of activities do not provide current financial resources and are not included in the governmental funds. 62,120

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. ( 1,165,602)

Change in net position of governmental activities - statement of activities \$ 849,117

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



Copperas Cove

*Head for the Hills*

# 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.

“The City Built for Family Living”

**CITY OF COPPERAS COVE, TEXAS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

	Business-type Activities			
	Water and Sewer	Solid Waste	Nonmajor Golf Course	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 3,911,074	\$ 1,654,674	\$ -	\$ 5,565,748
Restricted cash and investments	12,183,647	540,203	-	12,723,850
Accounts receivable, net	2,302,068	2,274,083	1,830	4,577,981
Inventory	-	-	40,861	40,861
Prepaid expenses	28,221	8,106	2,734	39,061
Notes receivable	330,000	-	-	330,000
Total current assets	<u>18,755,010</u>	<u>4,477,066</u>	<u>45,425</u>	<u>23,277,501</u>
Noncurrent assets:				
Property and equipment:				
Land	413,469	204,452	300,000	917,921
Buildings	189,590	-	132,722	322,312
Vehicles	1,007,632	3,083,247	61,267	4,152,146
Equipment	1,632,905	639,432	360,306	2,632,643
Facilities	28,303,516	3,497,385	1,600,245	33,401,146
Infrastructure	42,600,007	-	-	42,600,007
Construction in progress	7,294,376	17,250	-	7,311,626
Less: accumulated depreciation	( 37,861,902)	( 4,231,548)	( 1,002,160)	( 43,095,610)
Net property and equipment	<u>43,579,593</u>	<u>3,210,218</u>	<u>1,452,380</u>	<u>48,242,191</u>
Total noncurrent assets	<u>43,579,593</u>	<u>3,210,218</u>	<u>1,452,380</u>	<u>48,242,191</u>
Total assets	<u>62,334,603</u>	<u>7,687,284</u>	<u>1,497,805</u>	<u>71,519,692</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	191,130	97,822	22,575	311,527
Deferred charge on refunding	404,146	-	10,631	414,777
Total deferred outflows of resources	<u>595,276</u>	<u>97,822</u>	<u>33,206</u>	<u>726,304</u>
<b>LIABILITIES AND NET POSITION</b>				
Current liabilities:				
Accounts payable	583,986	142,983	19,975	746,944
Accrued liabilities	63,621	169,732	6,983	240,336
Due to other funds	-	-	1,323,552	1,323,552
Unearned revenue	-	236	765	1,001
Customer deposits	825,526	-	-	825,526
Retainage payable	165,465	-	-	165,465
Accrued interest	131,132	4,320	221	135,673
Long-term debt, current portion	5,634,346	502,654	118,928	6,255,928
Total current liabilities	<u>7,404,076</u>	<u>819,925</u>	<u>1,470,424</u>	<u>9,694,425</u>
Noncurrent liabilities:				
Compensated absences	91,634	23,650	6,226	121,510
Bonds payable	27,280,551	1,236,583	160,873	28,678,007
Net pension liability	838,593	429,201	99,047	1,366,841
Net OPEB obligation	40,154	19,312	7,123	66,589
Estimated landfill postclosure care costs	-	610,610	-	610,610
Total noncurrent liabilities	<u>28,250,932</u>	<u>2,319,356</u>	<u>273,269</u>	<u>30,843,557</u>
Total liabilities	<u>35,655,008</u>	<u>3,139,281</u>	<u>1,743,693</u>	<u>40,537,982</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	53,663	27,465	6,338	87,466
Total deferred inflows of resources	<u>53,663</u>	<u>27,465</u>	<u>6,338</u>	<u>87,466</u>
<b>NET POSITION</b>				
Net investment in capital assets	22,778,657	2,028,838	1,189,537	25,997,032
Restricted for:				
Debt service	403,860	100,239	-	504,099
Unrestricted	4,038,691	2,489,283	( 1,408,557)	5,119,417
Total net position	<u>\$ 27,221,208</u>	<u>\$ 4,618,360</u>	<u>\$ ( 219,020)</u>	<u>\$ 31,620,548</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 POSITION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Business-type Activities			Total Funds
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 11,033,764	\$ 3,983,948	\$ 323,311	\$ 15,341,023
Miscellaneous	61,667	9,055	19	70,741
Total operating revenues	<u>11,095,431</u>	<u>3,993,003</u>	<u>323,330</u>	<u>15,411,764</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,917,769	970,740	255,939	3,144,448
Supplies and materials	2,381,731	275,841	62,671	2,720,243
Services and charges	1,703,413	1,207,230	99,889	3,010,532
Maintenance and repairs	341,053	113,459	48,714	503,226
Depreciation	1,841,479	405,846	92,923	2,340,248
Total operating expenses	<u>8,185,445</u>	<u>2,973,116</u>	<u>560,136</u>	<u>11,718,697</u>
<b>OPERATING INCOME (LOSS)</b>	<u>2,909,986</u>	<u>1,019,887</u>	<u>( 236,806)</u>	<u>3,693,067</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	35,140	2,544	-	37,684
Bond issuance costs	( 46,650)	( 7,600)	-	( 54,250)
Interest and fiscal charges	( 939,590)	( 60,721)	( 5,638)	( 1,005,949)
Gain on sale of capital assets	104,049	14,640	-	118,689
Insurance recoveries	500	9,397	-	9,897
Total nonoperating revenues (expenses)	<u>( 846,551)</u>	<u>( 41,740)</u>	<u>( 5,638)</u>	<u>( 893,929)</u>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	2,063,435	978,147	( 242,444)	2,799,138
<b>TRANSFERS</b>				
Transfers in	350,000	-	84,267	434,267
Transfers out	<u>( 1,165,000)</u>	<u>( 477,000)</u>	<u>-</u>	<u>( 1,642,000)</u>
<b>CHANGE IN NET POSITION</b>	1,248,435	501,147	( 158,177)	1,591,405
<b>NET POSITION, BEGINNING</b>	26,569,768	4,437,203	3,216	31,010,187
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	<u>( 596,995)</u>	<u>( 319,990)</u>	<u>( 64,059)</u>	<u>( 981,044)</u>
<b>NET ASSETS, BEGINNING, RESTATED</b>	<u>25,972,773</u>	<u>4,117,213</u>	<u>( 60,843)</u>	<u>30,029,143</u>
<b>NET POSITION, ENDING</b>	<u>\$ 27,221,208</u>	<u>\$ 4,618,360</u>	<u>\$ ( 219,020)</u>	<u>\$ 31,620,548</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, 2015

	Business-type Activities			Total Funds
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 10,884,788	\$ 3,722,526	\$ 323,311	\$ 14,930,625
Payments to suppliers	( 4,248,583)	( 1,630,927)	( 218,054)	( 6,097,564)
Payments to employees	( 1,775,688)	( 560,174)	( 173,585)	( 2,509,447)
Net cash flows provided (used) by operating activities	4,860,517	1,531,425	( 68,328)	6,323,614
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	35,140	2,544	-	37,684
Issuance of note receivable	( 330,000)	-	-	( 330,000)
Net cash flows provided (used) by investing activities	( 294,860)	2,544	-	( 292,316)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash received from other funds	350,000	-	170,455	520,455
Cash paid to other funds	( 1,165,000)	( 477,000)	-	( 1,642,000)
Net cash provided (used) by noncapital financing activities	( 815,000)	( 477,000)	170,455	( 1,121,545)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from issuance of long-term debt	4,665,000	380,000	-	5,045,000
Principal paid on long-term debt	( 2,809,153)	( 519,929)	( 102,154)	( 3,431,236)
Interest and fiscal charges paid	( 786,922)	( 68,104)	( 13)	( 855,039)
Proceeds from sale of capital assets	104,049	-	-	104,049
Proceeds from insurance recoveries	500	9,397	-	9,897
Acquisition of property and equipment	( 3,552,186)	( 385,067)	-	( 3,937,253)
Net cash used by capital and related financing activities	( 2,378,712)	( 583,703)	( 102,167)	( 3,064,582)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,371,945	473,266	( 40)	1,845,171
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	14,722,776	1,721,611	40	16,444,427
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 16,094,721	\$ 2,194,877	\$ -	\$ 18,289,598
Reconciliation to Statement of Net Position:				
Unrestricted cash and investments	\$ 3,911,074	\$ 1,654,674	\$ -	\$ 5,565,748
Restricted cash and investments	12,183,647	540,203	-	12,723,850
Total cash and investments	\$ 16,094,721	\$ 2,194,877	\$ -	\$ 18,289,598

**CITY OF COPPERAS COVE, TEXAS**

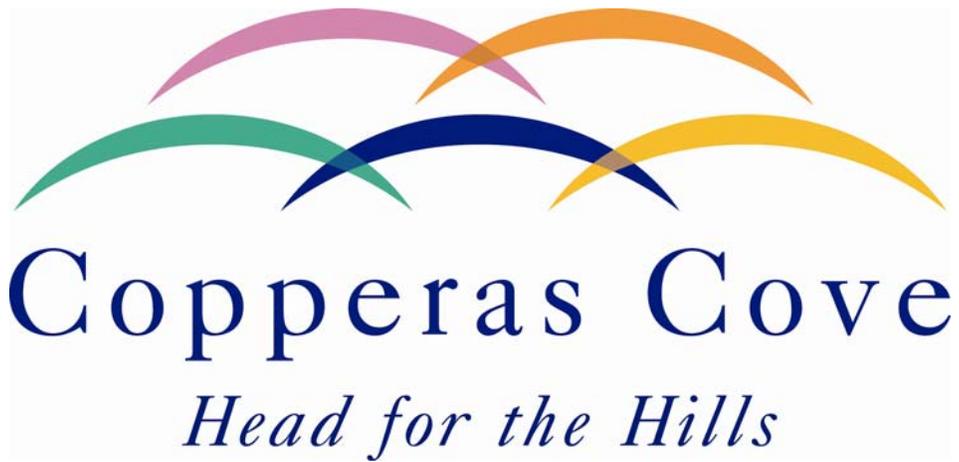
**PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Business-type Activities			Total Funds
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 2,909,986	\$ 1,019,887	\$( 236,806)	\$ 3,693,067
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,841,479	405,846	92,923	2,340,248
Decrease (increase) in assets:				
Accounts receivable	( 238,157)	( 270,477)	-	( 508,634)
Inventory	-	-	( 17,287)	( 17,287)
Prepaid expenses	( 4,067)	( 1,241)	( 1,344)	( 6,652)
Increase (decrease) in liabilities:				
Accounts payable	77,014	11,659	11,832	100,505
Retainage payable	104,668	-	-	104,668
Accrued liabilities	10,699	25,003	588	36,290
Landfill closure costs	-	( 44,815)	-	( 44,815)
Accrued compensated absences	9,066	2,140	3,034	14,240
Net pension liability	117,245	379,997	77,908	575,150
Net OPEB obligation	5,070	3,426	824	9,320
Customer deposits	27,514	-	-	27,514
Total adjustments	<u>1,950,531</u>	<u>511,538</u>	<u>168,478</u>	<u>2,630,547</u>
Net cash provided (used) by operating activities	<u>\$ 4,860,517</u>	<u>\$ 1,531,425</u>	<u>\$( 68,328)</u>	<u>\$ 6,323,614</u>

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



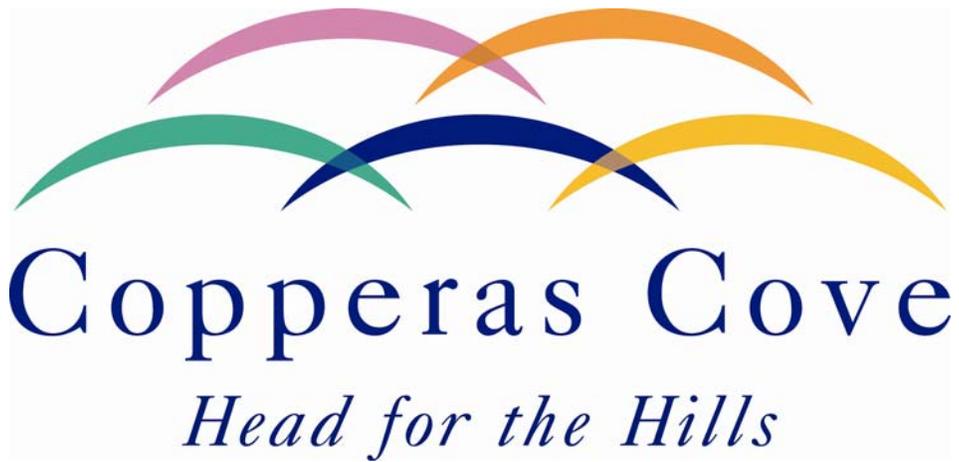
Copperas Cove

*Head for the Hills*

# **CITY OF COPPERAS COVE, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS**

“The City Built for Family Living”



# Copperas Cove

*Head for the Hills*

**CITY OF COPPERAS COVE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, May 10, 2008, May 8, 2010, and November 6, 2012. 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 Copperas Cove Economic Development Corporation (CCEDC) was created in 1990 by resolution of the City Council to promote and develop new and expanded business enterprises and to provide and encourage employment and the public welfare. The City Council appoints the Board of Directors of the component unit and the organization is fiscally dependent on the City. Separate financial statements for the component unit may 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 position and the statement of activities) report information on all of the activities of the primary government and its component unit. As a rule, the effect of interfund activity has been eliminated from these statements. However, interfund services provided and used are not eliminated. Governmental activities, normally 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.

**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.

**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. Unearned revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned 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.

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.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance**

**Cash and Investments**

For the purpose of the statement of cash flows, cash equivalents are defined as short-term, highly-liquid investments with an original maturity date of three months or less.

Investments for the City are reported at fair value except for the position in the State Treasurer’s Investment Pool (Pool). In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission’s (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type’s portion of this pool is displayed on the combined financial statements as cash and investments or restricted cash 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 less than one year from the date of acquisition.

**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.

### **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:

Assets	Years
Buildings	25
Facilities/infrastructure	25 - 40
Vehicles	7
Equipment	7
Furniture and fixtures	7

### **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 the proprietary fund in the fund financial statements, the 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on bond refundings. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after the measurement date - these contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets - this difference is deferred and amortized over a closed five year period.

- Difference in expected and actual pension experience - this difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Difference in expected and actual pension experience - this difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Under the modified accrual basis of accounting, governmental funds report unavailable revenues from three sources: property taxes, municipal court fines and ambulance revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### **Fund Balance Classifications**

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.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance 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:** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- **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 Position**

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on its 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.

### **Change in Accounting Principles**

The GASB has issued the following statement which became effective for fiscal year 2015.

Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. – This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date.

The implementation of Statement No. 68 resulted in a restatement of beginning net position for the elimination of the previously reported net pension obligation, the recording of the beginning net pension liability and the beginning pension-related deferred outflows and deferred inflows.

II. RECONCILIATION 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 Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. 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. Deferred inflows and outflows related to pensions are also not reported in the funds.” The details of this \$(40,184,152) difference are as follows:

Bonds payable	\$( 33,732,980)
Unamortized bond discounts and premiums	( 1,366,666)
Deferred loss on refunding	181,598
Net pension obligation	( 5,090,988)
Deferred inflows related to pensions	( 325,783)
Deferred outflows related to pensions	1,160,318
Net OPEB obligation	( 186,418)
Accrued interest payable	( 146,362)
Compensated absences	<u>( 676,871)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$( 40,184,152)</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 \$433,617 difference are as follows:

Property taxes	\$ 215,019
Ambulance charges for services	141,173
Municipal court fines	<u>77,425</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net - position of governmental activities</i>	<u>\$ 433,617</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 position 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 \$2,864,317 difference are as follows:

Capital outlay	\$ 5,295,481
Depreciation expense	( 2,431,164)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net - position of governmental activities</i>	\$ <u>2,864,317</u>

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 position. Also, governmental funds report the effect of 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 \$12,348,100 difference are as follows:

Principal repayments	\$ 15,034,047
Issuance of debt	( 3,214,693)
Amortization of discounts and premiums	614,539
Deferred loss on refunding	( 85,793)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net - position of governmental activities</i>	\$ <u>12,348,100</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 \$94,928 difference are as follows:

Compensated absences	\$( 58,115)
Accrued interest	54,605
Net pension obligation	125,901
Net OPEB obligation	( 27,463)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net - position of governmental activities</i>	\$ <u>94,928</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 position." The details of this \$(1,165,602) difference are as follows:

Dispositions	\$ <u>1,165,602</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net - position of governmental activities</i>	\$ <u>1,165,602</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. 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, 2015, 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.

