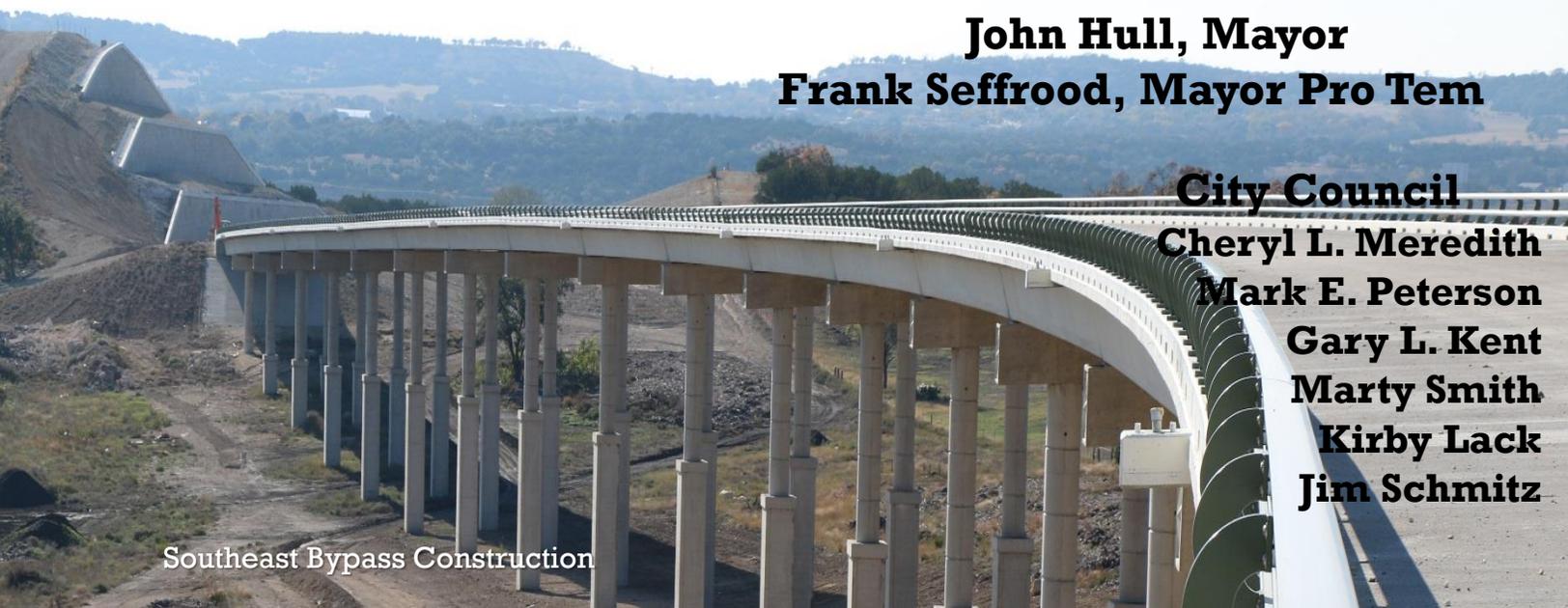




City of Copperas Cove
FISCAL YEAR 2013-14
COMPREHENSIVE ANNUAL
FINANCIAL REPORT



Construction of Interchange
with US 190, State Highway 9
and Southeast Bypass



John Hull, Mayor
Frank Seffrood, Mayor Pro Tem

City Council
Cheryl L. Meredith
Mark E. Peterson
Gary L. Kent
Marty Smith
Kirby Lack
Jim Schmitz

Southeast Bypass Construction



Andrea M. Gardner
City Manager

Velia Key
Director of Financial Services

State Highway 9 Construction

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, 2014

**Page
Number**

INTRODUCTORY SECTION

Letter of Transmittal.....	i – vi
Organizational Chart.....	vii
List of Principal Officials	viii
Certificate of Achievement for Excellence in Financial Reporting	ix

FINANCIAL SECTION

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, 2014

	<u>Page Number</u>
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 – 49
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund	50
Schedule of Funding Progress for Participation in Texas Municipal Retirement System	51
Post-Retirement Health Care Benefit Plan	52
Notes to Required Supplementary Information	53
Combining Financial Statements and Budget Comparisons as Supplementary Information	
Nonmajor Governmental Funds	
Combining Balance Sheet by Fund Type	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances by Fund Type	55
Nonmajor Special Revenue Funds	
Combining Balance Sheet	56 – 57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	58 – 59

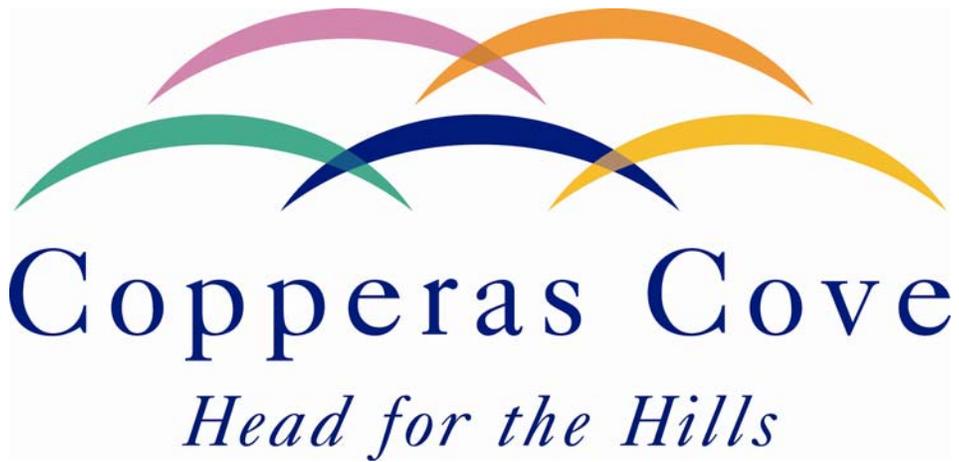
CITY OF COPPERAS COVE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
SEPTEMBER 30, 2014

	<u>Page Number</u>
Nonmajor Capital Projects Funds	
Combining Balance Sheet	60 – 62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	63 – 65
Schedule of Revenues – Budget and Actual (Budgetary Basis) – General Fund	66 – 68
Schedule of Expenditures – Budget and Actual (Budgetary Basis) – General Fund	69
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Hotel/Motel Fund	70
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Drainage Utility Fund	71
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Municipal Court Fund	72
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Tobacco Grant Fund	73
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Homeland Security Grants	74
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Debt Service Fund	75

CITY OF COPPERAS COVE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
SEPTEMBER 30, 2014

	<u>Table</u>	<u>Page Number</u>
STATISTICAL SECTION (Unaudited)		
Financial Trends Information		
Net Position by Component.....	1	76
Changes in Net Position	2	77 – 78
Governmental Activities Tax Revenues by Source	3	79
Fund Balances of Governmental Funds.....	4	80
Changes in Fund Balances of Governmental Funds.....	5	81 – 82
Revenue Capacity Information		
Assessed and Estimated Actual Value of Taxable Property	6	83
Direct and Overlapping Property Tax Rates.....	7	84
Principal Property Taxpayers	8	85
Property Tax Levies and Collections	9	86
Adopted Tax Rates	10	87
Property Value, Construction and Bank Deposits	11	88
Debt Capacity Information		
Direct and Overlapping Governmental Activities Debt	12	89
Computation of Legal Debt Margin.....	13	90 – 91
Ratios of Outstanding Debt by Type	14	92
Ratios of General Bonded Debt Outstanding	15	93
Revenue Bond Coverage – Water and Sewer Fund	16	94
Demographic and Economic Information		
Demographic and Economic Statistics.....	17	95
Principal Employers.....	18	96
Operating Information		
Full-time Equivalent City Government Employees by Function	19	97 – 98
Capital Asset Statistics and Operating Indicators by Function.....	20	99 – 100

INTRODUCTORY SECTION



Copperas Cove

Head for the Hills



“The City Built for Family Living”

March 17, 2015

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, 2014, 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, 2014, 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, 2014, 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 42,000. 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 40% of the student population

comes from military families due to the close proximity to Fort Hood. All campuses are accredited by the TEA. There are at least two private elementary schools located in the City. Central Texas College and Texas A&M University-Central Texas are located on a 560-acre campus at the eastern fringe of the city limits adjacent to Fort Hood and the City of Killeen. They provide secondary and graduate educational opportunities.

Ad Valorem Taxes. Property tax revenues are the City's largest source of funding. Tax collections totaled \$9.3 million for fiscal year 2014, an increase of 4.9% from prior year.

Sales Tax. After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City of Copperas Cove. Sales tax collections have increased by approximately 2.2 percent in comparison to fiscal year 2013.

Overall the City is maintaining adequate funding for expenditures and reserves as required by the fund balance policy. The City continued to monitor its service delivery and has implemented long-range plans to maintain and improve services through organization changes and personnel training. In addition, City management is committed to providing quality service through recruitment and retention of quality employees.

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.