Additionally, per its investment policy, 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.

The City's investments at September 30, 2015, are shown below:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 17,756,900	40
Municipal bonds	<u>263,920</u>	135
Total Fair Value	<u>\$ 18,020,820</u>	41

The City's investment pool is a 2a7-like pool. A 2a7-like pool is one, which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but 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. During the fiscal year ended September 30, 2015, the City utilized the following external investment pool:

#### **TexPool**

Under the TexPool Participation Agreement, administrative and investment Lehman Brothers, Inc. and Federated Investors, Inc. provide services to TexPool 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 position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

**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 if they are not collected within 60 days after the close of the City's fiscal year.

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, 2015, 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	\$ 726,319	\$ 77,938	\$ -	\$ -	\$ 41,824	\$ 846,081
Ambulance	685,300	-	-	-	-	685,300
Fines	1,447,470	-	-	-	103,535	1,551,005
Utilities	-	-	3,630,571	2,821,010	-	6,451,581
Miscellaneous	107,649	-	-	-	370,407	478,056
Grants	350	-	-	-	17,141	17,491
Notes	-	-	<u>330,000</u>	-	<u>116,374</u>	<u>446,374</u>
Gross receivables	<u>2,967,088</u>	<u>77,938</u>	<u>3,960,571</u>	<u>2,821,010</u>	<u>649,281</u>	<u>10,475,888</u>
Less: allowance for uncollectible						
	<u>( 1,919,424)</u>	<u>-</u>	<u>( 1,328,503)</u>	<u>( 546,927)</u>	<u>( 230,369)</u>	<u>( 4,025,223)</u>
Net total receivables	<u>\$ 1,047,664</u>	<u>\$ 77,938</u>	<u>\$ 2,632,068</u>	<u>\$ 2,274,083</u>	<u>\$ 418,912</u>	<u>\$ 6,450,665</u>

## D. Fund Balance

As of September 30, 2015, governmental fund balance is comprised of the following:

<u>Fund Balance Classification</u>	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>
Nonspendable:			
Inventories	\$ 71,395	\$ -	\$ -
Prepaid items	89,312	-	2,970
Restricted:			
Tourism	-	-	140,389
Drainage	-	-	1,867,333
Municipal Court	-	-	64,053
Economic development	-	-	201,116
Homeland security	-	-	2,300
Emergency management	-	-	3,906
Grants	9,457	-	40
Debt service	-	369,913	-
Capital projects	-	-	5,126,092
Assigned:			
Capital projects	50,326	-	-
Unassigned	<u>6,152,451</u>	<u>-</u>	<u>-</u>
 Total	 <u>\$ 6,372,941</u>	 <u>\$ 369,913</u>	 <u>\$ 7,408,199</u>

## E. Capital Assets

Capital asset activity for the year ended September 30, 2015, was as follows:

### Primary Government

	Balance 9/30/14	Additions	Deletions	Balance 09/30/15
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,263,035	\$ 15,000	\$ -	\$ 1,278,035
Construction in progress	<u>1,943,269</u>	<u>2,901,312</u>	<u>526,475</u>	<u>4,318,106</u>
Total assets not being depreciated	<u>3,206,304</u>	<u>2,916,312</u>	<u>526,475</u>	<u>5,596,141</u>
Capital assets, being depreciated:				
Buildings	8,677,381	15,668	-	8,693,049
Furniture and fixtures	307,297	-	-	307,297
Vehicles	4,655,342	1,909,452	567,393	5,997,401
Equipment	5,134,027	48,926	228,024	4,954,929
Infrastructure	16,572,355	510,805	-	17,083,160
Facilities	<u>19,434,941</u>	<u>-</u>	<u>43,304</u>	<u>19,391,637</u>
Total capital assets being depreciated	<u>54,781,343</u>	<u>2,484,851</u>	<u>838,721</u>	<u>56,427,473</u>
Less accumulated depreciation:				
Buildings	5,646,955	323,630	-	5,970,585
Furniture and fixtures	291,747	8,044	-	299,791
Vehicles	3,016,808	903,792	567,393	3,353,207
Equipment	3,308,885	461,765	128,803	3,641,847
Infrastructure	3,256,553	616,785	-	3,873,338
Facilities	<u>4,160,841</u>	<u>732,263</u>	<u>12,831</u>	<u>4,880,273</u>
Total accumulated depreciation	<u>19,681,789</u>	<u>3,046,279</u>	<u>709,027</u>	<u>22,019,041</u>
Total capital assets being depreciated, net	<u>35,099,554</u>	<u>( 561,428)</u>	<u>129,694</u>	<u>34,408,432</u>
Governmental activities capital assets, net	<u>\$ 38,305,858</u>	<u>\$ 2,354,884</u>	<u>\$ 656,169</u>	<u>\$ 40,004,573</u>

	Balance 9/30/14	Additions	Deletions	Balance 09/30/15
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 828,817	\$ 89,104	\$ -	\$ 917,921
Construction in progress	<u>4,242,689</u>	<u>3,516,738</u>	<u>447,801</u>	<u>7,311,626</u>
Total assets not being depreciated	<u>5,071,506</u>	<u>3,605,842</u>	<u>447,801</u>	<u>8,229,547</u>
Capital assets, being depreciated:				
Buildings	322,312	-	-	322,312
Vehicles	3,297,570	1,006,385	151,810	4,152,145
Equipment	3,420,487	7,750	795,594	2,632,643
Infrastructure	42,152,207	447,801	-	42,600,008
Facilities	<u>33,521,046</u>	<u>18,852</u>	<u>138,752</u>	<u>33,401,146</u>
Total capital assets being depreciated	<u>82,713,622</u>	<u>1,480,788</u>	<u>1,086,156</u>	<u>83,108,254</u>
Less accumulated depreciation:				
Buildings	294,207	5,974	-	300,181
Vehicles	2,956,595	357,181	151,808	3,161,968
Equipment	2,728,709	161,702	774,532	2,115,879
Infrastructure	23,805,817	952,151	-	24,757,968
Facilities	<u>11,950,674</u>	<u>863,240</u>	<u>54,300</u>	<u>12,759,614</u>
Total accumulated depreciation	<u>41,736,002</u>	<u>2,340,248</u>	<u>980,640</u>	<u>43,095,610</u>
Total capital assets being depreciated, net	<u>40,977,620</u>	<u>( 859,460)</u>	<u>105,516</u>	<u>40,012,644</u>
Business-type activities capital assets, net	<u>\$ 46,049,126</u>	<u>\$ 2,746,382</u>	<u>\$ 553,317</u>	<u>\$ 48,242,191</u>

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

Government activities:	
General government	\$ 920,095
Public safety	1,397,520
Community service	181,565
Highways and streets	538,159
Fleet maintenance	<u>8,940</u>
Total depreciation expense - governmental activities	<u>\$ 3,046,279</u>
Business-type activities:	
Water and sewer	\$ 1,841,479
Solid waste	405,846
Golf course	<u>92,923</u>
Total depreciation expense - business-type activities	<u>\$ 2,340,248</u>

**Discretely Presented Component Unit**

Activity for the Copperas Cove Economic Development Corporation (CCEDC) for the year ended September 30, 2015, was as follows:

	Balance 9/30/14	Additions	Deletions	Balance 09/30/15
Capital assets, not being depreciated:				
Land	\$ 1,150,899	\$ -	\$ 30,997	\$ 1,119,902
Total assets not being depreciated	<u>1,150,899</u>	<u>-</u>	<u>30,997</u>	<u>1,119,902</u>
Capital assets, being depreciated:				
Buildings	508,189	-	-	508,189
Equipment	157,966	-	-	157,966
Improvements other than buildings	<u>246,600</u>	<u>-</u>	<u>-</u>	<u>246,600</u>
Total capital assets being depreciated	<u>912,755</u>	<u>-</u>	<u>-</u>	<u>912,755</u>
Less accumulated depreciation:				
Buildings	117,269	20,328	-	137,597
Equipment	118,085	6,534	-	124,619
Improvements other than buildings	<u>98,640</u>	<u>24,660</u>	<u>-</u>	<u>123,300</u>
Total accumulated depreciation	<u>333,994</u>	<u>51,522</u>	<u>-</u>	<u>385,516</u>
Total capital assets being depreciated, net	<u>578,761</u>	<u>( 51,522)</u>	<u>-</u>	<u>527,239</u>
Governmental activities capital assets, net	<u>\$ 1,729,660</u>	<u>\$ ( 51,522)</u>	<u>\$ 30,997</u>	<u>\$ 1,647,141</u>

**F. Interfund Receivables, Payables, and Transfers**

A summary of interfund receivables and payables at September 30, 2015, is as follows:

	Interfund Receivables	Interfund Payables
General fund		
Nonmajor funds	\$ 1,030,006	\$ 40
Total general fund	<u>1,030,006</u>	<u>40</u>
Debt service		
Nonmajor funds	<u>289,649</u>	<u>-</u>
Total debt service	<u>289,649</u>	<u>-</u>
Nonmajor funds		
General fund	40	1,030,006
Debt service	-	289,649
Nonmajor funds	<u>3,897</u>	<u>3,897</u>
Total nonmajor funds	<u>3,937</u>	<u>1,323,552</u>
Total	<u>\$ 1,323,592</u>	<u>\$ 1,323,592</u>

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

Transfers during the year ended September 30, 2015, were:

	<u>Transfers in</u>	<u>Transfers out</u>
General fund		
Water and sewer	\$ 835,000	\$ -
Solid waste	477,000	-
Nonmajor governmental funds	<u>92,000</u>	<u>-</u>
Total general fund	<u>1,404,000</u>	<u>-</u>
Debt service		
Nonmajor enterprise funds	<u>-</u>	<u>84,267</u>
Total water and sewer	<u>-</u>	<u>84,267</u>
Water and sewer		
General fund	-	835,000
Nonmajor governmental funds	<u>20,000</u>	<u>330,000</u>
Total water and sewer	<u>20,000</u>	<u>1,165,000</u>
Solid waste		
General fund	<u>-</u>	<u>477,000</u>
Total nonmajor governmental funds	<u>-</u>	<u>477,000</u>
Nonmajor governmental funds		
General fund	-	92,000
Debt Service	84,267	-
Water and sewer	<u>330,000</u>	<u>20,000</u>
Total nonmajor governmental funds	<u>414,267</u>	<u>112,000</u>
Total	<u>\$ 1,838,267</u>	<u>\$ 1,838,267</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.

## G. Long-term Debt

A summary of long-term debt transactions for the year ended September 30, 2015, is as follows:

	Balance 09/30/14	Additions	Deletions	Balance 09/30/15	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 21,195,040	\$ -	\$ 1,107,060	\$ 20,087,980	\$ 1,362,440
Certificates of obligation	20,360,000	3,055,000	12,745,000	10,670,000	605,000
Limited tax notes	4,148,493	-	1,173,493	2,975,000	1,225,000
Unamortized bond premium	1,904,494	109,694	570,504	1,443,684	-
Unamortized bond discount	( 82,652)	-	( 5,634)	( 77,018)	-
Total bonds payable	<u>47,525,375</u>	<u>3,164,694</u>	<u>15,590,423</u>	<u>35,099,646</u>	<u>3,192,440</u>
Compensated absences	618,756	626,237	568,122	676,871	311,360
Net pension liability	5,185,007	3,779,841	3,873,860	5,090,988	-
Net OPEB obligation	<u>158,955</u>	<u>54,349</u>	<u>26,886</u>	<u>186,418</u>	<u>-</u>
Governmental activities long-term debt	<u>\$ 53,488,093</u>	<u>\$ 7,625,121</u>	<u>\$ 20,059,291</u>	<u>\$ 41,053,923</u>	<u>\$ 3,503,800</u>
Business-type activities:					
General obligation bonds	\$ 17,534,960	\$ -	\$ 1,817,940	\$ 15,717,020	\$ 1,907,560
Certificates of obligation	9,010,000	5,045,000	330,000	13,725,000	355,000
Limited tax notes	5,658,013	-	718,013	4,940,000	3,905,000
Unamortized bond premiums	366,497	162,256	31,429	497,324	-
Unamortized bond discounts	( 38,345)	-	( 4,603)	( 33,742)	-
Total bonds payable	<u>32,531,125</u>	<u>5,207,256</u>	<u>2,892,779</u>	<u>34,845,602</u>	<u>6,167,560</u>
Estimated landfill postclosure care costs	655,425	-	44,815	610,610	-
Compensated absences	195,602	108,202	93,961	209,843	88,368
Net pension liability	1,393,891	1,016,139	1,043,189	1,366,841	-
Net OPEB obligation	<u>57,269</u>	<u>19,215</u>	<u>9,895</u>	<u>66,589</u>	<u>-</u>
Business-type activities long-term debt	<u>\$ 34,833,312</u>	<u>\$ 6,350,812</u>	<u>\$ 4,084,639</u>	<u>\$ 37,099,485</u>	<u>\$ 6,255,928</u>
Discretely Presented Component Unit:					
Revenue bonds	\$ 1,895,000	\$ -	\$ 75,000	\$ 1,820,000	\$ 85,000
Compensated absences	10,093	13,994	19,654	4,433	2,217
Net pension liability	148,143	107,995	110,510	145,628	-
Net OPEB obligation	<u>2,232</u>	<u>992</u>	<u>496</u>	<u>2,728</u>	<u>-</u>
Discretely Presented Component Unit	<u>\$ 2,055,468</u>	<u>\$ 122,981</u>	<u>\$ 205,660</u>	<u>\$ 1,972,789</u>	<u>\$ 87,217</u>

For the liability for the net pension liability and the net other postemployment benefit obligation, the General Fund normally liquidates approximately 77 percent, the Water and Sewer Fund normally liquidates approximately 13 percent, and the Solid Waste Fund normally liquidates approximately 7 percent. The remaining portion is liquidated by nonmajor funds and the discretely presented component unit.

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.