MAJOR INITIATIVES

At the end of the 2013-14 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 City of Copperas Cove and the Texas Department of Transportation commission began construction in the fall of 2011 of the Southeast Bypass, 5.73 mile two-lane roadway to reduce traffic congestion on U.S. Highway 190. The project was completed on January 2015. The total construction contract of the project is \$46.6 million and is funded through federal, state, and local funds. The City issued Contract Revenue and Tax Bonds in the amount of \$39 million in 2011 and General Obligation Bonds in the amount of \$5.5 million. A change order in the amount of \$616,825 to install a signalized crossover at the Shops at Five Hills development is funded through the Copperas Cove Industrial Foundation. A previous land swap with Fort Hood, extension of constitution, and construction of the Southeast Bypass, are expected to be catalyst for major retail economic development on the east end of Copperas Cove.

Fire Station #2, project is currently in the construction phase. City Council authorized the construction of water service improvements in the Southwest portion of the City to spur development.

ACCOMPLISHMENTS

During fiscal year 2014, 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, the Justice Assistance Grant (JAG) and was awarded a Texas STEP – Click It or Ticket Grant.
- ◆ Maintained above average clearance rates in Part I & Part II crimes as compared to state averages.

Fire

- ◆ Coordinated a Citizen Fire Academy.
- ◆ 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

- ◆ Adopted and named new park: Rhode Park
- ◆ 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.
- ◆ Library maintained accreditation by the Texas State Library & Archives Commission.
- ◆ The Library provided access to e-book, and downloadable materials.

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.

OTHER INFORMATION

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

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

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

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

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

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

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

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

AWARDS AND ACKNOWLEDGMENTS

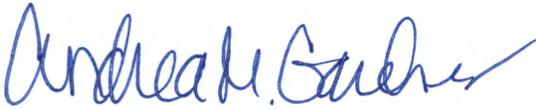
Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Copperas Cove for its comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the 22nd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

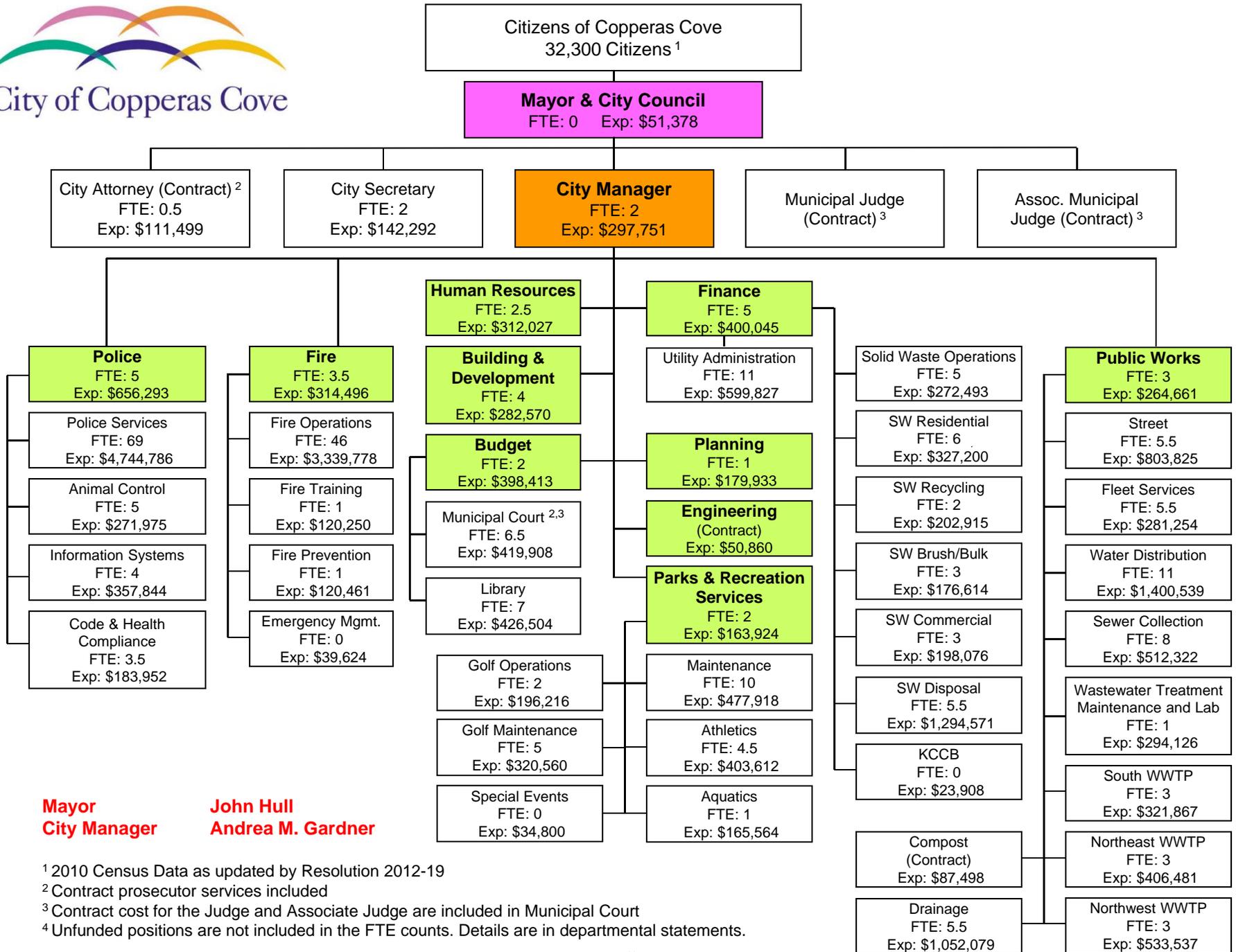
Respectfully submitted,



Andrea M. Gardner
City Manager



Velia Key
Director of Financial Services



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

¹ 2010 Census Data as updated by Resolution 2012-19
² Contract prosecutor services included
³ Contract cost for the Judge and Associate Judge are included in Municipal Court
⁴ 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

John Hull - Mayor
Frank Seffrood - Mayor Pro Tem

Cheryl L. Meredith - Council Member
Gary L. Kent - Council Member
Mark Peterson - Council Member

Marty Smith - Council Member
Kirby Lack - Council Member
Jim Schmitz - 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
Velia Key, Director of Financial Services
Ryan D. Haverlah, Budget Director
Michael Neujahr, Fire Chief/EMC
Daryl Uptmore, Public Works Division Head/City Engineer
Roy (Jeff) Davis, Human Resources Division Head
Joseph Pace, Division Head of Parks & Leisure Services
Justine Mirabel, Secretary to the City Manager



Government Finance Officers Association

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

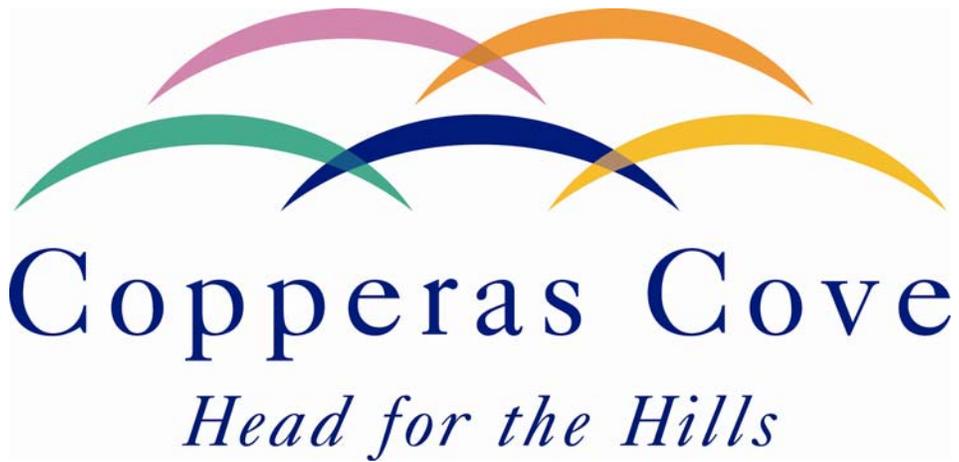
Presented to

**City of Copperas Cove
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

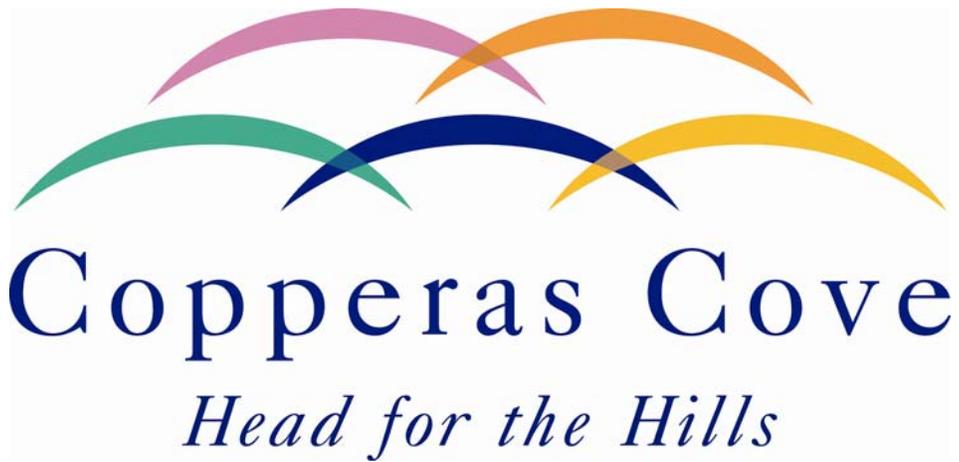
Executive Director/CEO



Copperas Cove

Head for the Hills

FINANCIAL SECTION



Copperas Cove

Head for the Hills



PATTILLO, 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, 2014, 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, 2014, 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.

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

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.

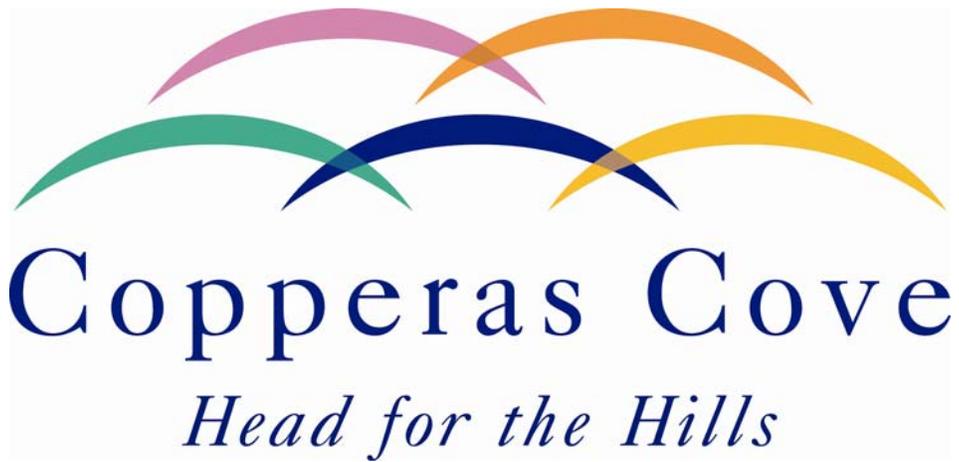
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2015, 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.

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

Waco, Texas
March 17, 2015

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, 2014. 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 \$48.4 million from the prior year's 48.7 million.
- As of September 30, 2014, the City's governmental funds reported combined ending fund balances of \$27.5 million, a decrease of \$2.9 million in comparison with prior year.
- As of September 30, 2014, unassigned fund balance for the General Fund was \$5.6 million, or 37% of total General Fund expenditures. Unassigned fund balance, when compared to prior year, decreased 9%.

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 50 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, 2014.

Net Position

The following table reflects the Condensed Statement of Net Position as of September 30, 2014 and the previous year.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 29,103,503	\$ 45,846,603	\$ 19,416,660	\$ 12,525,941	\$ 48,520,163	\$ 58,372,544
Capital assets	<u>38,305,858</u>	<u>38,470,670</u>	<u>46,630,548</u>	<u>47,160,951</u>	<u>84,936,406</u>	<u>85,631,621</u>
Total assets	<u>67,409,361</u>	<u>84,317,273</u>	<u>66,047,208</u>	<u>59,686,892</u>	<u>133,456,569</u>	<u>144,004,165</u>
Deferred outflows of resources	<u>267,391</u>	<u>-</u>	<u>485,500</u>	<u>-</u>	<u>752,891</u>	<u>-</u>
Other liabilities	1,427,171	1,529,472	1,838,485	1,660,618	3,265,656	3,190,090
Long-term liabilities	<u>48,863,419</u>	<u>64,043,072</u>	<u>33,684,036</u>	<u>28,084,244</u>	<u>82,547,455</u>	<u>92,127,316</u>
Total liabilities	<u>50,290,590</u>	<u>65,572,544</u>	<u>35,522,521</u>	<u>29,744,862</u>	<u>85,813,111</u>	<u>95,317,406</u>
Net position:						
Net investment in capital assets	10,205,332	9,578,570	20,327,650	22,994,554	30,532,982	32,573,124
Restricted	2,533,492	2,158,612	511,264	531,573	3,044,756	2,690,185
Unrestricted	<u>4,647,338</u>	<u>7,007,547</u>	<u>10,171,273</u>	<u>6,415,903</u>	<u>14,818,611</u>	<u>13,423,450</u>
Total net position	\$ <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>

The City's combined net position was \$48.4 million as of September 30, 2014. Of the \$48.4 million, \$17.4 million was in the governmental activities and \$31.0 million was in the business-type activities. The City's total net position increased when compared to the prior year with an increase of \$787,274.

Net position consists of three components: net investment in capital assets, restricted net position and unrestricted net position. The first portion of net position (\$30.5 million or 63 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 decreased \$2.0 million or 6 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 \$3.0 million at September 30, 2014, or 6 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 \$354,571 or 13 percent compared to September 30, 2013.

The third portion consists of unrestricted net position totaling \$14.8 million or 31 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 increased \$1.4 million or 10 percent compared to September 30, 2013.

Changes in Net Position. The City's total revenues for the fiscal year ended September 30, 2014, were \$32.3 million. Total revenues increased when compared to the prior year by \$508,812 or 2 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	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 3,071,690	\$ 2,972,693	\$ 14,626,607	\$ 14,639,124	\$ 17,698,297	\$ 17,611,817
Operating grants and contributions	376,813	460,352	-	-	376,813	460,352
Capital grants and contributions	2,776	863	-	19,145	2,776	20,008
General revenues:						
Ad valorem taxes	9,430,398	8,994,705	-	-	9,430,398	8,994,705
Franchise taxes	1,359,461	1,361,973	-	-	1,359,461	1,361,973
Sales taxes	2,771,359	2,712,277	-	-	2,771,359	2,712,277
Other taxes	410,158	357,225	-	-	410,158	357,225
Interest and investment earnings	42,537	67,321	33,707	19,806	76,244	87,127
Miscellaneous	177,552	162,006	22,764	-	200,316	162,006
Gain on sale of capital assets	-	-	-	49,520	-	49,520
Total revenues	<u>17,642,744</u>	<u>17,089,415</u>	<u>14,683,078</u>	<u>14,727,595</u>	<u>32,325,822</u>	<u>31,817,010</u>
Expenses:						
General government	3,293,107	2,763,344	-	-	3,293,107	2,763,344
Community services	2,074,947	1,991,851	-	-	2,074,947	1,991,851
Fleet and facility maintenance	266,975	260,234	-	-	266,975	260,234
Highways and streets	1,592,976	1,493,706	-	-	1,592,976	1,493,706
Public safety	10,177,406	10,215,865	-	-	10,177,406	10,215,865
Interest on long-term debt	1,972,914	2,345,029	-	-	1,972,914	2,345,029
Water and sewer	-	-	8,708,517	8,675,269	8,708,517	8,675,269
Solid waste	-	-	2,905,397	3,149,394	2,905,397	3,149,394
Golf course	-	-	546,309	609,842	546,309	609,842
Total expenses	<u>19,378,325</u>	<u>19,070,029</u>	<u>12,160,223</u>	<u>12,434,505</u>	<u>31,538,548</u>	<u>31,504,534</u>
Increase (decrease) in net position before transfers	(1,735,581)	(1,980,614)	2,522,855	2,293,090	787,274	312,476
Transfers	<u>1,137,835</u>	<u>1,046,004</u>	<u>(1,137,835)</u>	<u>(1,046,004)</u>	<u>-</u>	<u>-</u>
Change in net position	(597,746)	(934,610)	1,385,020	1,247,086	787,274	312,476
Net position, beginning	<u>18,744,729</u>	<u>19,679,339</u>	<u>29,942,030</u>	<u>28,694,944</u>	<u>48,686,759</u>	<u>48,374,283</u>
Change in accounting principle	<u>(760,821)</u>	<u>-</u>	<u>(316,863)</u>	<u>-</u>	<u>(1,077,684)</u>	<u>-</u>
Net position, ending	<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>