Bonds payable at September 30, 2015, includes the following individual issues:

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding
Governmental activities:					
General obligation bonds:					
2006 refunding	3.78	03/09/06	08/15/21	\$ 996,000	\$ 681,000
2007 refunding	3.94	05/31/07	09/30/23	1,408,500	1,342,500
2009 various purpose	3.00 - 4.875	09/10/09	08/15/34	4,770,000	4,395,000
2010 various purpose	4.00 - 4.50	05/25/10	08/15/35	1,425,000	1,280,000
2010 refunding	1.00 - 2.75	11/15/10	08/15/19	2,490,540	1,149,480
2011 various purpose	3.50 - 5.00	02/01/11	08/15/28	5,490,000	5,490,000
2012 refunding	0.25 - 3.00	04/15/12	08/15/23	972,000	690,000
2013 refunding	2.00	04/15/13	08/15/17	860,000	4,420,000
2013 various purpose	0.35-2.625	01/15/13	08/15/33	4,685,000	640,000
Limited tax notes:					
2009	2.00 - 3.00	09/10/09	08/15/16	890,000	320,000
2010	2.375 - 3.00	05/27/10	08/15/16	165,000	125,000
2010A	1.00 - 2.30	11/15/10	08/15/17	1,380,000	890,000
2012	1.96	02/11/12	08/15/18	990,000	785,000
2013	0.35-1.25	01/15/13	08/15/19	2,000,000	855,000
Tax/revenue certificates of obligation:					
2007 various purpose	3.94	05/31/07	09/30/27	5,300,000	4,565,000
2011 various purpose	3.50 - 5.00	02/01/11	08/15/17	39,000,000	345,000
2013 PPFCO	2.00	12/12/13	09/30/25	630,000	535,000
2014 various purpose	2.00	02/15/14	08/15/39	2,321,036	2,170,000
2015 various purpose	3.00	08/01/15	08/15/40	<u>3,055,000</u>	<u>3,055,000</u>
Total				<u>\$ 78,828,076</u>	<u>\$ 33,732,980</u>
Business-type activities:					
General obligation bonds:					
2005 refunding	3.68	11/29/05	08/15/19	\$ 4,022,200	\$ 1,570,000
2006 refunding	3.78	03/09/06	08/15/21	3,984,000	2,724,000
2007 refunding	3.94	05/31/07	09/30/23	3,286,500	3,132,500
2010 various purpose	2.375 - 3.00	05/25/10	08/15/35	3,260,000	2,975,000
2010 refunding	1.00 - 2.75	11/15/10	08/15/19	3,554,460	1,640,520
2012 refunding	.25 - 3.00	04/15/12	08/15/23	4,973,000	3,325,000
2013 refunding	2.00	04/15/13	08/15/17	490,000	350,000
Limited tax notes:					
2009	2.00 - 3.00	09/10/09	08/15/16	1,620,000	360,000
2010	2.375 - 3.00	05/27/10	08/15/16	3,885,000	3,025,000
2010A	1.00 - 2.30	11/15/10	08/15/14	535,000	480,000
2012	1.96	02/11/12	08/15/18	335,000	75,000
2013	0.35-1.25	01/15/13	08/15/19	630,000	1,000,000
Tax/revenue certificates of obligation:					
2005 various purpose	3.63	11/10/05	08/15/25	3,050,000	1,855,000
2014 various purpose	2.0 - 3.5	02/15/14	08/15/39	7,590,000	6,825,000
2015 various purpose	3.00	08/01/15	08/15/40	<u>5,045,000</u>	<u>5,045,000</u>
Total				<u>\$ 46,260,160</u>	<u>\$ 34,382,020</u>

## 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.

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
2015	\$ 1,362,440	\$ 738,557	\$ 1,907,560	\$ 547,635
2016	1,135,200	706,133	1,804,800	493,537
2017	1,411,420	677,055	1,808,580	440,060
2018	1,207,420	636,975	1,712,580	383,235
2019	1,248,000	596,280	1,497,000	323,739
2020-2024	5,633,500	2,313,054	4,071,500	921,216
2025-2029	5,530,000	1,086,595	1,200,000	507,324
2030-2034	2,560,000	257,316	1,500,000	242,188
2035-2039	-	-	215,000	13,000
Total	<u>\$ 20,087,980</u>	<u>\$ 7,011,965</u>	<u>\$ 15,717,020</u>	<u>\$ 3,871,931</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
2015	\$ 605,000	\$ 366,593	\$ 355,000	\$ 447,077
2016	855,000	349,906	555,000	442,118
2017	635,000	321,150	580,000	426,760
2018	660,000	300,903	600,000	410,689
2019	675,000	279,815	630,000	394,086
2020-2024	3,195,000	1,073,003	3,065,000	1,705,993
2025-2029	1,825,000	557,271	2,310,000	1,284,588
2030-2034	1,055,000	344,235	2,795,000	865,465
2035-2039	<u>1,165,000</u>	<u>137,000</u>	<u>2,835,000</u>	<u>312,000</u>
Total	<u>\$ 10,670,000</u>	<u>\$ 3,729,876</u>	<u>\$ 13,725,000</u>	<u>\$ 6,288,776</u>

In August of 2015, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2015, in the amount of \$8,100,000, maturing in 2035 with interest rates ranging between .8% and 3.35%. The proceeds from the bonds will be used to construct a new fire station, a new animal control facility, roads and streets, make landfill remediation improvements, construct a new information technology building and make improvements to the water and wastewater system.

## 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
2015	\$ 1,225,000	\$ 57,506	\$ 3,905,000	\$ 106,429
2016	1,005,000	30,105	525,000	15,225
2017	490,000	10,621	280,000	6,508
2018	<u>255,000</u>	<u>2,813</u>	<u>230,000</u>	<u>3,250</u>
Total	<u>\$ 2,975,000</u>	<u>\$ 101,045</u>	<u>\$ 4,940,000</u>	<u>\$ 131,412</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.

### 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, 2015.

At year-end, the City's commitments with contractors are as follows:

	Contract Amount	Spent to Date	Remaining Commitment
Governmental	\$ 2,370,876	\$ 135,786	\$ 2,235,090
Water and sewer	<u>2,832,605</u>	<u>316,525</u>	<u>2,516,080</u>
Total	<u>\$ 5,203,481</u>	<u>\$ 452,311</u>	<u>\$ 4,751,170</u>

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Fund	Amount
General fund	\$ 342,243
Debt Service	6,756
Nonmajor governmental funds	<u>352,103</u>
	<u>\$ 701,102</u>

**C. Defined Benefit Pension Policies**

**Plan Descriptions.** The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.org](http://www.tmrs.org).

All eligible employees of the City are required to participate in TMRS.

**Benefits Provided.** TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in over of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City has approved an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, City provides on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	6.0%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% repeating
Annuity increase to retirees	70% of CPI, repeating

**Employees covered by benefit terms**

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	196
Inactive employees entitled to but not yet receiving benefits	180
Active employees	<u>246</u>
	<u><u>622</u></u>

**Contributions.** The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are with 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contributions rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 6.0% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.60% and 12.61% in calendar years 2014 and 2015, respectively. The city's contributions to TMRS for the year ended September 30, 2015, were \$1,309,143, and were equal to the required contributions.

**Net Pension Liability.** The city's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**Actuarial assumptions:**

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflatic

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering the 2009 through 2011, and the dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

***Discount Rate***

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2013	\$ 49,878,418	\$ 43,144,643	\$ 6,733,775
Changes for the year:			
Service cost	1,410,662	-	1,410,662
Interest	3,470,336	-	3,470,336
Difference between expected and actual experience	( 578,465)	-	( 578,465)
Contributions - employer	-	1,352,470	( 1,352,470)
Contributions - employee	-	640,477	( 640,477)
Net investment income	-	2,468,151	( 2,468,151)
Benefit payments, including refunds of employee contributions	( 2,015,046)	( 2,015,046)	-
Administrative expense	-	( 25,768)	25,768
Other changes	-	( 2,119)	2,119
Balance at 12/31/2014	<u>\$ 52,165,905</u>	<u>\$ 45,562,808</u>	<u>\$ 6,603,097</u>

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) of 1-percentage-higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	\$ 14,706,044	\$ 6,603,097	\$ 56,008

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. The report may be obtained on the Internet at [www.tmr.org](http://www.tmr.org).

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended September 30, 2015, the City recognized pension expense of \$1,202,758.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 422,545
Difference between projected and actual investment earnings	441,579	-
Contributions subsequent to the measurement date	<u>1,063,375</u>	<u>-</u>
Total	<u>\$ 1,504,954</u>	<u>\$ 422,545</u>

\$1,063,375 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

For the year ended September 30,	
2016	\$( 45,525)
2017	( 45,525)
2018	( 310)
2019	<u>110,394</u>
Total	<u>\$ 19,034</u>

**Subsequent Event.** Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be as large as originally projected. While the actual impact on the City's valuation for December 31, 2015, is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution (ADC) due to this change.

**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 265 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.

### Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The annual OPEB cost for the fiscal year ended September 30, 2015, is as follows:

Annual Required Contribution (ARC)	\$ 74,234
Interest on Net OPEB Obligation	9,831
Adjustment to the ARC	<u>( 9,108)</u>
Annual OPEB Cost	74,957
Employer Contributions	<u>( 37,681)</u>
Increase (Decrease) in Net OPEB Obligation	37,276
Net OPEB Obligation, beginning of year	<u>218,459</u>
Net OPEB Obligation, end of year	<u>\$ 255,735</u>

The OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2015 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual Required Contribution	Employer Contribution	Percentage Contributed	Net OPEB Obligation
September 30, 2013	\$ 66,044	\$ 33,474	50.7%	\$ 185,625
September 30, 2014	68,118	35,284	51.8%	218,459
September 30, 2015	74,957	37,681	50.3%	255,735

The funded status of the City's retiree health care plan under GASB Statement No. 45 as of December 31, 2014, 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
12/31/14	\$ -	\$ 660,367	\$ 660,367	- %	\$ 10,674,610	6.19%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$660,367 at December 31, 2014. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 6.19%.

## 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 7.5% declining to an ultimate rate of 4.50% after 14 years

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, by ordinance, 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.

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 2015, 2014 and 2013 were \$19,729, \$19,383 and \$17,828, respectively, which equaled the required contributions each year.

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net TMRS Obligation</u>
09/30/13	\$ 17,828	\$ 17,828	100%	\$ -
09/30/14	19,383	19,383	100%	-
09/30/15	19,729	19,729	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.

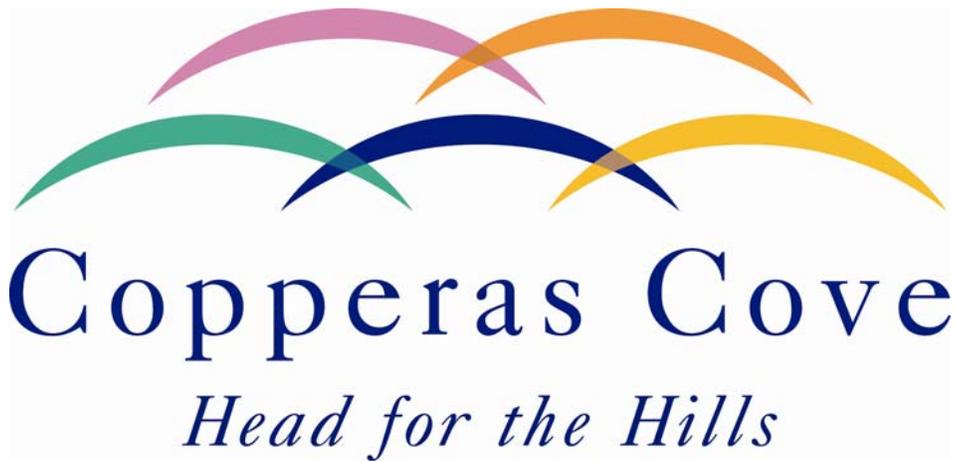
The regulations require that once the landfill is closed, the owner/operator is responsible for maintaining the final cover, monitoring groundwater and methane gas, and continuing leachate management for 30 years.

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, 2015, are \$610,610. It is estimated that the landfill requires 15 years of postclosure care as of September 30, 2015.

**F. Subsequent Event**

On December 15, 2015, the City issued \$1,175,000 of General Obligation Refunding Bonds, Series 2015. The bonds were issued for the purpose of refunding \$1,105,000 of Limited Tax Notes, Series 2010A. The bonds have a stated interest rate of 1.97% and a maturity date of August 15, 2025.



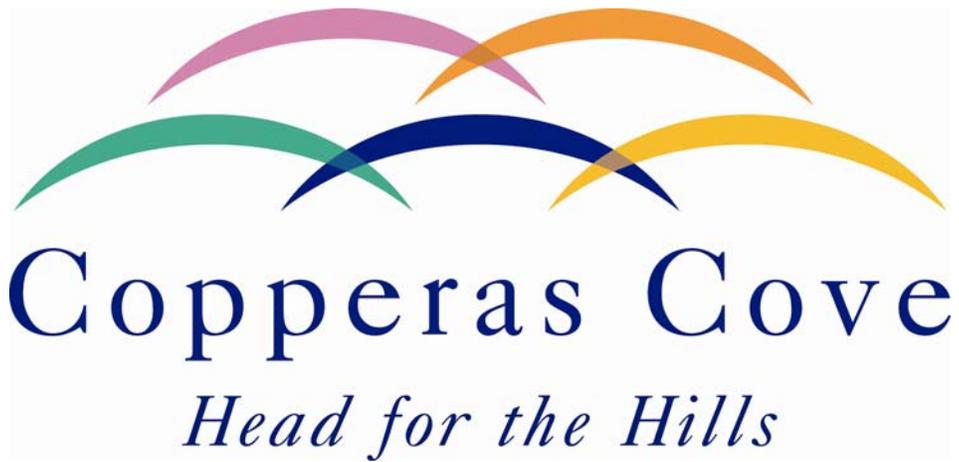
Copperas Cove

*Head for the Hills*

# **CITY OF COPPERAS COVE, TEXAS**

## **REQUIRED SUPPLEMENTARY INFORMATION**

“The City Built for Family Living”



Copperas Cove

*Head for the Hills*

**CITY OF COPPERAS COVE, TEXAS**

**REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 11,077,629	\$ 10,750,365	\$ 10,734,484	\$( 15,881)
Charges for services	1,221,385	1,194,159	1,195,085	926
Intergovernmental	-	10,000	11,071	1,071
Fines	593,049	588,908	546,382	( 42,526)
Licenses	45,705	46,705	54,318	7,613
Permits	254,750	216,025	226,239	10,214
Investment income	12,055	12,015	15,442	3,427
Miscellaneous	<u>271,563</u>	<u>294,552</u>	<u>383,041</u>	<u>88,489</u>
Total revenues	<u>13,476,136</u>	<u>13,112,729</u>	<u>13,166,062</u>	<u>53,333</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,118,310	2,865,335	2,600,723	264,612
Community services	1,795,137	1,792,866	1,708,841	84,025
Fleet and facility services	289,713	286,556	273,283	13,273
Highways and streets	973,182	1,238,996	383,659	855,337
Public safety	<u>9,914,195</u>	<u>9,522,764</u>	<u>9,031,502</u>	<u>491,262</u>
Total expenditures	<u>16,090,537</u>	<u>15,706,517</u>	<u>13,998,008</u>	<u>1,708,509</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 2,614,401)</u>	<u>( 2,593,788)</u>	<u>( 831,946)</u>	<u>1,761,842</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,475,000	1,404,000	1,404,000	-
Sale of capital assets	9,000	3,044	57,037	53,993
Insurance recoveries	<u>5,000</u>	<u>11,000</u>	<u>26,299</u>	<u>15,299</u>
Total other financing sources (uses)	<u>1,489,000</u>	<u>1,418,044</u>	<u>1,487,336</u>	<u>69,292</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$( 1,125,401)</u>	<u>\$( 1,175,744)</u>	655,390	<u>\$ 1,831,134</u>
<b>FUND BALANCE, BEGINNING</b>			5,840,706	
<b>CURRENT YEAR ENCUMBRANCES</b>			342,243	
<b>PRIOR YEAR ENCUMBRANCES</b>			<u>( 465,398)</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 6,372,941</u>	

**CITY OF COPPERAS COVE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Measurement Year 2014</b>
<b>Total pension liability:</b>	
Service Cost	\$ 1,410,662
Interest (on the Total Pension Liability)	3,470,336
Difference between expected and actual experience	( 578,465)
Benefit payments, including refunds of employee contributions	<u>( 2,015,046)</u>
Net change in total pension liability	2,287,487
Total pension liability - beginning	<u>49,878,418</u>
Total pension liability - ending (a)	<u>\$ 52,165,905</u>
<b>Plan fiduciary net position:</b>	
Contributions - Employer	\$ 1,352,470
Contributions - Employee	640,477
Net Investment Income	2,468,151
Benefit payments, including refunds of employee contributions	( 2,015,046)
Administrative Expense	( 25,768)
Other	<u>( 2,119)</u>
Net change in plan fiduciary net position	2,418,165
Plan fiduciary net position - beginning	<u>43,144,643</u>
Plan fiduciary net position - ending (b)	<u>\$ 45,562,808</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 6,603,097</u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	87.34%
<b>Covered employee payroll</b>	\$ 10,674,610
<b>Net pension liability as a percentage of covered employee payroll</b>	61.86%
<b>As of December 31, 2014</b>	

**CITY OF COPPERAS COVE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CONTRIBUTIONS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>Fiscal Year</b>	<u><b>2014</b></u>
Actuarial determined contribution	\$ 1,306,426
Contributions in relation to the actuarially determined contribution	<u>1,306,426</u>
Contribution deficiency (excess)	-
Covered employee payroll	10,456,668
Contributions as a percentage of covered employee payroll	12.49%

**NOTES TO SCHEDULE OF CONTRIBUTIONS**

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis of with BB.

**Other Information:**

Notes There were no benefit changes during the year.