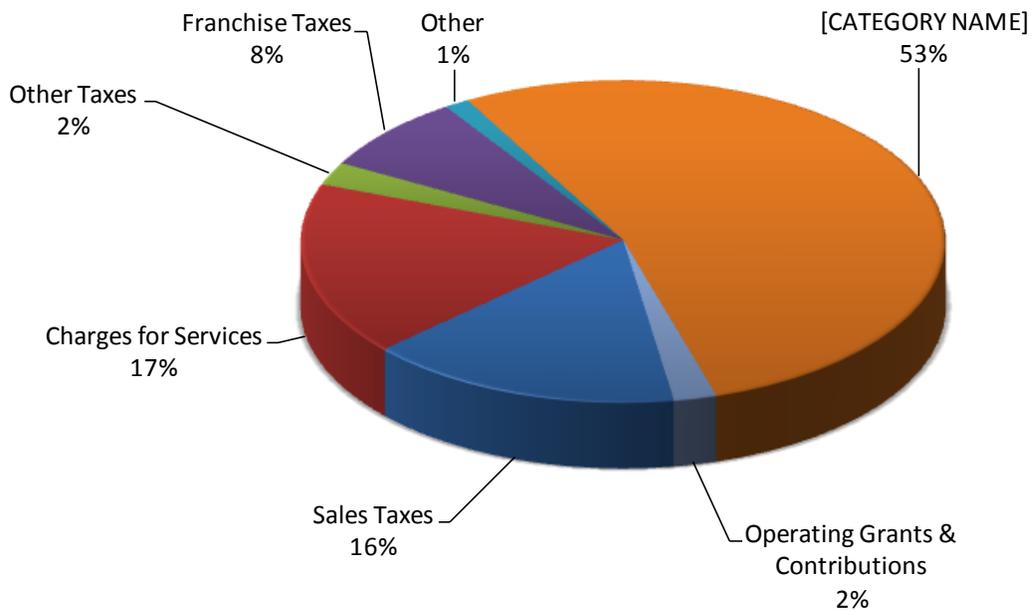
General Revenues – Governmental Activities

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 \$435,693, which is an increase of 5 percent compared to last year. Sales tax increased by \$59,082 or 2 percent compared to last year.

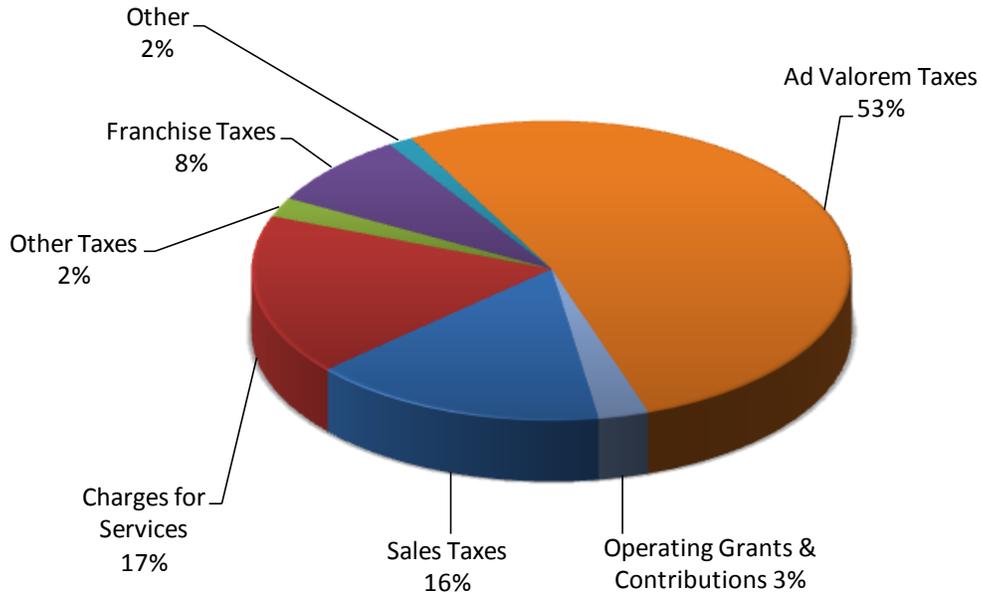
General Revenues – Governmental Activities



Revenues by Source – Governmental Activities – FY 2014



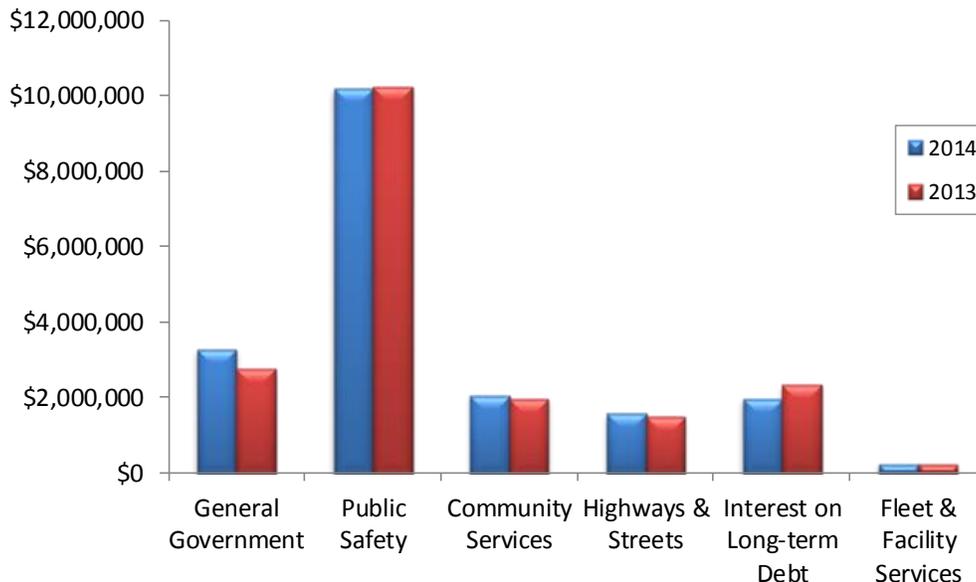
Revenues by Source – Governmental Activities – FY 2013



Expenses – Governmental Activities

The chart following illustrates the City’s governmental expenses by function. As shown, Public Safety is the largest function in expenses at \$10.2 million, or 53 percent of total expenses compared to the prior year’s \$10.2 million, or 54 percent, followed by General Government at \$3.3 million, or 19 percent compared to prior year’s \$2.8 million, or 14 percent. Community Services recorded \$2.1 million, or 11 percent compared to prior year’s \$2.0 million, or 10 percent. Highways and Streets recorded \$1.6 million, or 7 percent compared to prior year’s \$1.5 million, or 8 percent.

Expenses – Governmental Activities

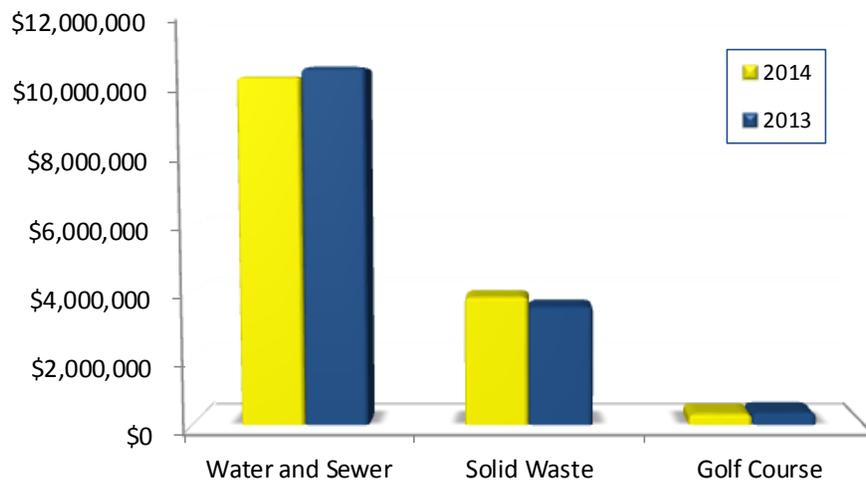


Business-type Activities – Revenues

Business-type activities increased the City's net position by \$1.4 million. Charges for services provided the largest share of revenues at 99.9 percent.

Water and sewer fees are the major revenue source for the business-type activities of the City, which recorded \$10.4 million in revenue. Compared to the prior year, water and sewer revenues decreased \$285,212 or 3 percent. Solid Waste revenues increased \$293,308 or 8 percent. The Golf Course Fund revenues decreased from \$370,934 in 2013 to \$331,204 in 2014, a decrease of \$39,730 or 11 percent.

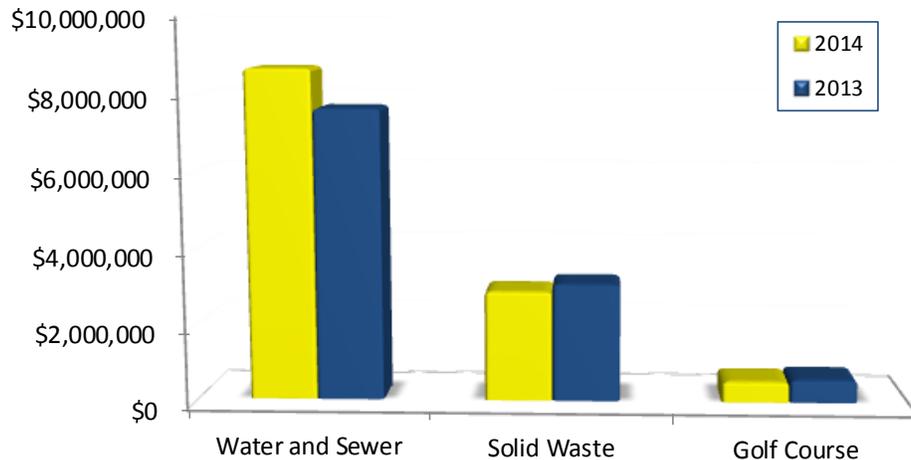
Program Revenues – Business-type Activities



Business-type Activities – Expenses

Total expenses for business-type activities were \$12.2 million, an increase of \$776,517 or 7 percent compared to the prior year. Water and Sewer recorded \$8.7 million in expenses, an increase of \$1.0 million or 13 percent compared to the prior year. Solid Waste expenses decreased \$202,019 or 7 percent. Golf Course expenses decreased from \$602,866 in 2013 to \$546,309 in 2014, a decrease of \$56,557 or 9 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 \$27.5 million, a decrease of \$3.3 million in comparison with the prior year.

The General Fund is the chief operating fund of the City. At September 30, 2014, unassigned fund balance of the General Fund was \$5.6 million, while total fund balance was \$5.8 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 37 percent of total General Fund expenditures.

The Debt Service Fund has a total fund balance of \$13.2 million, 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 \$9.2 million, an increase of \$3.3 million or 56 percent. The Solid Waste Fund unrestricted net position was \$2.1 million, an increase of \$587,952 or 38 percent. Unrestricted net position for the Golf Course Fund decreased from prior year's \$(1,030,951) to \$(1,182,018) in 2014.

The total decrease/increase in net position for the three funds was \$972,850, \$490,873, and \$(78,703) respectively. Total operating revenues in fiscal year 2013-14 were \$14.6 million, a decrease of 1 percent from the year ending September 2013. Total operating expenses totaled \$11.0 million, a decrease of 4 percent. Total operating income was \$3.7 million, an increase of \$387,637 or 12 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 53 for more information on budget policies).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2014, the City has \$84.9 million invested in various capital assets, net of accumulated depreciation. Of the \$84.9 million, \$38.3 million is invested in governmental activities and \$46.6 million is invested in business-type activities. Compared to last year, total capital assets decreased \$695,214. Capital assets in governmental activities decreased \$164,812 from the prior year. Capital assets in business-type activities decreased \$530,402 or one percent from the prior year.

The following table provides a breakdown of the capital asset balances net of accumulated depreciation at September 30, 2014. 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,263,035	\$ 1,263,035	\$ 828,817	\$ 822,263	\$ 2,091,852	\$ 2,085,298
Buildings and improvements	3,030,426	3,312,692	28,105	38,938	3,058,531	3,351,630
Furniture and fixtures	15,550	16,241	-	-	15,550	16,241
Vehicles	1,638,534	1,135,352	922,397	918,289	2,560,931	2,053,641
Equipment	1,825,142	1,811,497	691,778	746,086	2,516,920	2,557,583
Facilities/infrastructure	28,589,902	28,993,824	39,916,762	41,296,653	68,506,664	70,290,477
Construction in progress	<u>1,943,269</u>	<u>1,938,029</u>	<u>4,242,689</u>	<u>3,338,721</u>	<u>6,185,958</u>	<u>5,276,750</u>
Total capital assets	<u>\$ 38,305,858</u>	<u>\$ 38,470,670</u>	<u>\$ 46,630,548</u>	<u>\$ 47,160,950</u>	<u>\$ 84,936,406</u>	<u>\$ 85,631,620</u>

Long-term Debt

The City's total debt decreased by \$10,285,000 during the current fiscal year. During fiscal year 2014, the City had the following debt issuances:

- Series 2014 Combination Tax and Revenue Certificates of Obligation in the amount of \$9,500,000.
- Series 2013 Public Property Finance Contractual Obligations in the amount of \$630,000

The following schedule shows the outstanding bonds and notes of the City (both current and long-term) as of September 30, 2014.

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

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General obligations	\$ 21,195,040	\$ 21,978,134	\$ 17,534,961	\$ 19,346,868	\$ 38,730,001	\$ 41,325,002
Tax/revenue certificates of obligation	20,356,036	33,210,000	9,013,964	2,150,000	29,370,000	35,360,000
Tax notes	<u>4,110,951</u>	<u>5,574,819</u>	<u>5,704,049</u>	<u>5,940,181</u>	<u>9,815,000</u>	<u>11,515,000</u>
	<u>\$ 45,662,027</u>	<u>\$ 60,762,953</u>	<u>\$ 32,252,974</u>	<u>\$ 27,437,049</u>	<u>\$ 77,915,001</u>	<u>\$ 88,200,002</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, 2014

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 M&O are budgeted to decrease in FY 2015 approximately 1.3%. This decrease is attributed to increased debt service payments and the lost property tax revenue from the over 65 tax freeze and the disabled veterans' exemption.

The sales tax revenue is extremely important to the City because it reduces the General Fund's dependency on property taxes. This revenue represents a 10% increase in comparison to the prior year budgeted amount.

The increase in the number of utility accounts is a good indicator and impacts the revenue in the water, sewer, solid waste, and drainage revenue.

The 2014-2015 tax rate approved by City Council is 79.00 cents per \$100 of assessed valuation. This is a 1.26 cent increase from the previous year. The tax rate has two components: 28.579 cents or 36.18% going to the Debt Service Fund and 50.420 or 63.82% to the General Fund. The adopted tax rate is less than the rollback tax rate of 83.22 cents per \$100 valuation.

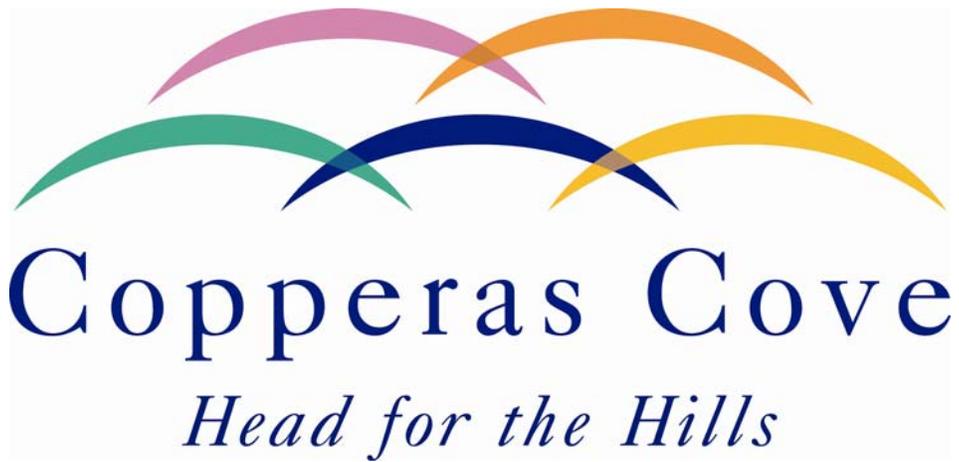
REQUESTS FOR INFORMATION

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:

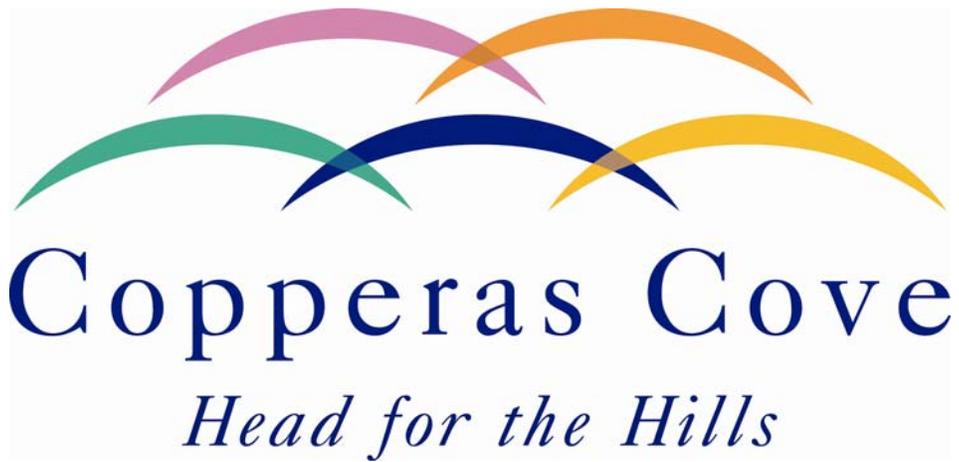
<http://www.copperascovetx.gov>



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, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 13,552,795	\$ 10,012,521	\$ 23,565,316	\$ 1,450,877
Restricted cash and investments	-	6,431,906	6,431,906	-
Receivables (net of allowance):				
Taxes	858,414	-	858,414	238,432
Accounts	285,093	4,069,347	4,354,440	-
Fines	76,652	-	76,652	-
Ambulance fees	103,355	-	103,355	-
Grants	12,730,925	-	12,730,925	-
Internal balances	1,153,097	(1,153,097)	-	-
Inventories	74,590	23,574	98,164	-
Prepaid items	126,093	32,409	158,502	-
Notes receivable	142,489	-	142,489	-
Infrastructure held for future donation	-	-	-	2,428,540
Capital assets:				
Nondepreciable	3,206,304	5,071,506	8,277,810	1,150,899
Depreciable (net)	35,099,554	41,559,042	76,658,596	578,761
Total assets	<u>67,409,361</u>	<u>66,047,208</u>	<u>133,456,569</u>	<u>5,847,509</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	267,391	485,500	752,891	-
Total deferred outflows of resources	<u>267,391</u>	<u>485,500</u>	<u>752,891</u>	<u>-</u>
LIABILITIES				
Accounts payable	681,923	646,440	1,328,363	54,434
Accrued liabilities	274,085	204,045	478,130	8,926
Due to other governments	121,980	-	121,980	-
Retainage payable	-	60,797	60,797	-
Unearned revenue	12,738	1,001	13,739	-
Other liabilities	135,481	-	135,481	-
Accrued interest payable	200,964	128,190	329,154	11,036
Customer deposits	-	798,012	798,012	-
Noncurrent liabilities:				
Due within one year	15,325,181	2,937,688	18,262,869	82,610
Due in more than one year	33,538,238	30,746,348	64,284,586	1,832,412
Total liabilities	<u>50,290,590</u>	<u>35,522,521</u>	<u>85,813,111</u>	<u>1,989,418</u>
NET POSITION				
Net investment in capital assets	10,205,332	20,327,650	30,532,982	1,309,660
Restricted for:				
Debt service	590,327	511,264	1,101,591	-
Community services	336,826	-	336,826	-
Highways and streets	1,505,937	-	1,505,937	-
Public safety	100,402	-	100,402	-
Economic development	-	-	-	2,548,431
Unrestricted	<u>4,647,338</u>	<u>10,171,273</u>	<u>14,818,611</u>	<u>-</u>
Total net position	<u>\$ 17,386,162</u>	<u>\$ 31,010,187</u>	<u>\$ 48,396,349</u>	<u>\$ 3,858,091</u>

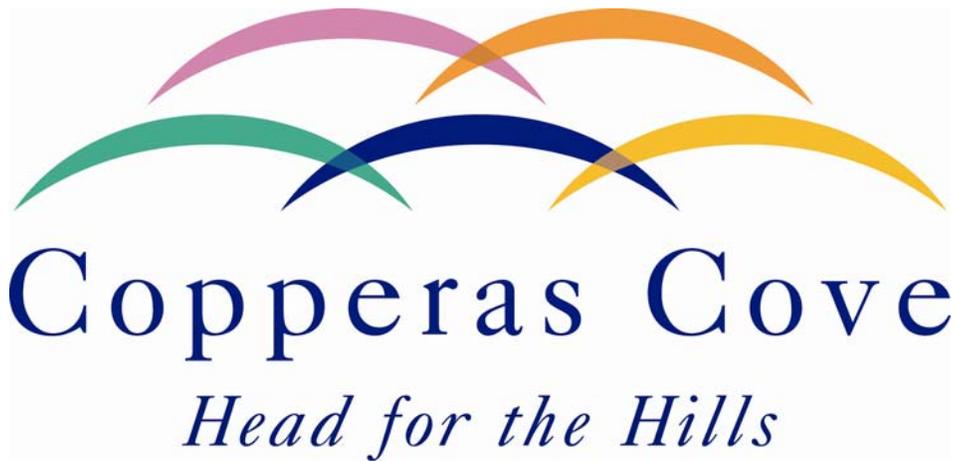
The accompanying notes are an integral part of these financial statements.

CITY OF COPPERAS COVE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 3,293,107	\$ 334,382	\$ 2,687	\$ -
Community services	2,074,947	1,112,802	35,856	-
Fleet and facility services	266,975	-	-	-
Highways and streets	1,592,976	931,748	204,158	-
Public safety	10,177,406	692,758	134,112	2,776
Interest on long-term debt	1,972,914	-	-	-
Total governmental activities	<u>19,378,325</u>	<u>3,071,690</u>	<u>376,813</u>	<u>2,776</u>
Business-type activities:				
Water and sewer	8,708,517	10,421,191	-	-
Solid waste	2,905,397	3,874,212	-	-
Golf course	546,309	331,204	-	-
Total business-type activities	<u>12,160,223</u>	<u>14,626,607</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 31,538,548</u>	<u>\$ 17,698,297</u>	<u>\$ 376,813</u>	<u>\$ 2,776</u>
COMPONENT UNIT				
Economic development	<u>\$ 2,903,039</u>	<u>\$ 7,245</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Total component unit	<u>\$ 2,903,039</u>	<u>\$ 7,245</u>	<u>\$ -</u>	<u>\$ 100,000</u>
General revenues:				
Ad valorem taxes				
Sales taxes				
Franchise taxes				
Other taxes				
Miscellaneous				
Unrestricted investment earnings				
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			
Governmental Activities	Business-type Activities	Total	Component Unit
\$(2,956,038)	\$ -	\$(2,956,038)	
(926,289)	-	(926,289)	
(266,975)	-	(266,975)	
(457,070)	-	(457,070)	
(9,347,760)	-	(9,347,760)	
(1,972,914)	-	(1,972,914)	
<u>(15,927,046)</u>	<u>-</u>	<u>(15,927,046)</u>	
-	1,712,674	1,712,674	
-	968,815	968,815	
-	(215,105)	(215,105)	
<u>-</u>	<u>2,466,384</u>	<u>2,466,384</u>	
<u>(15,927,046)</u>	<u>2,466,384</u>	<u>(13,460,662)</u>	
			<u>\$(2,795,794)</u>
			<u>(2,795,794)</u>
9,430,398	-	9,430,398	-
2,771,359	-	2,771,359	1,369,115
1,359,461	-	1,359,461	-
410,158	-	410,158	-
177,552	22,764	200,316	1,204
42,537	33,707	76,244	1,862
<u>1,137,835</u>	<u>(1,137,835)</u>	<u>-</u>	<u>-</u>
<u>15,329,300</u>	<u>(1,081,364)</u>	<u>14,247,936</u>	<u>1,372,181</u>
(597,746)	1,385,020	787,274	(1,423,613)
18,744,729	29,942,030	48,686,759	5,322,907
<u>(760,821)</u>	<u>(316,863)</u>	<u>(1,077,684)</u>	<u>(41,203)</u>
<u>17,983,908</u>	<u>29,625,167</u>	<u>47,609,075</u>	<u>5,281,704</u>
<u>\$ 17,386,162</u>	<u>\$ 31,010,187</u>	<u>\$ 48,396,349</u>	<u>\$ 3,858,091</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, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 5,206,728	\$ 244,374	\$ 8,101,693	\$ 13,552,795
Receivables (net of allowance):				
Taxes	750,888	63,060	44,466	858,414
Ambulance fees	103,355	-	-	103,355
Accounts	69,061	-	216,032	285,093
Fines	71,605	-	5,047	76,652
Grants	35,525	12,695,400	-	12,730,925
Due from other funds	859,551	289,649	3,937	1,153,137
Inventory	74,590	-	-	74,590
Prepaid items	124,106	-	1,987	126,093
Notes receivable	<u>-</u>	<u>-</u>	<u>142,489</u>	<u>142,489</u>
 Total assets	 <u>\$ 7,295,409</u>	 <u>\$ 13,292,483</u>	 <u>\$ 8,515,651</u>	 <u>\$ 29,103,543</u>
LIABILITIES				
Accounts payable	\$ 622,933	\$ 6,756	\$ 52,234	\$ 681,923
Due to other funds	40	-	-	40
Due to other governments	121,980	-	-	121,980
Unearned revenue	6,236	-	6,502	12,738
Accrued liabilities	264,272	-	9,813	274,085
Other liabilities	<u>135,481</u>	<u>-</u>	<u>-</u>	<u>135,481</u>
Total liabilities	<u>1,150,942</u>	<u>6,756</u>	<u>68,549</u>	<u>1,226,247</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable:				
Property taxes	\$ 128,801	\$ 62,689	\$ -	\$ 191,490
Municipal court fines	71,605	-	5,047	76,652
Ambulance fees	<u>103,355</u>	<u>-</u>	<u>-</u>	<u>103,355</u>
Total deferred inflows of resources	<u>303,761</u>	<u>62,689</u>	<u>5,047</u>	<u>371,497</u>
FUND BALANCES				
Nonspendable	198,696	-	-	198,696
Restricted	9,452	13,223,038	8,442,055	21,674,545
Assigned	50,293	-	-	50,293
Unassigned	<u>5,582,265</u>	<u>-</u>	<u>-</u>	<u>5,582,265</u>
Total fund balances	<u>5,840,706</u>	<u>13,223,038</u>	<u>8,442,055</u>	<u>27,505,799</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 7,295,409</u>	 <u>\$ 13,292,483</u>	 <u>\$ 8,515,651</u>	 <u>\$ 29,103,543</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, 2014