**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, 2015**

<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>
12/31/2010	\$ -	\$ 829,152	0%	\$ 829,152	\$ 11,028,900	7.52%
12/31/2012	-	616,076	0%	616,076	10,636,449	5.79%
12/31/2014	-	660,367	0%	660,367	11,032,423	5.99%

# CITY OF COPPERAS COVE, TEXAS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2015

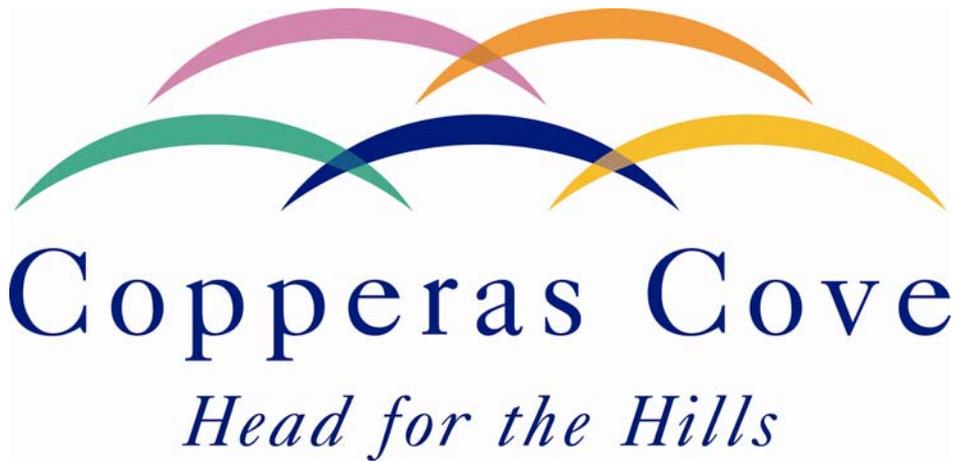
### Budgets

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.



Copperas Cove

*Head for the Hills*

**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.

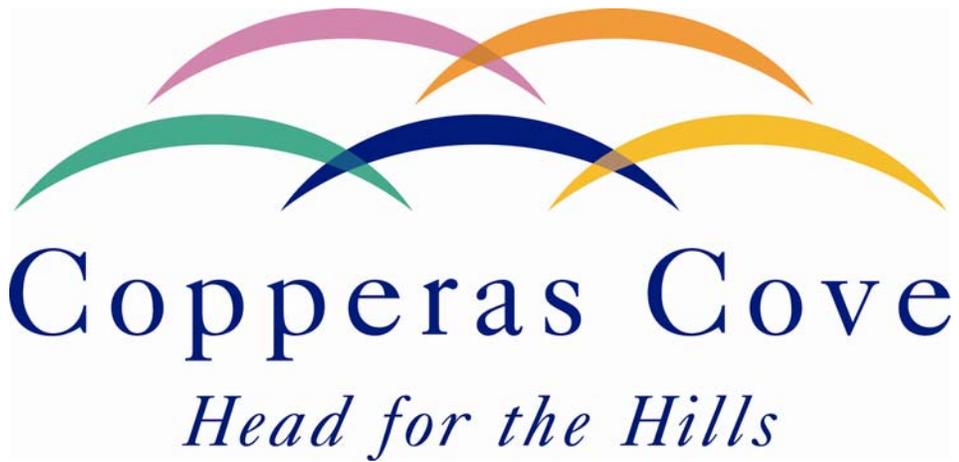
“The City Built for Family Living”

**CITY OF COPPERAS COVE, TEXAS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET BY FUND TYPE**  
**SEPTEMBER 30, 2015**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,929,330	\$ 6,054,791	\$ 7,984,121
Receivables (net of allowances for uncollectibles):			
Taxes	41,824	-	41,824
Accounts	236,566	-	236,566
Fines	5,177	-	5,177
Grants	17,141	-	17,141
Due from other funds	3,937	-	3,937
Prepaid items	2,970	-	2,970
Notes receivable	<u>116,374</u>	<u>-</u>	<u>116,374</u>
Total assets	<u>2,353,319</u>	<u>6,054,791</u>	<u>8,408,110</u>
<b>LIABILITIES</b>			
Accounts payable	40,760	810,406	851,166
Retainage payable	-	118,293	118,293
Due to other funds	4,870	-	4,870
Accrued liabilities	9,362	-	9,362
Unearned revenue	<u>11,043</u>	<u>-</u>	<u>11,043</u>
Total liabilities	<u>66,035</u>	<u>928,699</u>	<u>994,734</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable:			
Municipal court fines	<u>5,177</u>	<u>-</u>	<u>5,177</u>
Total deferred inflows of resources	<u>5,177</u>	<u>-</u>	<u>5,177</u>
<b>FUND BALANCES</b>			
Nonspendable	2,970	-	2,970
Restricted	<u>2,279,137</u>	<u>5,126,092</u>	<u>7,405,229</u>
Total fund balances	<u>2,282,107</u>	<u>5,126,092</u>	<u>7,408,199</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,353,319</u>	<u>\$ 6,054,791</u>	<u>\$ 8,408,110</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, 2015**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 170,290	\$ -	\$ 170,290
Charges for services	929,082	-	929,082
Intergovernmental	409,771	-	409,771
Fines	29,745	-	29,745
Investment income	2,555	36,153	38,708
Miscellaneous income	-	4,761	4,761
Total revenues	<u>1,541,443</u>	<u>40,914</u>	<u>1,582,357</u>
<b>EXPENDITURES</b>			
Current:			
Community services	122,527	-	122,527
Highways and streets	341,541	-	341,541
Public safety	140,180	-	140,180
Capital outlay	321,312	4,545,891	4,867,203
Debt service:			
Principal retirement	137,440	-	137,440
Interest and fiscal charges	13,955	1,242	15,197
Bond issuance costs	-	34,295	34,295
Total expenditures	<u>1,076,955</u>	<u>4,581,428</u>	<u>5,658,383</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>464,488</u>	<u>( 4,540,514)</u>	<u>( 4,076,026)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of bonds	-	3,055,000	3,055,000
Premium on bonds	-	98,217	98,217
Sale of capital assets	953	-	953
Transfers out	<u>( 112,000)</u>	<u>-</u>	<u>( 112,000)</u>
Total other financing sources (uses)	<u>( 111,047)</u>	<u>3,153,217</u>	<u>3,042,170</u>
<b>NET CHANGE IN FUND BALANCES</b>	353,441	( 1,387,297)	( 1,033,856)
<b>FUND BALANCES, BEGINNING</b>	<u>1,928,666</u>	<u>6,513,389</u>	<u>8,442,055</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,282,107</u>	<u>\$ 5,126,092</u>	<u>\$ 7,408,199</u>



Copperas Cove

*Head for the Hills*

# 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, 2015**

	<u>Hotel/Motel Tax</u>	<u>Drainage Utility</u>	<u>Municipal Court</u>	<u>Texas Community Development Loan</u>
<b>ASSETS</b>				
Cash and investments	\$ 98,565	\$ 1,673,032	\$ 64,519	\$ 87,247
Receivables (net of allowance):				
Taxes	41,824	-	-	-
Accounts	-	236,566	-	-
Fines	-	-	5,177	-
Grants	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	2,970	-	-
Notes receivable	-	-	-	116,374
	<u>140,389</u>	<u>1,912,568</u>	<u>69,696</u>	<u>203,621</u>
<b>LIABILITIES</b>				
Accounts payable	-	33,004	365	-
Due to other funds	-	-	-	-
Accrued liabilities	-	9,261	101	-
Unearned revenue	-	-	-	2,505
Total liabilities	<u>-</u>	<u>42,265</u>	<u>466</u>	<u>2,505</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable:				
Municipal court fines	-	-	5,177	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>5,177</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	2,970	-	-
Restricted	140,389	1,867,333	64,053	201,116
Total fund balances	<u>140,389</u>	<u>1,870,303</u>	<u>64,053</u>	<u>201,116</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 140,389</u>	<u>\$ 1,912,568</u>	<u>\$ 69,696</u>	<u>\$ 203,621</u>

<u>Tobacco Grant</u>	<u>Homeland Security Grants</u>	<u>FEMA Grant</u>	<u>City Wide Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 5,958	\$ -	\$ 9	\$ -	\$ 1,929,330
-	-	-	-	41,824
-	-	-	-	236,566
-	-	-	-	5,177
825	16,316	-	-	17,141
-	-	3,897	40	3,937
-	-	-	-	2,970
-	-	-	-	116,374
<u>6,783</u>	<u>16,316</u>	<u>3,906</u>	<u>40</u>	<u>2,353,319</u>
-	7,391	-	-	40,760
-	4,870	-	-	4,870
-	-	-	-	9,362
<u>6,783</u>	<u>1,755</u>	<u>-</u>	<u>-</u>	<u>11,043</u>
<u>6,783</u>	<u>14,016</u>	<u>-</u>	<u>-</u>	<u>66,035</u>
-	-	-	-	5,177
-	-	-	-	5,177
-	-	-	-	2,970
-	<u>2,300</u>	<u>3,906</u>	<u>40</u>	<u>2,279,137</u>
-	<u>2,300</u>	<u>3,906</u>	<u>40</u>	<u>2,279,137</u>
<u>\$ 6,783</u>	<u>\$ 16,316</u>	<u>\$ 3,906</u>	<u>\$ 40</u>	<u>\$ 2,353,319</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, 2015**

	<u>Hotel/Motel Tax</u>	<u>Drainage Utility</u>	<u>Municipal Court</u>	<u>Texas Community Development Loan</u>
<b>REVENUES</b>				
Taxes	\$ 170,290	\$ -	\$ -	\$ -
Charges for services	-	929,082	-	-
Intergovernmental	-	46,842	-	-
Fines	-	-	29,745	-
Investment income	75	2,393	47	39
Total revenues	<u>170,365</u>	<u>978,317</u>	<u>29,792</u>	<u>39</u>
<b>EXPENDITURES</b>				
Current:				
Community services	120,528	-	-	-
Highways and streets	-	341,541	-	-
Public safety	-	-	53,397	-
Capital outlay	-	46,768	-	-
Debt service:				
Principal retirement	30,000	102,440	5,000	-
Interest and fiscal charges	1,800	12,155	-	-
Total expenditures	<u>152,328</u>	<u>502,904</u>	<u>58,397</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>18,037</u>	<u>475,413</u>	<u>( 28,605)</u>	<u>39</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	953	-	-
Transfers out	-	( 112,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>( 111,047)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	18,037	364,366	( 28,605)	39
<b>FUND BALANCES, BEGINNING</b>	<u>122,352</u>	<u>1,505,937</u>	<u>92,658</u>	<u>201,077</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 140,389</u>	<u>\$ 1,870,303</u>	<u>\$ 64,053</u>	<u>\$ 201,116</u>

<u>Tobacco Grant</u>	<u>Homeland Security Grants</u>	<u>FEMA Grant</u>	<u>City Wide Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 170,290
-	-	-	-	929,082
3,532	357,397	-	2,000	409,771
-	-	-	-	29,745
-	1	-	-	2,555
<u>3,532</u>	<u>357,398</u>	<u>-</u>	<u>2,000</u>	<u>1,541,443</u>
-	-	-	1,999	122,527
-	-	-	-	341,541
3,532	83,251	-	-	140,180
-	274,544	-	-	321,312
-	-	-	-	137,440
-	-	-	-	13,955
<u>3,532</u>	<u>357,795</u>	<u>-</u>	<u>1,999</u>	<u>1,076,955</u>
-	( 397)	-	1	464,488
-	-	-	-	953
-	-	-	-	( 112,000)
-	-	-	-	( 111,047)
-	( 397)	-	1	353,441
-	2,697	3,906	39	1,928,666
<u>\$ -</u>	<u>\$ 2,300</u>	<u>\$ 3,906</u>	<u>\$ 40</u>	<u>\$ 2,282,107</u>

# CITY OF COPPERAS COVE, TEXAS

## NONMAJOR CAPITAL PROJECTS FUNDS

**2006 Limited Tax Notes 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.

**2010 Limited 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.

**2010A Limited 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, re 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.

**2011 Capital Improvement 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.

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

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

**2013 Capital Improvement Fund** – to account for the proceeds from debt issued for the purposes of building and equipping a new fire station.

**2013 Tax Supported Tax Notes Fund** – to account for the proceeds from tax notes to be used for the acquisition and renovation of municipal buildings.

**2013 Public Property Finance Fund** – to account for the proceeds from debt issued for the purpose of purchasing a fire truck and related fire equipment for the truck.

**2014 Tax Supported Certificates of Obligation Fund** – to account for the proceeds from tax supported certificates of obligation to be used for constructing and acquiring various capital assets.

**2015 Tax Supported Certificates of Obligation Fund** – to account for the proceeds from tax supported certificates of obligation to be used for constructing and acquiring various capital assets.

“The City Built for Family Living”

**CITY OF COPPERAS COVE, TEXAS**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**

**SEPTEMBER 30, 2015**

	2006 Limited Tax Notes	Reliever Route	2010 Limited Tax Notes	2010A Limited Tax Notes
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and investments	\$ 45	\$ 15	\$ -	\$ 17,291
Total assets	<u>45</u>	<u>15</u>	<u>-</u>	<u>17,291</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	15	-	3,765
Retainage payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>15</u>	<u>-</u>	<u>3,765</u>
Fund balances:				
Restricted	<u>45</u>	<u>-</u>	<u>-</u>	<u>13,526</u>
Total fund balances	<u>45</u>	<u>-</u>	<u>-</u>	<u>13,526</u>
Total liabilities and fund balances	<u>\$ 45</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 17,291</u>

2011 Revenue & Limited Tax Bonds	2011 Capital Improvement	2012 Tax Supported Tax Notes	2012 Municipal Court Limited Tax Note	2013 Capital Improvement
\$ <u>42,882</u>	\$ <u>6,509</u>	\$ <u>65,200</u>	\$ <u>1,077</u>	\$ <u>1,675,602</u>
<u>42,882</u>	<u>6,509</u>	<u>65,200</u>	<u>1,077</u>	<u>1,675,602</u>
-	1,086	-	-	791,718
-	-	-	-	<u>118,293</u>
-	<u>1,086</u>	-	-	<u>910,011</u>
<u>42,882</u>	<u>5,423</u>	<u>65,200</u>	<u>1,077</u>	<u>765,591</u>
<u>42,882</u>	<u>5,423</u>	<u>65,200</u>	<u>1,077</u>	<u>765,591</u>
\$ <u>42,882</u>	\$ <u>6,509</u>	\$ <u>65,200</u>	\$ <u>1,077</u>	\$ <u>1,675,602</u>

**CITY OF COPPERAS COVE, TEXAS**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**SEPTEMBER 30, 2015**

	2013 Tax Supported Tax Notes	2013 Public Property Finance	2014 Tax Supported Certificates of Obligation	2015 Tax Supported Certificates of Obligation	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>					
Cash and investments	\$ <u>107,130</u>	\$ <u>11,825</u>	\$ <u>1,042,785</u>	\$ <u>3,084,430</u>	\$ <u>6,054,791</u>
Total assets	<u>107,130</u>	<u>11,825</u>	<u>1,042,785</u>	<u>3,084,430</u>	<u>6,054,791</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	-	-	13,083	739	810,406
Retainage payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,293</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>13,083</u>	<u>739</u>	<u>928,699</u>
Fund balances:					
Restricted	<u>107,130</u>	<u>11,825</u>	<u>1,029,702</u>	<u>3,083,691</u>	<u>5,126,092</u>
Total fund balances	<u>107,130</u>	<u>11,825</u>	<u>1,029,702</u>	<u>3,083,691</u>	<u>5,126,092</u>
Total liabilities and fund balances	<u>\$ 107,130</u>	<u>\$ 11,825</u>	<u>\$ 1,042,785</u>	<u>\$ 3,084,430</u>	<u>\$ 6,054,791</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, 2015**

	2006 Limited Tax Notes	Reliever Route	2010 Limited Tax Notes	2010A Limited Tax Notes
<b>REVENUES</b>				
Investment income	\$ 3	\$ -	\$ -	\$ 9
Miscellaneous income	-	-	-	-
Total revenues	<u>3</u>	<u>-</u>	<u>-</u>	<u>9</u>
<b>EXPENDITURES</b>				
Capital outlay	11,194	15	-	3,765
Debt service:				
Interest and fiscal charges	-	-	330	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>11,194</u>	<u>15</u>	<u>330</u>	<u>3,765</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 11,191)</u>	<u>( 15)</u>	<u>( 330)</u>	<u>( 3,756)</u>
<b>OTHER FINANCING SOURCES</b>				
Premium on bonds	-	-	-	-
Issuance of bonds	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 11,191)</u>	<u>( 15)</u>	<u>( 330)</u>	<u>( 3,756)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>11,236</u>	<u>15</u>	<u>330</u>	<u>17,282</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,526</u>