Total fund balances - governmental funds balance sheet	\$ 27,505,799
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.	38,305,858
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.	(48,796,992)
Other long-term assets/liabilities are not available to pay for current period expenditures and, therefore, are deferred in the funds.	<u>371,497</u>
Net position of governmental activities - statement of net position	<u>\$ 17,386,162</u>

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

CITY OF COPPERAS COVE, TEXAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 10,712,934	\$ 3,080,329	\$ 178,061	\$ 13,971,324
Charges for services	1,190,645	-	930,769	2,121,414
Intergovernmental	41,588	12,827,250	189,450	13,058,288
Fines	567,928	-	31,966	599,894
Licenses	57,227	-	-	57,227
Permits	191,939	-	-	191,939
Investment income	13,749	25,143	3,645	42,537
Miscellaneous	292,949	1,383	-	294,332
Total revenues	13,068,959	15,934,105	1,333,891	30,336,955
EXPENDITURES				
Current:				
General government	2,717,470	-	-	2,717,470
Community services	1,781,425	-	128,341	1,909,766
Fleet and facility services	267,510	-	-	267,510
Highways and streets	893,945	-	309,084	1,203,029
Public safety	9,169,881	-	54,333	9,224,214
Capital outlay	76,016	-	1,909,278	1,985,294
Debt service:				
Principal retirement	-	17,507,460	133,465	17,640,925
Interest and fiscal charges	-	2,404,613	21,007	2,425,620
Bond issuance costs	-	380	71,333	71,713
Total expenditures	14,906,247	19,912,453	2,626,841	37,445,541
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,837,288)	(3,978,348)	(1,292,950)	(7,108,586)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	2,951,036	2,951,036
Premium on bonds	-	14,083	37,845	51,928
Sale of capital assets	44,761	-	19,350	64,111
Insurance recoveries	18,338	-	-	18,338
Transfers in	1,358,000	-	-	1,358,000
Transfers out	-	(120,165)	(100,000)	(220,165)
Total other financing sources (uses)	1,421,099	(106,082)	2,908,231	4,223,248
NET CHANGE IN FUND BALANCES	(416,189)	(4,084,430)	1,615,281	(2,885,338)
FUND BALANCES, BEGINNING	6,256,895	17,307,468	7,237,810	30,802,173
PRIOR PERIOD ADJUSTMENT	-	-	(411,036)	(411,036)
FUND BALANCES, BEGINNING, RESTATED	6,256,895	17,307,468	6,826,774	30,391,137
FUND BALANCES, ENDING	\$ 5,840,706	\$ 13,223,038	\$ 8,442,055	\$ 27,505,799

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, 2014

Net change in fund balances - total governmental funds \$(2,885,338)

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.

428,103

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.

14,980,060

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.

166,555

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

(12,694,211)

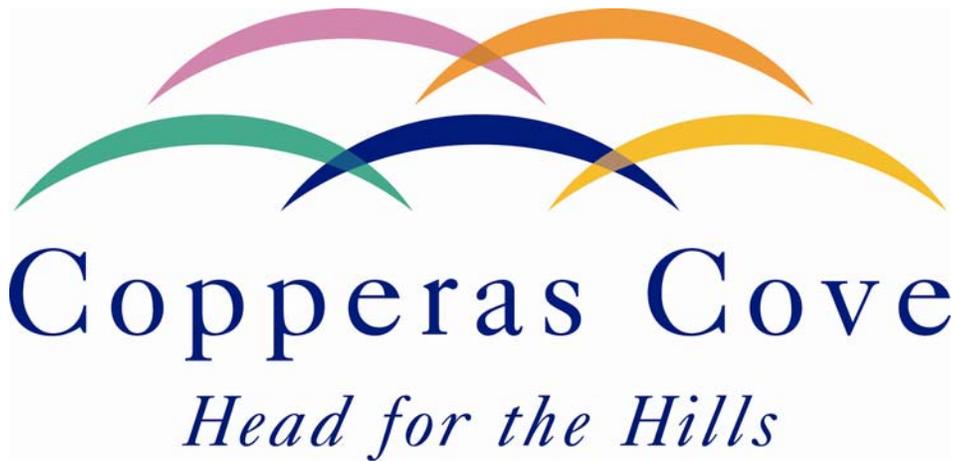
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

(592,915)

Change in net position of governmental activities - statement of activities

\$(597,746)

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



Copperas Cove

Head for the Hills

CITY OF COPPERAS COVE, TEXAS

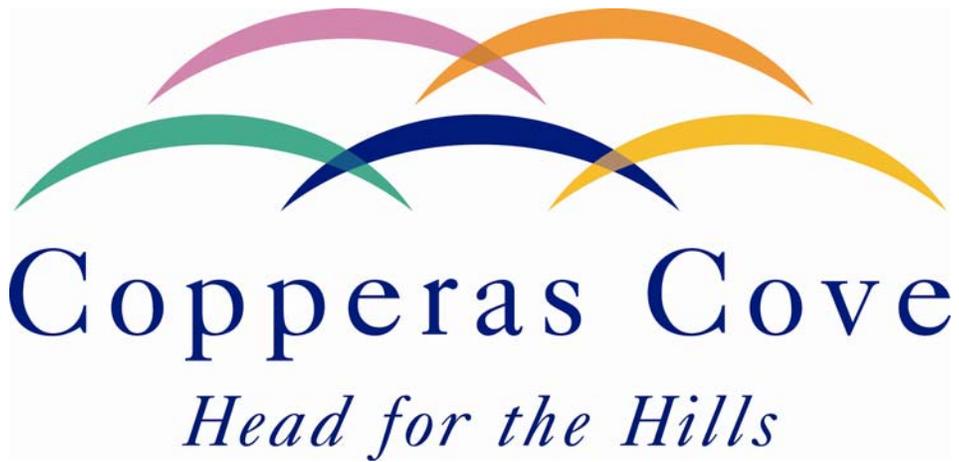
ENTERPRISE FUNDS

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”