2011 Revenue & Limited Tax Bonds	2011 Capital Improvement	2012 Tax Supported Tax Notes	2012 Municipal Court Limited Tax Note	2013 Capital Improvement
\$ 22	\$ 3	\$ 48	\$ -	\$ 33,382
-	-	4,761	-	-
<u>22</u>	<u>3</u>	<u>4,809</u>	<u>-</u>	<u>33,382</u>
-	1,086	60	-	3,430,925
-	-	-	912	-
-	-	-	-	-
<u>-</u>	<u>1,086</u>	<u>60</u>	<u>912</u>	<u>3,430,925</u>
<u>22</u>	<u>( 1,083)</u>	<u>4,749</u>	<u>( 912)</u>	<u>( 3,397,543)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
22	( 1,083)	4,749	( 912)	( 3,397,543)
<u>42,860</u>	<u>6,506</u>	<u>60,451</u>	<u>1,989</u>	<u>4,163,134</u>
<u>\$ 42,882</u>	<u>\$ 5,423</u>	<u>\$ 65,200</u>	<u>\$ 1,077</u>	<u>\$ 765,591</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, 2015**

	2013 Tax Supported Tax Notes	2013 Public Property Finance	2014 Tax Supported Certificates of Obligation	2015 Tax Supported Certificates of Obligation	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>					
Investment income	\$ 99	\$ 169	\$ 2,159	\$ 259	\$ 36,153
Miscellaneous income	-	-	-	-	4,761
Total revenues	<u>99</u>	<u>169</u>	<u>2,159</u>	<u>259</u>	<u>40,914</u>
<b>EXPENDITURES</b>					
Capital outlay	15,666	582,607	465,083	35,490	4,545,891
Debt service:					
Interest and fiscal charges	-	-	-	-	1,242
Bond issuance costs	-	-	-	34,295	34,295
Total expenditures	<u>15,666</u>	<u>582,607</u>	<u>465,083</u>	<u>69,785</u>	<u>4,581,428</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 15,567)</u>	<u>( 582,438)</u>	<u>( 462,924)</u>	<u>( 69,526)</u>	<u>( 4,540,514)</u>
<b>OTHER FINANCING SOURCES</b>					
Premium on bonds	-	-	-	98,217	98,217
Issuance of bonds	-	-	-	3,055,000	3,055,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,153,217</u>	<u>3,153,217</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 15,567)</u>	<u>( 582,438)</u>	<u>( 462,924)</u>	3,083,691	<u>( 1,387,297)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>122,697</u>	<u>594,263</u>	<u>1,492,626</u>	<u>-</u>	<u>6,513,389</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 107,130</u>	<u>\$ 11,825</u>	<u>\$ 1,029,702</u>	<u>\$ 3,083,691</u>	<u>\$ 5,126,092</u>

**CITY OF COPPERAS COVE, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>TAXES</b>				
Current ad valorem	\$ 6,207,973	\$ 6,207,973	\$ 6,208,753	\$ 780
Delinquent ad valorem	48,000	40,562	30,817	( 9,745)
Penalty and interest	37,000	39,269	33,981	( 5,288)
Franchise	1,395,000	1,360,290	1,375,791	15,501
Sales	3,185,656	2,895,658	2,848,964	( 46,694)
Mixed drink	14,000	17,180	18,740	1,560
Bingo	190,000	189,433	217,438	28,005
Total taxes	<u>11,077,629</u>	<u>10,750,365</u>	<u>10,734,484</u>	<u>( 15,881)</u>
<b>LICENSES</b>				
Bicycle	10	10	18	8
Contractors	31,000	32,000	36,810	4,810
Animal	5,500	5,500	6,117	617
Taxi cab	300	300	300	-
Vicious/dangerous animal	300	300	250	( 50)
Wrecker	595	595	595	-
Food establishment	8,000	8,000	10,228	2,228
Total licenses	<u>45,705</u>	<u>46,705</u>	<u>54,318</u>	<u>7,613</u>
<b>PERMITS</b>				
Building	120,000	101,829	99,395	( 2,434)
Street cuts	8,000	12,875	11,691	( 1,184)
Electrical	22,400	17,065	19,943	2,878
Solicitors	2,000	1,000	895	( 105)
Natural gas lines	1,500	1,000	750	( 250)
Garage sale	8,000	8,000	6,520	( 1,480)
Plumbing	51,200	31,884	37,560	5,676
Mechanical	19,200	18,649	22,634	3,985
Car wash	500	500	430	( 70)
Signs	1,500	1,525	1,905	380
Swimming pools	400	300	530	230
Ambulance license	3,000	3,000	-	( 3,000)
Certificate of occupancy	2,400	2,400	3,720	1,320
Alarms	4,000	4,000	5,200	1,200
Alcohol license	3,500	3,523	3,253	( 270)
Food workers	5,000	5,800	10,458	4,658
Land disturbance	150	175	105	( 70)
Other permit fees	2,000	2,500	1,250	( 1,250)
Total permits	<u>254,750</u>	<u>216,025</u>	<u>226,239</u>	<u>10,214</u>

**CITY OF COPPERAS COVE, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>CHARGES FOR SERVICES</b>				
Cemetery plot sales	\$ 15,000	\$ 23,800	\$ 17,676	\$( 6,124)
Football fees	27,600	26,400	19,165	( 7,235)
Basketball fees	30,000	20,203	20,203	-
Volleyball entry fees	12,000	12,000	7,470	( 4,530)
Youth baseball fees	43,750	38,795	38,665	( 130)
Adult softball fees	-	105	105	-
Soccer registration fees	48,000	46,000	43,455	( 2,545)
Special events	500	490	490	-
Concession sales	16,000	13,750	8,855	( 4,895)
Flag football fees	22,750	19,750	13,658	( 6,092)
Recreational classes	6,525	2,270	2,810	540
Swimming lessons	15,000	12,000	8,950	( 3,050)
Swimming pool	35,000	25,000	36,812	11,812
Community building rental	35,000	35,000	27,983	( 7,017)
Library meeting room rental	10,000	10,000	9,030	( 970)
Library miscellaneous	14,000	13,000	13,482	482
Animal shelter fees	25,000	25,000	26,990	1,990
Ambulance fees	785,000	785,000	838,338	53,338
Print/copy fees	1,000	1,000	794	( 206)
Mowing/mowing liens revenue	15,000	15,000	2,025	( 12,975)
Sale of city maps	-	68	74	6
Plat filing fees	4,000	4,100	5,250	1,150
RV park fees	12,000	11,000	10,015	( 985)
Police overtime reimbursement	1,000	1,000	2,434	1,434
Police restitution	1,500	1,500	1,050	( 450)
Festival reimbursements	12,000	13,000	8,355	( 4,645)
Senior program fees	4,000	4,000	3,916	( 84)
Open records	400	428	467	39
Pool rental	12,000	10,000	4,700	( 5,300)
Animal identification	3,500	3,500	3,140	( 360)
Re-inspection fees	8,000	11,000	9,700	( 1,300)
Animal tranquilization fees	80	80	50	( 30)
Street sign	680	576	938	362
Fire inspection fees	1,250	2,556	2,657	101
Fire testing fees	1,250	1,375	750	( 625)
Rezoning request fees	1,250	3,200	2,600	( 600)
Variance request fees	1,000	1,800	1,600	( 200)
Other charges for services	350	413	433	20
Total charges for services	<u>1,221,385</u>	<u>1,194,159</u>	<u>1,195,085</u>	<u>926</u>

**CITY OF COPPERAS COVE, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>FINES</b>				
Municipal court fines	\$ 229,940	\$ 227,664	\$ 204,254	\$( 23,410)
Traffic violations	111,100	110,000	101,135	( 8,865)
Library fines	10,000	10,500	9,592	( 908)
Arrest warrants	38,384	38,004	34,464	( 3,540)
Child safety fund	8,174	8,094	6,736	( 1,358)
State court fees	37,135	36,768	34,963	( 1,805)
HB 70 fees	9,127	9,037	8,025	( 1,012)
Arresting officer fees	21,303	21,093	18,635	( 2,458)
Civil justice fee	28	26	23	( 3)
Juvenile	119,163	119,160	119,170	10
Admin fee - defensive driving	8,420	8,337	8,035	( 302)
Penalties - false alarm	275	225	1,350	1,125
Total fines	<u>593,049</u>	<u>588,908</u>	<u>546,382</u>	<u>( 42,526)</u>
<b>INVESTMENT INCOME</b>				
Investment income	<u>12,055</u>	<u>12,015</u>	<u>15,442</u>	<u>3,427</u>
Total investment income	<u>12,055</u>	<u>12,015</u>	<u>15,442</u>	<u>3,427</u>
<b>MISCELLANEOUS</b>				
Rental	30,477	29,886	26,615	( 3,271)
Miscellaneous	241,086	264,666	356,426	91,760
Total miscellaneous	<u>271,563</u>	<u>294,552</u>	<u>383,041</u>	<u>88,489</u>
<b>INTERGOVERNMENTAL</b>				
Grants	-	10,000	11,071	1,071
Total intergovernmental	<u>-</u>	<u>10,000</u>	<u>11,071</u>	<u>1,071</u>
Totals	<u>\$ 13,476,136</u>	<u>\$ 13,112,729</u>	<u>\$ 13,166,062</u>	<u>\$ 53,333</u>

**CITY OF COPPERAS COVE, TEXAS**

**GENERAL FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
City council	\$ 47,411	\$ 45,045	31,835	\$ 13,210
City manager	377,088	386,350	360,188	26,162
Financial services and accounting	1,091,818	1,017,039	1,004,234	12,805
City secretary	137,740	132,215	132,256	( 41)
City attorney	129,005	129,517	146,775	( 17,258)
Personnel	229,753	206,660	195,266	11,394
Nondepartmental	780,996	795,805	620,751	175,054
Engineering	324,499	152,704	109,418	43,286
Total general government	<u>3,118,310</u>	<u>2,865,335</u>	<u>2,600,723</u>	<u>264,612</u>
<b>COMMUNITY SERVICES</b>				
Parks and recreation	1,201,707	1,171,029	1,122,374	48,655
Library	406,840	431,755	411,437	20,318
Code and health	186,590	190,082	175,030	15,052
Total community services	<u>1,795,137</u>	<u>1,792,866</u>	<u>1,708,841</u>	<u>84,025</u>
<b>FLEET AND FACILITY SERVICES</b>				
Fleet maintenance	289,713	286,556	273,283	13,273
Total fleet and facility services	<u>289,713</u>	<u>286,556</u>	<u>273,283</u>	<u>13,273</u>
<b>HIGHWAYS AND STREETS</b>				
Highways and streets	973,182	1,238,996	383,659	855,337
Total highways and streets	<u>973,182</u>	<u>1,238,996</u>	<u>383,659</u>	<u>855,337</u>
<b>PUBLIC SAFETY</b>				
Building inspections	318,202	288,867	280,228	8,639
Municipal court	392,915	368,701	348,634	20,067
Animal control	260,134	256,374	232,940	23,434
Police department	5,232,216	5,080,600	4,882,730	197,870
Fire/EMS department	3,708,023	3,527,251	3,286,003	241,248
Emergency management	2,705	971	967	4
Total public safety	<u>9,914,195</u>	<u>9,522,764</u>	<u>9,031,502</u>	<u>491,262</u>
Total expenditures	<u>\$ 16,090,537</u>	<u>\$ 15,706,517</u>	<u>\$ 13,998,008</u>	<u>\$ 1,708,509</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 154,100	\$ 153,708	\$ 170,290	\$ 16,582
Investment income	40	40	75	35
Total revenues	<u>154,140</u>	<u>153,748</u>	<u>170,365</u>	<u>16,617</u>
<b>EXPENDITURES</b>				
Current:				
Community services:				
Services and charges	129,314	173,416	120,528	52,888
Capital outlay:				
Community services	35,029	-	-	-
Debt service:				
Principal retirement	35,000	30,000	30,000	-
Interest and fiscal charges	<u>1,050</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Total expenditures	<u>200,393</u>	<u>205,216</u>	<u>152,328</u>	<u>52,888</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 46,253)</u>	<u>( 51,468)</u>	18,037	<u>69,505</u>
<b>FUND BALANCE, BEGINNING</b>			122,352	
<b>CURRENT YEAR ENCUMBRANCES</b>			25,276	
<b>PRIOR YEAR ENCUMBRANCES</b>			<u>( 25,276)</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 140,389</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Charges for services	\$ 935,000	\$ 930,000	\$ 929,082	\$( 918)
Intergovernmental	-	-	46,842	46,842
Investment income	<u>2,160</u>	<u>2,157</u>	<u>2,393</u>	<u>236</u>
Total revenues	<u>937,160</u>	<u>932,157</u>	<u>978,317</u>	<u>46,160</u>
<b>EXPENDITURES</b>				
Current:				
Highways and streets:				
Personnel services	251,520	250,796	228,453	22,343
Supplies and materials	21,263	21,152	20,085	1,067
Maintenance and repairs	20,714	20,292	17,855	2,437
Services and charges	57,571	337,981	353,128	( 15,147)
Capital outlay:				
Capital drainage projects	65,000	942,873	5,590	937,283
Debt service:				
Principal	156,560	102,440	102,440	-
Interest and fiscal charges	<u>9,003</u>	<u>13,057</u>	<u>12,155</u>	<u>902</u>
Total expenditures	<u>581,631</u>	<u>1,688,591</u>	<u>739,707</u>	<u>948,884</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>355,529</u>	<u>( 756,434)</u>	<u>238,610</u>	<u>995,044</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	1,000	953	953	-
Transfers out	<u>( 113,250)</u>	<u>( 112,000)</u>	<u>( 112,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>( 112,250)</u>	<u>( 111,047)</u>	<u>( 111,047)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 243,279</u>	<u>\$( 867,481)</u>	127,563	<u>\$ 995,044</u>
<b>FUND BALANCE, BEGINNING</b>			1,505,937	
<b>CURRENT YEAR ENCUMBRANCES</b>			326,827	
<b>PRIOR YEAR ENCUMBRANCES</b>			<u>( 90,024)</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 1,870,303</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Fines	\$ 34,274	\$ 33,100	\$ 29,745	\$( 3,355)
Investment income	35	32	47	15
Total revenues	<u>34,309</u>	<u>33,132</u>	<u>29,792</u>	<u>( 3,340)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Personnel	27,161	26,089	24,888	1,201
Supplies and materials	1,637	1,447	1,183	264
Maintenance and repairs	20,260	20,382	19,729	653
Services and charges	5,563	8,151	7,597	554
Debt service:				
Principal retirement	5,000	5,000	5,000	-
Interest and fiscal charges	490	-	-	-
Total expenditures	<u>60,111</u>	<u>61,069</u>	<u>58,397</u>	<u>2,672</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$( 25,802)</u>	<u>\$( 27,937)</u>	<u>( 28,605)</u>	<u>\$( 668)</u>
<b>FUND BALANCE, BEGINNING</b>			<u>92,658</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 64,053</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ <u>2,625</u>	\$ <u>5,250</u>	\$ <u>3,532</u>	\$ ( <u>1,718</u> )
Total revenues	<u>2,625</u>	<u>5,250</u>	<u>3,532</u>	<u>( 1,718)</u>
 <b>EXPENDITURES</b>				
Current:				
Public safety:				
Personnel services	-	-	3,262	( 3,262)
Supplies and materials	<u>5,250</u>	<u>5,600</u>	<u>270</u>	<u>5,330</u>
Total expenditures	<u>5,250</u>	<u>5,600</u>	<u>3,532</u>	<u>2,068</u>
 <b>NET CHANGE IN FUND BALANCE</b>	\$ <u>( 2,625)</u>	\$ <u>( 350)</u>	-	\$ <u>350</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 102,650	\$ 441,524	\$ 357,397	\$( 84,127)
Investment income	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total revenues	<u>102,650</u>	<u>441,524</u>	<u>357,398</u>	<u>( 84,126)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Personnel	34,210	35,000	43,139	( 8,139)
Supplies and materials	12,000	25,390	32,099	( 6,709)
Maintenance and repairs	-	434.00	433	1
Services and charges	5,650	12,089	7,580	4,509
Capital outlay:				
Public safety	<u>50,000</u>	<u>360,422</u>	<u>274,544</u>	<u>85,878</u>
Total expenditures	<u>101,860</u>	<u>437,383</u>	<u>357,795</u>	<u>79,588</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>790</u>	\$ <u>4,141</u>	( 397)	\$ <u>( 4,538)</u>
<b>FUND BALANCE, BEGINNING</b>			<u>2,697</u>	
<b>FUND BALANCE, ENDING</b>			\$ <u>2,300</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 3,972,762	\$ 3,549,294	\$ 3,548,864	\$( 430)
Intergovernmental	129,675	133,350	133,350	-
Investment income	5,249	900	47,481	46,581
Total revenues	<u>4,107,686</u>	<u>3,683,544</u>	<u>3,729,695</u>	<u>46,151</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	2,920,184	14,987,381	14,887,665	99,716
Interest and fiscal charges	968,515	1,615,229	1,629,021	( 13,792)
Bond issuance costs	-	100	100	-
Total expenditures	<u>3,888,699</u>	<u>16,602,710</u>	<u>16,516,786</u>	<u>85,924</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>218,987</u>	<u>( 12,919,166)</u>	<u>( 12,787,091)</u>	<u>( 132,075)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on bonds	-	-	11,477	11,477
Transfers out	-	-	( 84,267)	( 84,267)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>( 72,790)</u>	<u>( 72,790)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 218,987</u>	<u>\$( 12,919,166)</u>	<u>\$( 12,859,881)</u>	<u>\$ 59,285</u>
<b>FUND BALANCE, BEGINNING</b>			<u>13,223,038</u>	
<b>CURRENT YEAR ENCUMBRANCES</b>			<u>6,756</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 369,913</u>	

# **CITY OF COPPERAS COVE, TEXAS**

## **STATISTICAL SECTION**

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

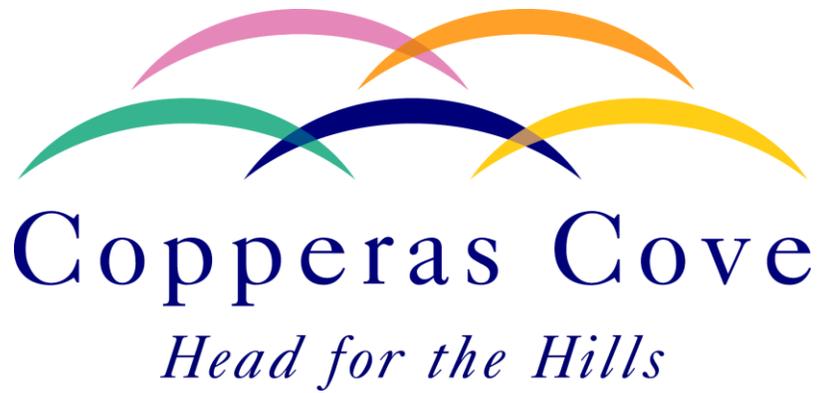
“The City Built for Family Living”



## **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”



---

**FINANCIAL TRENDS  
INFORMATION**

---

## CITY OF COPPERAS COVE, TEXAS

## NET POSITION BY COMPONENT

## LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Net investment in capital assets	\$ 11,141,316	\$ 10,205,332	\$ 9,578,570	\$ 8,858,742	\$ 8,931,762	\$ 18,043,868	\$ 11,374,872	\$ 15,403,434	\$ 12,609,887	\$ 2,464,242
Restricted:										
Debt service	301,339	590,327	370,920	2,052,717	2,241,325	478,387	424,487	366,564	156,930	97,478
Community services	354,908	336,826	352,417	328,857	339,794	311,224	5,387,776	342,815	43,821	1,124,834
Highways and streets	1,867,333	1,505,937	1,338,433	1,336,771	1,296,342	1,086,970	-	-	-	-
Public safety	71,530	100,402	96,842	82,251	82,854	135,760	-	-	-	-
Unrestricted	<u>668,665</u>	<u>4,647,338</u>	<u>7,007,547</u>	<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>
Total governmental activities	<u>\$ 14,405,091</u>	<u>\$ 17,386,162</u>	<u>\$ 18,744,729</u>	<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>
Business-type activities:										
Net investment in capital assets	\$ 25,997,032	\$ 20,327,650	\$ 22,994,554	\$ 22,080,586	\$ 22,369,970	\$ 22,596,745	\$ 25,553,411	\$ 23,052,050	\$ 20,770,346	\$ 21,359,736
Restricted:										
Debt service	504,099	511,264	531,573	522,756	512,401	772,228	1,075,085	378,138	825,526	555,900
Capital projects	-	-	-	-	-	-	-	523,457	783,250	78,155
Unrestricted	<u>5,119,417</u>	<u>10,171,273</u>	<u>6,415,903</u>	<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>
Total business-type activities	<u>\$ 31,620,548</u>	<u>\$ 31,010,187</u>	<u>\$ 29,942,030</u>	<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>
Primary government:										
Net investment in capital assets	\$ 37,138,348	\$ 30,532,982	\$ 32,573,124	\$ 30,939,328	\$ 31,301,732	\$ 40,640,613	\$ 36,928,283	\$ 38,455,484	\$ 33,380,233	\$ 23,823,978
Restricted:										
Debt service	805,438	1,101,591	902,493	2,575,473	2,753,726	1,250,615	1,499,572	744,702	982,456	653,378
Community services	354,908	336,826	352,417	328,857	339,794	311,224	5,387,776	866,272	827,071	1,202,989
Highways and streets	1,867,333	1,505,937	1,338,433	1,336,771	1,296,342	1,086,970	-	-	-	-
Public safety	71,530	100,402	96,842	82,251	82,854	135,760	-	-	-	-
Unrestricted	<u>5,788,082</u>	<u>14,818,611</u>	<u>13,423,450</u>	<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>
Total primary government	<u>\$ 46,025,639</u>	<u>\$ 48,396,349</u>	<u>\$ 48,686,759</u>	<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>

TABLE 2

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 3,535,829	\$ 3,293,107	\$ 2,763,344	\$ 2,546,927	\$ 2,875,722	\$ 2,623,640	\$ 3,034,581	\$ 2,175,856	\$ 1,839,306	\$ 2,091,253
Community services	3,214,351	2,074,947	1,991,851	2,244,461	2,438,256	2,373,405	2,289,134	2,344,074	2,258,488	2,292,606
Fleet and facility maintenance	456,308	266,975	260,234	221,682	279,016	364,763	354,495	414,669	386,747	437,608
Highways and streets	1,434,484	1,592,976	1,493,706	1,271,079	46,924,619	1,404,332	1,178,405	1,598,678	897,493	1,212,838
Public safety	9,162,709	10,177,406	10,215,865	10,124,360	10,026,320	9,586,380	9,165,778	8,893,527	7,888,352	8,457,720
Interest on long-term debt	1,054,111	1,972,914	2,345,029	2,464,443	2,070,699	948,569	765,655	679,576	492,193	444,344
Total governmental activities expenses	<u>18,857,792</u>	<u>19,378,325</u>	<u>19,070,029</u>	<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>
Business-type activities:										
Water and sewer	9,221,685	8,708,517	8,675,269	8,435,752	9,409,881	8,867,419	8,380,368	8,095,813	7,071,789	7,429,996
Solid waste	3,041,437	2,905,397	3,149,394	2,776,066	2,608,915	2,397,273	2,329,168	2,435,324	2,267,473	2,115,989
Golf course	565,774	546,309	609,842	580,689	573,612	579,846	741,818	789,415	786,556	949,662
Total business-type activities expenses	<u>12,828,896</u>	<u>12,160,223</u>	<u>12,434,505</u>	<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>
Total primary government expenses	<u>\$ 31,686,688</u>	<u>\$ 31,538,548</u>	<u>\$ 31,504,534</u>	<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>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	\$ 354,870	\$ 334,382	\$ 283,509	\$ 327,064	\$ 352,865	\$ 254,356	\$ 318,728	\$ 253,864	\$ 470,885	\$ 355,323
Community services	1,136,980	1,112,802	1,119,533	1,175,746	1,016,328	970,855	1,018,263	1,315,084	933,020	900,461
Highways and streets	930,020	931,748	900,308	891,366	832,234	865,236	865,821	861,909	837,486	790,940
Public safety	809,487	692,758	669,343	926,953	574,554	928,159	994,799	2,299,739	1,261,826	938,489
Operating grants and contributions	571,277	376,813	460,352	289,311	42,807,297	314,701	299,511	821,392	450,303	160,504
Capital grants and contributions	3,500	2,776	863	139,528	169,298	709,919	507,970	1,805,607	450,824	909,162
Total governmental activities program revenues	<u>3,806,134</u>	<u>3,451,279</u>	<u>3,433,908</u>	<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>
Business-type activities:										
Charges for services:										
Water and sewer	11,095,431	10,421,191	10,706,431	9,756,792	9,933,243	9,057,365	8,782,371	8,901,647	8,526,099	8,035,814
Solid waste	3,993,003	3,874,212	3,561,759	2,983,601	3,099,602	3,094,402	2,991,428	3,023,495	2,690,123	2,795,138
Golf course	323,330	331,204	370,934	421,911	385,799	439,810	530,908	674,696	633,730	750,858
Capital grants and contributions	-	-	19,145	3,422	-	-	-	1,345,220	370,434	810,756
Total business-type activities program revenues	<u>15,411,764</u>	<u>14,626,607</u>	<u>14,658,269</u>	<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>
Total primary government program revenues	<u>\$ 19,217,898</u>	<u>\$ 18,077,886</u>	<u>\$ 18,092,177</u>	<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>

TABLE 2

## CITY OF COPPERAS COVE, TEXAS

## CHANGES IN NET POSITION

## LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>NET (EXPENSE) REVENUES</b>										
Governmental activities	\$( 15,051,658)	\$( 15,927,046)	\$( 15,122,984)	\$( 18,862,056)	\$( 13,257,863)	\$( 12,782,956)	\$( 8,748,785)	\$( 9,358,235)	\$( 10,881,490)	\$ -
Business-type activities	2,582,868	2,466,384	1,373,219	826,236	747,039	853,353	2,624,506	2,094,568	1,896,919	-
Total primary government net expenses	<u>( 12,468,790)</u>	<u>( 13,460,662)</u>	<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>-</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Ad valorem taxes	9,742,586	9,430,398	8,994,705	8,873,472	8,590,003	8,570,742	8,468,730	7,717,778	6,831,452	6,014,274
Sales taxes	2,848,964	2,771,359	2,712,277	2,585,231	2,427,417	2,479,925	2,309,693	2,582,748	2,275,752	2,122,243
Franchise taxes	1,375,791	1,359,461	1,361,973	1,361,161	1,315,430	1,318,570	1,321,777	1,246,655	1,270,632	1,325,208
Other taxes	406,468	410,158	357,225	352,523	410,235	428,840	362,779	103,775	97,844	99,160
Unrestricted investment earnings	101,631	42,537	67,321	17,072	16,923	48,967	143,829	489,974	610,569	372,250
Miscellaneous	267,602	177,552	162,006	176,736	319,754	245,860	344,326	-	-	-
Transfers	1,157,733	1,137,835	1,046,004	683,000	961,309	1,275,776	1,049,271	1,065,087	996,616	976,090
Total governmental activities	<u>15,900,775</u>	<u>15,329,300</u>	<u>14,701,511</u>	<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>
Business-type activities:										
Unrestricted investment earnings	37,684	33,707	19,806	12,553	15,194	16,420	60,154	260,206	456,616	442,453
Transfers	( 1,157,733)	( 1,137,835)	( 1,046,004)	( 683,000)	( 961,309)	( 1,275,776)	( 1,049,271)	( 1,065,087)	( 996,616)	( 976,090)
Miscellaneous	128,586	22,764	49,520	-	-	-	-	-	-	-
Total business-type activities	<u>( 991,463)</u>	<u>( 1,081,364)</u>	<u>( 976,678)</u>	<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>
Total primary government	<u>14,909,312</u>	<u>14,247,936</u>	<u>13,724,833</u>	<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>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	849,117	( 597,746)	( 421,473)	( 4,812,861)	783,208	1,585,724	5,251,620	3,847,782	1,201,375	10,909,225
Business-type activities	1,591,405	1,385,020	396,541	155,789	( 199,076)	( 406,003)	1,635,389	1,289,687	1,356,919	( 533,637)
Total primary government	<u>\$ 2,440,522</u>	<u>\$ 787,274</u>	<u>\$( 24,932)</u>	<u>\$( 4,657,072)</u>	<u>\$ 584,132</u>	<u>\$ 1,179,721</u>	<u>\$ 6,887,009</u>	<u>\$ 5,137,469</u>	<u>\$ 2,558,294</u>	<u>\$ 10,375,588</u>

## CITY OF COPPERAS COVE, TEXAS

## TAX REVENUES BY SOURCE

## LAST TEN CALENDAR YEARS

Calendar Year	Property	Sales	Franchise	Bingo	Mixed Beverage	Totals
2015	\$ 9,822,415	\$ 2,848,964	\$ 1,375,791	\$ 217,438	\$ 18,740	\$ 14,283,348
2014	9,430,346	2,771,359	1,359,461	215,613	16,484	13,793,263
2013	9,004,301	2,712,277	1,361,974	162,492	12,081	13,253,125
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

Source: City of Copperas Cove Finance Department

TABLE 4

## CITY OF COPPERAS COVE, TEXAS

FUND BALANCES  
GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund										
Reserved										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,009	\$ 147,926	\$ 439,561	\$ 590,556	\$ 131,428
Inventory and prepaid items	-	-	-	-	-	75,642	75,462	73,708	67,352	108,590
Unreserved										
Designated for contingencies	-	-	-	-	-	-	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
Nonspendable	160,707	198,696	80,932	88,819	71,983	-	-	-	-	-
Restricted	9,457	9,452	9,446	9,430	22,680	-	-	-	-	-
Assigned	50,326	50,293	50,260	78,208	136,710	-	-	-	-	-
Unassigned	6,152,451	5,582,265	6,116,257	5,684,953	5,362,117	-	-	-	-	-
Total general fund	<u>\$ 6,372,941</u>	<u>\$ 5,840,706</u>	<u>\$ 6,256,895</u>	<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>
All other governmental funds										
Reserved:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 438,056	\$ 424,487	\$ 366,564	\$ 156,930	\$ 97,478
Capital projects	-	-	-	-	-	-	-	5,515,872	5,338,633	1,124,834
Encumbrances	-	-	-	-	-	543,181	64,805	729,673	638,251	562,887
Inventory and prepaid items	-	-	-	-	-	-	94	2,510	323	936
Notes receivable	-	-	-	-	-	115,499	127,799	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	1,538,631	1,893,415	1,110,626	1,076,333	1,030,414
Capital projects funds	-	-	-	-	-	2,214,095	5,387,776	8,078,317	7,394,289	2,964,353
Nonspendable	2,970	-	-	110,535	123,779	-	-	-	-	-
Restricted	7,775,142	21,665,093	24,548,350	15,918,697	5,188,837	-	-	-	-	-
Unassigned	-	-	(3,072)	(1,228)	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 7,778,112</u>	<u>\$ 21,665,093</u>	<u>\$ 24,545,278</u>	<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>

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

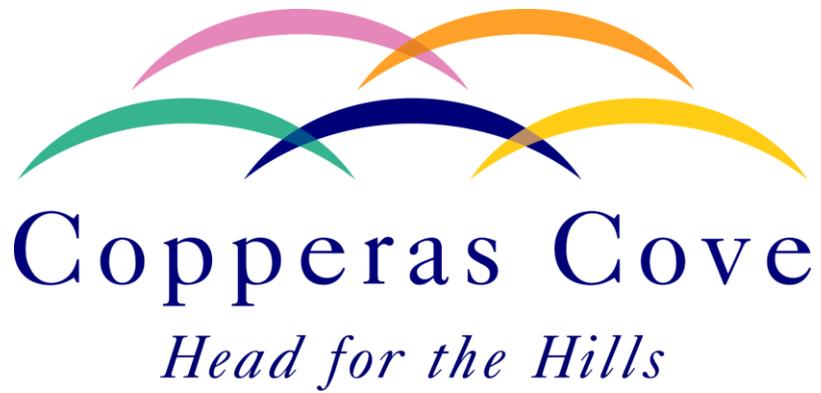
## LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>REVENUES</b>										
Taxes	\$ 14,453,638	\$ 13,971,324	\$ 13,435,777	\$ 13,164,642	\$ 12,762,118	\$ 12,756,287	\$ 12,472,480	\$ 11,636,499	\$ 10,435,134	\$ 9,526,380
Charges for services	2,124,167	2,121,414	2,148,310	2,168,844	1,920,904	1,935,879	1,976,286	1,957,335	1,790,420	1,707,578
Intergovernmental	554,192	13,058,288	17,367,931	13,089,316	635,435	991,057	573,215	728,358	103,226	220,980
Fines	576,127	599,894	672,774	730,528	617,983	851,855	923,735	800,841	815,533	706,025
Licenses	54,318	57,227	46,463	50,262	48,403	50,438	51,347	38,848	39,784	49,830
Permits	226,239	191,939	151,749	186,774	161,296	209,272	143,658	181,354	178,795	216,373
Investment income	101,631	42,537	67,321	17,072	16,923	48,967	143,829	489,974	610,569	372,250
Miscellaneous	387,802	294,332	259,712	333,849	522,760	367,572	472,538	419,113	662,467	257,730
Total revenues	<u>18,478,114</u>	<u>30,336,955</u>	<u>34,150,037</u>	<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>
<b>EXPENDITURES</b>										
General government	2,579,037	2,717,470	2,410,130	2,295,603	2,571,032	2,340,206	2,739,976	2,054,435	1,872,769	1,823,669
Community services	1,806,197	1,909,766	1,793,492	2,035,401	2,207,167	2,193,410	2,103,284	1,884,340	1,780,748	1,604,037
Fleet and facility services	272,903	267,510	255,839	216,223	269,820	360,257	347,946	400,647	376,342	361,661
Highways and streets	892,160	1,203,029	1,082,538	813,253	46,453,663	959,247	815,197	986,425	878,940	854,966
Public safety	9,099,534	9,224,214	9,150,282	9,102,313	8,933,461	8,962,367	8,559,414	8,274,073	7,433,330	6,807,383
Capital outlay	4,942,783	1,985,294	2,980,169	1,734,555	1,976,709	5,610,024	10,031,225	4,418,877	2,370,118	3,088,289
Debt service										
Principal retirement	15,025,105	17,640,925	13,230,808	2,826,748	1,595,508	1,428,939	1,277,501	873,731	926,000	710,600
Interest and fiscal charges	1,637,462	2,425,620	2,835,690	2,837,194	1,783,514	915,609	729,758	666,848	464,207	411,537
Bond issuance costs	34,395	71,713	122,253	32,328	670,233	-	91,072	-	-	-
Total expenditures	<u>36,289,576</u>	<u>37,445,541</u>	<u>33,861,201</u>	<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>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 17,811,462)</u>	<u>( 7,108,586)</u>	<u>288,836</u>	<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>

**CITY OF COPPERAS COVE, TEXAS**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of capital leases \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,612	\$ 50,823	\$ -	\$ 559,828
Issuance of bonds	3,055,000	2,951,036	7,545,000	1,962,000	48,360,540	1,590,000	6,895,000	1,612,673	5,251,270	1,226,147
Premium on bonds	109,694	51,928	10,781	52,821	3,401,878	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	( 2,454,088)	-	-	-	-	-
Sale of capital assets	57,990	64,111	8,741	14,104	-	-	-	-	-	300,186
Insurance recoveries	26,299	18,338	13,397	8,714	-	-	-	-	-	-
Transfers in	1,404,000	1,358,000	1,260,978	1,374,156	1,538,349	1,938,505	1,386,352	1,571,164	1,264,260	1,280,920
Transfers out	( 196,267)	( 220,165)	( 214,974)	( 276,156)	( 577,040)	( 662,729)	( 337,081)	( 506,077)	( 267,643)	( 304,830)
Total other financing sources (uses)	<u>4,456,716</u>	<u>4,223,248</u>	<u>8,623,923</u>	<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>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ ( 13,354,746)</u>	<u>\$ ( 2,885,338)</u>	<u>\$ 8,912,759</u>	<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>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<u>53.8%</u>	<u>57.0%</u>	<u>51.9%</u>	<u>5.2%</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>



---

**REVENUE CAPACITY  
INFORMATION**

---

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					
2015	2014	\$ 1,093,122,862	\$ 279,686,286	\$ 77,988,874	\$ 182,330	\$ 190,182,195	\$ 104,912,640	\$ 1,155,885,517	0.7900	\$ 1,155,885,517
2014	2013	1,031,206,299	256,129,826	77,269,634	182,650	164,603,431	92,940,709	1,107,244,269	0.7774	1,107,244,269
2013	2012	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
2012	2011	982,229,990	242,493,067	67,350,050	192,230	146,385,820	78,422,116	1,067,456,541	0.7639	1,067,456,541
2011	2010	1,042,392,798	243,294,708	64,040,190	186,290	131,303,669	81,695,580	1,136,914,737	0.760	1,067,456,541
2010	2009	1,041,083,408	236,161,374	67,222,770	114,180	119,893,916	86,150,945	1,138,536,871	0.760	1,136,914,737
2009	2008	867,633,248	204,100,078	66,011,498	115,920	102,803,530	-	1,035,057,214	0.740	1,138,536,871
2008	2007	785,140,036	159,987,484	62,029,470	90,590	87,723,750	-	919,523,830	0.740	1,035,057,214
2007	2006	737,593,910	52,350,230	59,473,482	50,180	70,659,836	-	778,807,966	0.740	919,785,031
2006	2005	685,748,077	828,660	60,726,750	-	63,795,771	-	683,507,716	0.775	778,807,966

\* 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					
2015	2014	\$ 0.504	\$ 0.286	\$ 0.790	\$ 0.458	\$ 1.217	\$ 0.137	\$ 0.012	\$ 2.614
2014	2013	0.524	0.253	0.777	0.459	1.217	0.137	0.012	2.602
2013	2012	0.569	0.191	0.760	0.449	1.217	0.140	0.015	2.581
2012	2011	0.545	0.219	0.764	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

\* GWCD - Groundwater Conservation District

Source: Coryell County Tax Assessor - Collector

TABLE 8

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

		2015	
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Oncor Electric Delivery Co. (FKA TXU)	Electric utility	\$ 12,831,200	1.11%
Wal-Mart Real Estate	Developer	12,360,270	1.07%
HEB Grocery Store	Retailer	10,000,000	0.87%
Wal-Mart Properties Stores East	Developer	9,084,060	0.79%
HEB Grocery CO	Retailer	7,797,490	0.68%
Copperas Cove AL LLC	Developer	5,850,500	0.51%
Colonial Plaza Partnership	Retailer	5,753,210	0.50%
Cove Terrace Associates, Ltd.	Retailer	5,662,820	0.49%
Cinergy Cinemas LP	Movie Theater	4,866,710	0.42%
Yerby Five Hills I LLC	Developer	<u>41,458,000</u>	<u>3.59%</u>
Subtotal		115,664,260	10.02%
All other taxpayers		<u>1,039,079,720</u>	<u>89.98%</u>
Total		<u>\$ 1,154,743,980</u>	<u>100.00%</u>
		2006	
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Walmart Real Estate	Developer	\$ 10,545,420	1.35%
TXU Electric Delivery Co.	Electric Utility	9,278,730	1.19%
Central Telephone Co.	Telephone Utility	8,177,070	1.05%
Wal-Mart Properties	Developer	7,729,440	0.99%
Cove Terrace Associates	Developer	6,935,140	0.89%
Crosstowne LTD	Retailer	4,939,034	0.63%
Colonial Plaza Partnership	Retailer	4,549,680	0.58%
Judy Lane Properties	Developer	3,861,420	0.50%
Texas Cable Partners	Cable Utility	3,785,270	0.49%
Lightfoot Oil Company	Oil Company	<u>2,997,270</u>	<u>0.39%</u>
Subtotal		62,798,474	8.07%
All other taxpayers		<u>715,601,873</u>	<u>91.93%</u>
Total		<u>\$ 778,400,347</u>	<u>100.00%</u>

Source: Coryell County Appraisal District, Gatesville, Texas  
2006 CAFR City of Copperas Cove

**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		
2015	2014	\$ 9,853,284	\$ 9,727,297	98.7%	\$ -	\$ 9,771,590	99.17%	\$ 125,987	1.28%
2014	2013	9,356,141	9,288,597	99.3%	44,350	9,288,597	99.28%	67,544	0.72%
2013	2012	8,945,954	8,873,218	99.2%	70,275	8,943,492	99.97%	72,736	0.81%
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%

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>
2015	2014	\$ 1,154,743,980	100.00%	0.7900
2014	2013	1,130,792,202	100.00%	0.7740
2013	2012	1,100,135,239	100.00%	0.7600
2012	2011	1,084,647,856	100.00%	0.7639
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

Source: City of Copperas Cove Budget Department

## CITY OF COPPERAS COVE, TEXAS

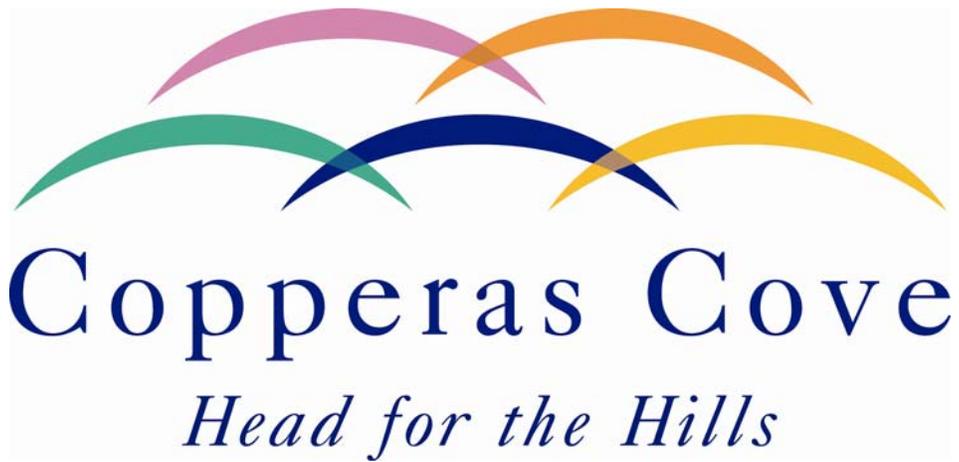
## PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

## 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>
2015	2014	\$ 1,154,743,980	\$ 35,008,392	\$ 244,306,000
2014	2013	1,130,792,202	18,119,157	222,756,000
2013	2012	1,100,135,239	15,619,747	207,494,000
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

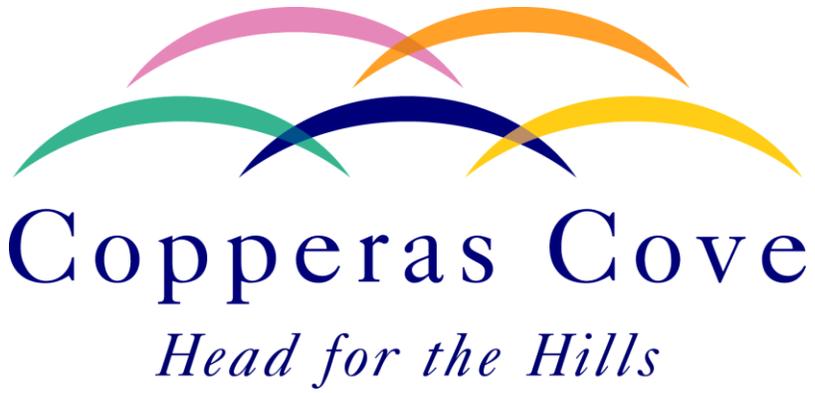
## Sources:

- 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

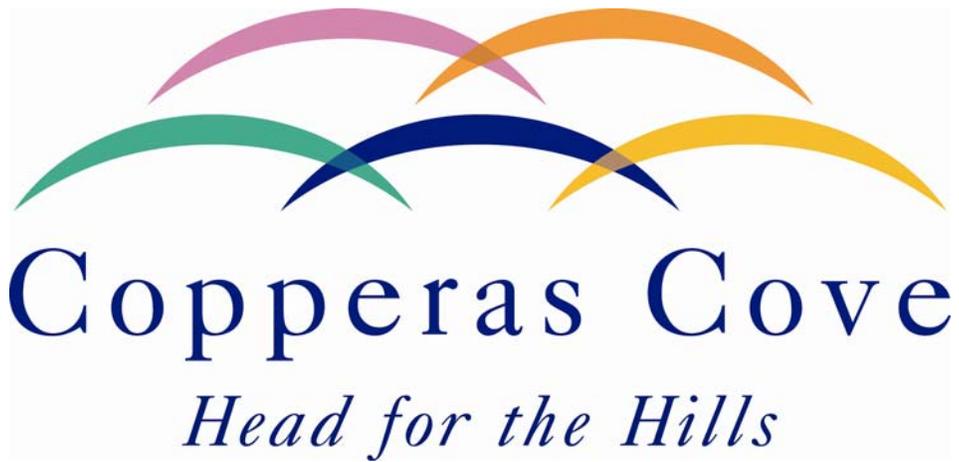
*Head for the Hills*



---

**DEBT CAPACITY  
INFORMATION**

---



Copperas Cove

*Head for the Hills*

## CITY OF COPPERAS COVE, TEXAS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2015

<u>Taxing Entity</u>	<u>Net General Obligation Debt</u>	<u>Percentage Applicable to the City of Copperas Cove</u>	<u>Amount Applicable to the City of Copperas Cove</u>
Copperas Cove Independent School District	\$ 22,959,995 *	81.35%	\$ 18,677,956
Lampasas County	4,275,000 *	2.49%	106,448
Lampasas Independent School District	38,639,982 *	2.71%	<u>1,047,144</u>
Subtotal overlapping debt			19,831,547
City direct debt			<u>35,099,646</u>
Total direct and overlapping debt			<u>\$ 54,931,193</u>
Total direct and overlapping debt % of assessed valuation			4.76%
Total direct and overlapping debt % per capita			\$ 1,667

\* 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			
	2015	2014	2013	2012
Assessed value, tax roll	\$ 1,154,743,980	\$ 1,130,792,202	\$ 1,100,135,239	\$ 1,084,647,856
\$2.50 tax rate levy (1)	28,868,600	28,269,805	27,503,381	27,116,196
Actual City debt tax rate	0.286	0.255	0.191	0.219
Actual City debt tax levy	<u>3,300,247</u>	<u>2,877,866</u>	<u>2,103,459</u>	<u>2,376,463</u>
Legal annual debt service mar	25,568,353	25,391,939	25,399,922	24,739,733
Legal debt capacity (2)	318,638,190	316,439,684	316,539,176	308,311,756

(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			
	2015	2014	2013	2012
Assessed value, tax roll	\$ 1,154,743,980	\$ 1,130,792,202	\$ 1,100,135,239	\$ 1,084,647,856
\$1.50 tax rate levy (1)	17,321,160	28,269,805	27,503,381	16,269,718
Actual City debt tax rate	0.286	0.255	0.191	0.219
Actual City debt tax levy	<u>3,300,247</u>	<u>2,877,866</u>	<u>2,103,459</u>	<u>2,376,463</u>
Legal annual debt service mar	14,020,913	25,391,939	25,399,922	13,893,254
Legal debt capacity (2)	174,731,566	316,439,684	316,539,176	173,140,659

(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					
2011	2010	2009	2008	2007	2006
\$ 1,067,456,541	\$ 1,136,914,737	\$ 1,138,536,871	\$ 1,035,057,214	\$ 919,785,031	\$ 778,807,966
26,686,414	28,422,868	28,463,422	25,876,430	22,994,626	19,470,199
0.177	0.147	0.141	0.142	0.133	0.122
<u>1,884,061</u>	<u>1,672,947</u>	<u>1,601,921</u>	<u>1,469,481</u>	<u>1,222,532</u>	<u>947,926</u>
24,802,353	26,749,921	26,861,500	24,406,949	21,772,094	18,522,273
309,092,137	333,363,144	334,753,668	304,164,536	271,328,409	230,828,463

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 1,067,456,541	\$ 1,136,914,737	\$ 1,138,536,871	\$ 1,035,057,214	\$ 919,785,031	\$ 778,807,966
16,011,848	17,053,721	17,078,053	15,525,858	13,796,775	11,682,119
0.177	0.147	0.141	0.142	0.133	0.122
<u>1,884,061</u>	<u>1,672,947</u>	<u>1,601,921</u>	<u>1,469,481</u>	<u>1,222,532</u>	<u>947,926</u>
14,127,787	15,380,774	15,476,132	14,056,377	12,574,243	10,734,193
176,063,457	191,678,438	192,866,808	175,173,528	156,702,864	133,771,776

TABLE 14

**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	Tax Notes	Capital Leases			
2015	\$ 20,088	\$ 10,670	\$ 2,975	-	-	\$ 15,717	\$ 13,725	\$ 4,940	-	\$ 68,299	2.07%	\$ 2,132
2014	21,195	20,356	4,111	-	-	17,535	9,600	5,704	-	78,501	2.79%	2,370
2013	22,000	33,200	5,574	-	-	19,000	2,200	5,900	-	87,874	3.15%	2,743
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	3.45%	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

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 Per Capita Amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2015	\$ 60,200	\$ 301	\$ 59,899	5.18%	\$ 1,818
2014	78,501	590	77,911	6.74%	2,352
2013	76,400	4,559	71,841	6.49%	2,153
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	59,222	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

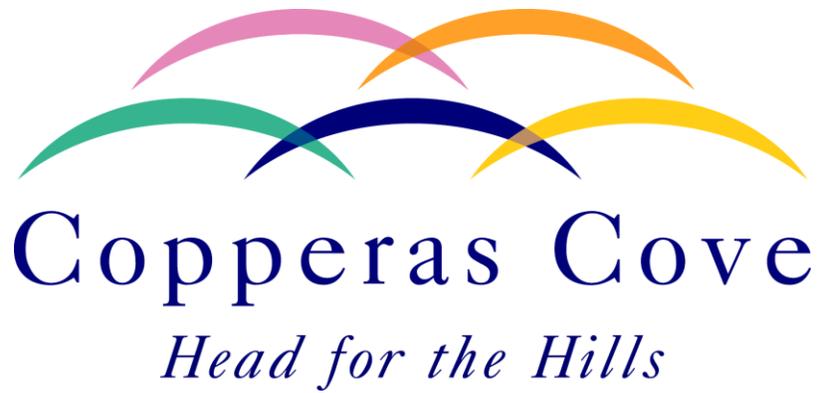
Source: Finance Department, City of Copperas Cove

**CITY OF COPPERAS COVE, TEXAS**  
**REVENUE BOND COVERAGE - WATER AND SEWER FUND**  
**LAST TEN 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		
2015	\$ 11,095,431	\$ 6,343,966	\$ 4,751,465	\$ 2,809,153	\$ 786,922	\$ 3,596,075	1.32
2014	10,421,191	5,977,076	4,444,115	2,222,888	1,096,455	3,319,343	1.34
2013	10,708,566	6,157,552	4,551,014	2,702,176	893,614	3,595,790	1.27
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

\* Total operating expenses less depreciation.

Source: Finance Department, City of Copperas Cove



---

## **DEMOGRAPHIC & ECONOMIC INFORMATION**

---

**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>
2015	32,943	\$ 2,469	\$ 32,678	31.3	8,355	7.1%
2014	33,122	2,812	36,900	31.2	8,266	6.6%
2013	33,374	2,790	36,129	29.0	8,370	8.5%
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%

**Source:**

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

Data is estimate from US Census Bureau

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 2010-2012 reflect county population estimates available as of March 2013.

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

4 <http://www.tea.state.tx.us/per report/aegis>

Updated data 2013-2013 Student Enrollment

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

\*

## CITY OF COPPERAS COVE, TEXAS

## PRINCIPAL EMPLOYERS

## CURRENT AND NINE YEARS AGO

Employer	2015		
	Employees	Percentage of Total City Taxable Assessed Value	Rank
Fort Hood - Military	45,000	64.8%	1
Fort Hood - Civilian	20,749	29.9%	2
Copperas Cove ISD	1,300	1.9%	3
GC Services	1,248	1.8%	4
Wal-Mart Supercenter	445	0.6%	5
City of Copperas Cove	278	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
Total	69,475	100.0%	

Taxpayer	2006		
	Employees	Percentage of Total City Taxable Assessed Value	Rank
Fort Hood - Military	40,672	68.5%	1
Fort Hood - Civilian	13,724	23.1%	2
Copperas Cove ISD	1,253	2.1%	3
Central Texas College	1,126	1.9%	4
Metroplex Hospital	950	1.6%	5
GC Services	711	1.2%	6
Wal-Mart	400	0.7%	7
City of Copperas Cove	279	0.5%	8
HEB Grocery Store	145	0.2%	9
WindCrest Nursing Center	101	0.2%	10
Total	59,361	100.0%	

Sources: 2013-2014 Budget Book  
2004-2005 Budget Book



---

---

## **OPERATING INFORMATION**

---

---

## CITY OF COPPERAS COVE, TEXAS

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

## LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>General Fund</b>										
City Manager	2	2	2	2	2	3	4	2	2	2
City Secretary	2	2	1.5	1.5	1.5	2	2	2	2	2
City Attorney (Contract)	0.5	0.5	1	1	1	1	1	1	1	1
Budget	1	2	2	4	4	-	-	-	-	-
Finance	4	5	5	7	7	7	7	6	5	6
Grants Administration	0	-	-	-	-	-	-	-	1	1
Human Resources	2	2.5	3	3	3	4.5	3.5	2	2	2
Information Systems	3	3	3	3	3	3	3	3	2	2
Municipal Court	6	6.5	6.5	6.5	6.5	7	7	8	8	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	1	1
Police	74	74	73	73	73	73.5	73.5	71	71	69
Public Affairs Office	0	-	-	-	-	1	1	1	-	-
Animal Control	5.5	5	5	5	5	5	5	4	4	4
Fire/EMS	49	51.5	51	51	51	53	53	52.5	52	46
Emergency Management	0	-	-	-	-	-	-	1	1	-
Engineering	0	-	-	-	-	2	2	2	1	4.5
Building & Development	4	4	4	4	4	4	4	5.5	5.5	5
Street	5.5	5.5	5.5	5.5	5.5	7.5	7.5	7.5	7	7
Public Works	0	-	4	-	-	-	-	0.5	0.5	0.5
Parks & Recreation	17.5	17.5	18	18	18	18	18	16	18	14
Fleet Services	5.5	5.5	5.5	5.5	4.5	5	5	5	5	5
Facility Maintenance	0	0	-	-	-	2	2	5	5	5
Planning	1	1	-	-	-	1	2	3	3	1
Library	7	7	6.5	6.5	8.5	10	10	10	10	9.5
Code & Health	3.5	3.5	3	3	3	4	4	3.5	3.5	2.5
<b>Total General Fund</b>	<u>195.0</u>	<u>200.0</u>	<u>201.5</u>	<u>201.5</u>	<u>202.5</u>	<u>215.5</u>	<u>216.5</u>	<u>213.5</u>	<u>211.5</u>	<u>198.0</u>
<b>Water &amp; Sewer Fund</b>										
Water & Sewer Admin	3	3	4	4	3	2.25	2.25	2	2	2
Utility Administration	11	11	11	11	11	11	11	10	10	11
Water Distribution	11	11	11	11	11	11	11	9	9	9
Sewer Collection	8	8	8	8	8	9	9	7	7	7
Wastewater Treatment	10	10	11	11	11	11	11	11	11	11
Composting	0	0	0	0	0	3	3	3	3	2
<b>Total Water &amp; Sewer Fund</b>	<u>43</u>	<u>43</u>	<u>45</u>	<u>45</u>	<u>44.00</u>	<u>47.25</u>	<u>47.25</u>	<u>42.00</u>	<u>42.00</u>	<u>42.00</u>
<b>Solid Waste Fund</b>										
Administration	5	5	4.7	4.7	4.67	4.25	4.25	4	4	4
Residential	6	6	5	5	4	4	4	4	4	4
Recycling	3	2	2	2	2	2	2	2	2	2
Brush	3	3	3	3	2	2	2	2	2	2
Commercial	3	3	3	3	3	4	4	4	4	4
Composting	0	0	3	3	3	-	-	-	-	-
Disposal	5.5	5.5	5.5	5.5	5	5	5	4.5	4	4
<b>Total Solid Waste Fund</b>	<u>25.5</u>	<u>24.5</u>	<u>26.17</u>	<u>26.17</u>	<u>23.67</u>	<u>21.25</u>	<u>21.25</u>	<u>20.50</u>	<u>20.00</u>	<u>20.00</u>

**CITY OF COPPERAS COVE, TEXAS**

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Recreational Activities Fund</b>										
Recreational Activities Fund	-	-	-	-	2	2	2	2	2	1
<b>Total Recreational Activities Fund</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>
<b>Cemetery Fund</b>										
Cemetery Fund	-	-	-	-	1	1	1	1	1	1
<b>Total Cemetery Fund</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Drainage Fund</b>										
Drainage Utility	5.5	5.5	5.83	5.83	5.8	6.5	6.5	6.5	6.5	4.5
<b>Total Drainage Fund</b>	<u>5.5</u>	<u>5.5</u>	<u>5.8</u>	<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>
<b>Golf Course Fund</b>										
Golf Course	7	7	7	7	6.5	9.5	14.5	13.5	15	15
<b>Total Golf Course Fund</b>	<u>7</u>	<u>7</u>	<u>7</u>	<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>
<b>Total All Funds</b>	<u>276.0</u>	<u>280.0</u>	<u>285.5</u>	<u>285.5</u>	<u>284.5</u>	<u>302.0</u>	<u>308.0</u>	<u>298.0</u>	<u>297.0</u>	<u>280.5</u>

**Source: Finance Department, City of Copperas Cove, TX**  
Personnel Improvement Plan 13-14 Budget Book

Table 20

**CITY OF COPPERAS COVE, TEXAS**  
**CAPITAL ASSET STATISTICS AND OPERATING INDICATORS BY FUNCTIONS**  
**LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b><u>Government Facilities</u></b>										
<b><u>Building and Development</u></b>										
<i>Use or Nature: Development Services</i>										
Building permits issued	3,444	3,000	3,000	3,100	3,237	3,092	2,455	2,178	2,229	3,232
Inspections performed	6,125	6,374	6,374	5,541	6,032	7,367	5,505	10,299	9,242	8,501
<b><u>Fire Protection</u></b>										
<i>Use or Nature: Public Safety</i>										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of hydrants (approx.)	1,072	1,072	1,043	1,049	1,042	1,042	1,105	1,050	1,014	1,600
Number of volunteer firemen	-	2	4	4	5	4	12	9	8	-
Number of paid firemen	48	50	50	46	46	51	51	52	52	46
Firemen per 1,000 population	1.55	2	2	1.44	1.44	1.70	1.70	1.73	1.73	1.51
Fire responses	689	1,436	1,436	1,268	1,302	1,694	1,842	2,177	2,356	2,275
Emergency medical services responses	3,451	3,875	3,875	3,357	2,968	2,694	2,882	3,402	3,339	3,100
<b><u>Police Protection</u></b>										
<i>Use or Nature: Public Safety</i>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of sworn officers	-	54	54	59	55	56	56	56	54	53
Officers per 1,000 population	54	1.67	1.67	1.84	1.72	1.87	1.87	1.87	1.80	1.74
Calls for service	1.67	21,000	21,000	19,000	17,731	19,000	19,000	17,808	21,000	21,467
Part I violent crimes reported*	1,042	1,300	1,300	1,200	1,048	1,300	1,100	1,161	1,211	1,274
* 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	-	2256	2256	2,039	1,905	1,834	2,409	2,035	2,793	2,804
Number of euthanized	2000	893	893	817	857	869	981	1,104	1,432	1,324
Number of animals adopted	677	421	421	459	660	595	663	638	648	696
Number of animals re-claimed	574	544	544	414	330	461	660	612	595	602
<b><u>Municipal Court</u></b>										
<i>Use or Nature: Public Safety</i>										
Number of warrants issued		1950	1950	1,345	2,750	3,243	3,258	3,266	3,129	3,493
Number of warrants cleared	1871	1948	1948	3,202	7,500	3,098	2,662	1,648	1,936	2,989
Number of violations processed	911	8331	8331	9,500	9,575	11,159	9,846	10,581	8,561	10,124
<b><u>Libraries</u></b>										
<i>Use or Nature: Community Services</i>										
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	55,309	58,300	70,566	70,566	69,000	66,357	68,972	66,606	64,180	62,572
Circulation of items	92,000	82,000	95,000	71,621	87,000	98,893	120,224	113,457	95,826	102,986
Circulation per capita	2.8	2.54	2.94	2.24	2.72	3.30	4.01	3.78	3.19	3.50

Table 20

**CITY OF COPPERAS COVE, TEXAS**  
**CAPITAL ASSET STATISTICS AND OPERATING INDICATORS BY FUNCTIONS**  
**LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Parks and Recreation</b>										
<i>Use or Nature: Community Services</i>										
Park acreage developed	380	380	380	380	380	380	380	380	214	214
Park acreage undeveloped	5	5	5	5	5	5	5	5	163	163
Playgrounds	7	7	8	8	7	7	7	7	6	5
Participants in sports activities	2,466	2732	2,213	2,636	2,869	2,683	2,889	2,700	2,837	2,382
Coaches certified	196	168	427	570	596	625	644	602	638	486
<b>Street</b>										
<i>Use or Nature: Public Works</i>										
Paved streets	135 miles	135	133.3 miles	133.3 miles	133 miles	132.5 miles	132 miles	132 miles	129 miles	121 miles
Unpaved streets	0 miles	0	0 miles							
<b>Utilities</b>										
<b>Water System</b>										
<i>Use or Nature: Public Works</i>										
Miles of water mains	226	226	226	220	226	225	225	183	255	230
Daily average consumption	4.1 MGD	4.1 MGD	4.1 MGD	4.1 MGD	3.9 MGD	4.2 MGD	4.2 MGD	4 MGD	4 MGD	4 MGD
Maximum daily capacity	8.1 MGD	8.1 MGD	8.1 MGD	8.1 MGD	7.6 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD
Number of service connections	13,474	13,261	13,216	12,387	13,099	12,072	11,936	11,966	12,472	11,195
Source of water	Belton Lake									
<b>Sewage System</b>										
<i>Use or Nature: Public Works</i>										
Miles of sanitary sewers	381	381	377	377	375	375	375	350	350	210
Number of lift stations	14	14	16	16	16	16	16	15	14	14
Daily average treatment	2.5 MGD	2.5 MGD	1.9 MGD	2.631 MGD	1.9 MGD	3.1 MGD				
Maximum capacity of treatment plants	9.0 MGD									
Number of service connections (active)	10,941	10,740	10,715	11,149	11,400	11,171	10,947	11,025	10,512	10,359
<b>Golf Course</b>										
<i>Use or Nature: Community Services</i>										
Rounds of golf played (annually)	17,210	16,770	16,770	19,300	19,300	22,592	27,911	32,954	30,004	32,437
Tournament rounds (annually)	451	525	525	626	676	662	1,190	1,495	1,429	1,798
Annual dues (memberships)	220	220	220	226	264	229	240	240	232	213
<b>Community Statistics</b>										
<i>Use or Nature: Employee Information</i>										
School District Employees	-	1300	1,275	1,275	1,324	1,300	1,300	1,300	1,218	1,162
City Employees	1,300	278	276	276	298	303	309	299	298	281.5
Fort Hood Servicemen	273	45,000	45,000	45,000	47,700	44,000	44,000	53,416	39,262	43,995
Fort Hood Employees (Civilians)	41,400	20,749	21,240	21,240	15,800	17,098	17,098	17,098	8,909	8,909

**Source: Various Departments, Budget Book 13-14 City of Copperas Cove**

\*\* Data not available