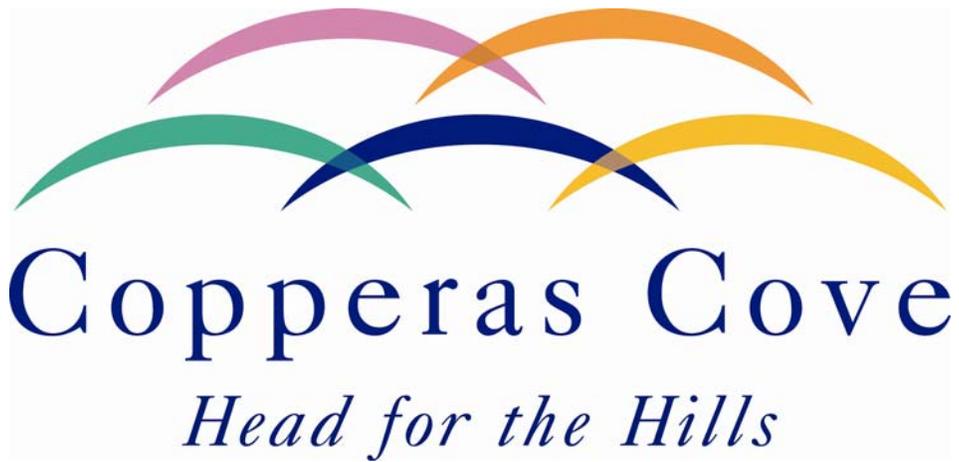
Copperas Cove

Head for the Hills

CITY OF COPPERAS COVE, TEXAS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Business-type Activities			Total
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
ASSETS				
Current assets:				
Cash and investments	\$ 8,838,086	\$ 1,174,435	\$ -	\$ 10,012,521
Accounts receivable, net	2,063,911	2,003,606	1,830	4,069,347
Inventory	-	-	23,574	23,574
Prepaid expenses	24,154	6,865	1,390	32,409
Restricted cash and investments	5,884,690	547,176	40	6,431,906
Total current assets	<u>16,810,841</u>	<u>3,732,082</u>	<u>26,834</u>	<u>20,569,757</u>
Noncurrent assets:				
Property and equipment:				
Land	408,817	120,000	300,000	828,817
Buildings	189,590	-	132,722	322,312
Vehicles	1,089,603	2,160,489	47,477	3,297,569
Equipment	1,719,373	1,294,943	406,173	3,420,489
Facilities	28,284,664	3,581,837	1,654,545	33,521,046
Infrastructure	42,152,206	-	-	42,152,206
Construction in progress	4,242,689	-	-	4,242,689
Less: accumulated depreciation	(36,218,056)	(3,940,912)	(995,612)	(41,154,580)
Net property and equipment	<u>41,868,886</u>	<u>3,216,357</u>	<u>1,545,305</u>	<u>46,630,548</u>
Total noncurrent assets	<u>41,868,886</u>	<u>3,216,357</u>	<u>1,545,305</u>	<u>46,630,548</u>
Total assets	<u>\$ 58,679,727</u>	<u>\$ 6,948,439</u>	<u>\$ 1,572,139</u>	<u>\$ 67,200,305</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	470,944	-	14,556	485,500
Total deferred outflows of resources	<u>470,944</u>	<u>-</u>	<u>14,556</u>	<u>485,500</u>
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable	\$ 506,973	\$ 131,324	\$ 8,143	\$ 646,440
Accrued liabilities	52,921	144,729	6,395	204,045
Due to other funds	-	-	1,153,097	1,153,097
Earned revenue	-	236	765	1,001
Customer deposits	798,012	-	-	798,012
Retainage payable	60,797	-	-	60,797
Accrued interest	123,853	4,103	234	128,190
Long-term debt, current portion	2,638,995	230,565	68,128	2,937,688
Total current liabilities	<u>4,181,551</u>	<u>510,957</u>	<u>1,236,762</u>	<u>5,929,270</u>
Noncurrent liabilities:				
Compensated absences	86,195	23,498	7,668	117,361
Bonds payable	28,153,720	1,256,266	311,611	29,721,597
Net pension obligation	124,353	49,204	21,139	194,696
Net OPEB obligation	35,084	15,886	6,299	57,269
Estimated landfill postclosure care costs	-	655,425	-	655,425
Total noncurrent liabilities	<u>28,399,352</u>	<u>2,000,279</u>	<u>346,717</u>	<u>30,746,348</u>
Total liabilities	<u>32,580,903</u>	<u>2,511,236</u>	<u>1,583,479</u>	<u>36,675,618</u>
Net position:				
Net investment in capital assets	16,954,553	2,187,863	1,185,234	20,327,650
Restricted for:				
Debt service	410,862	100,402	-	511,264
Unrestricted	9,204,353	2,148,938	(1,182,018)	10,171,273
Total net position	<u>\$ 26,569,768</u>	<u>\$ 4,437,203</u>	<u>\$ 3,216</u>	<u>\$ 31,010,187</u>

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



Copperas Cove

Head for the Hills

CITY OF COPPERAS COVE, TEXAS

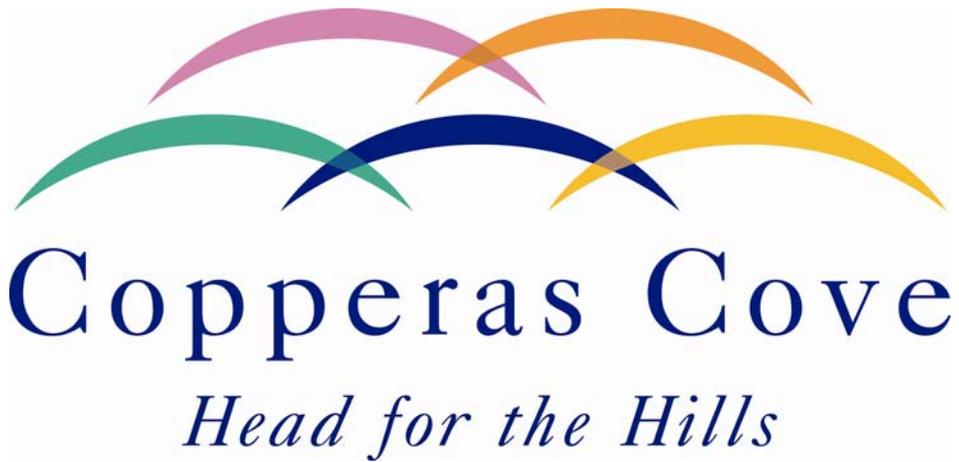
PROPRIETARY FUNDS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Business-type Activities			Total Funds
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
OPERATING REVENUES				
Charges for services	\$ 10,344,806	\$ 3,859,743	\$ 331,112	\$ 14,535,661
Miscellaneous	76,385	14,469	92	90,946
Total operating revenues	<u>10,421,191</u>	<u>3,874,212</u>	<u>331,204</u>	<u>14,626,607</u>
OPERATING EXPENSES				
Personnel services	1,900,343	840,531	269,083	3,009,957
Supplies and materials	2,171,150	329,515	67,389	2,568,054
Services and charges	1,587,801	1,239,393	98,250	2,925,444
Maintenance and repairs	317,782	95,908	46,750	460,440
Depreciation	1,589,726	357,794	52,992	2,000,512
Total operating expenses	<u>7,566,802</u>	<u>2,863,141</u>	<u>534,464</u>	<u>10,964,407</u>
OPERATING INCOME (LOSS)	<u>2,854,389</u>	<u>1,011,071</u>	<u>(203,260)</u>	<u>3,662,200</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	31,292	2,407	8	33,707
Bond issuance costs	(148,999)	(7,628)	(6,581)	(163,208)
Interest and fiscal charges	(992,716)	(34,628)	(5,264)	(1,032,608)
Gain on sale of capital assets	3,550	-	-	3,550
Insurance recoveries	334	2,651	16,229	19,214
Total nonoperating revenues (expenses)	<u>(1,106,539)</u>	<u>(37,198)</u>	<u>4,392</u>	<u>(1,139,345)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	1,747,850	973,873	(198,868)	2,522,855
TRANSFERS				
Transfers in	20,000	-	120,165	140,165
Transfers out	<u>(795,000)</u>	<u>(483,000)</u>	<u>-</u>	<u>(1,278,000)</u>
CHANGE IN NET POSITION	972,850	490,873	(78,703)	1,385,020
NET POSITION, BEGINNING	25,895,653	3,958,786	87,591	29,942,030
CHANGE IN ACCOUNTING PRINCIPLE	<u>(298,735)</u>	<u>(12,456)</u>	<u>(5,672)</u>	<u>(316,863)</u>
NET ASSETS, BEGINNING, RESTATED	<u>25,596,918</u>	<u>3,946,330</u>	<u>81,919</u>	<u>29,625,167</u>
NET POSITION, ENDING	<u>\$ 26,569,768</u>	<u>\$ 4,437,203</u>	<u>\$ 3,216</u>	<u>\$ 31,010,187</u>

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



Copperas Cove

Head for the Hills

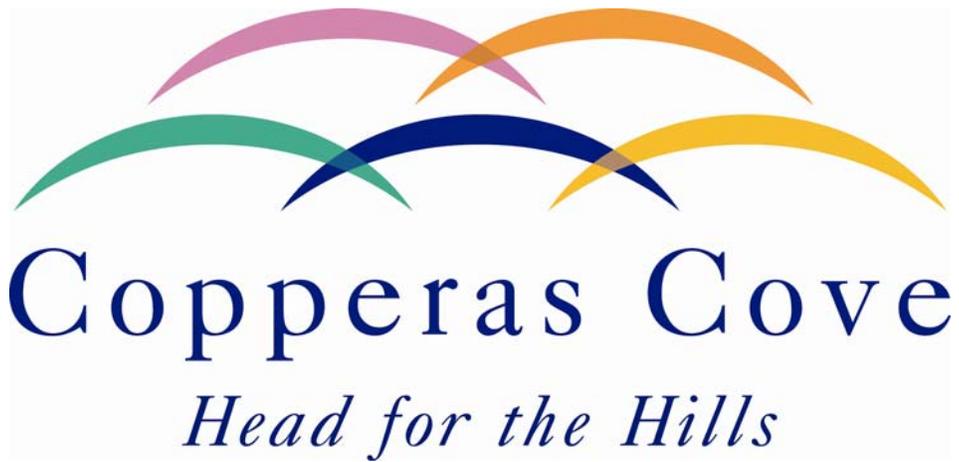
CITY OF COPPERAS COVE, TEXAS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Business-type Activities			
	Water and Sewer	Solid Waste	Nonmajor Golf Course	Total Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 10,257,186	\$ 3,497,909	\$ 331,112	\$ 14,086,207
Payments to suppliers	(4,065,285)	(1,576,636)	(221,172)	(5,863,093)
Payments to employees	(1,908,160)	(809,523)	(269,864)	(2,987,547)
Net cash flows provided (used) by operating activities	4,283,741	1,111,750	(159,924)	5,235,567
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	31,292	2,407	8	33,707
Net cash flows provided by investing activities	31,292	2,407	8	33,707
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received from other funds	485,591	-	275,060	760,651
Cash paid to other funds	(849,555)	(483,000)	-	(1,332,555)
Net cash provided (used) by noncapital financing activities	(363,964)	(483,000)	275,060	(571,904)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuance of long-term debt	6,740,238	342,628	71,486	7,154,352
Principal paid on long-term debt	(2,222,888)	(209,795)	(125,165)	(2,557,848)
Interest and fiscal charges paid	(1,096,455)	(43,267)	(7,846)	(1,147,568)
Proceeds from sale of capital assets	3,550	-	-	3,550
Proceeds from insurance recoveries	334	2,651	16,229	19,214
Acquisition of property and equipment	(1,225,622)	(174,639)	(69,848)	(1,470,109)
Net cash used by capital and related financing activities	2,199,157	(82,422)	(115,144)	2,001,591
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,150,226	548,735	-	6,698,961
CASH AND CASH EQUIVALENTS, BEGINNING	8,572,550	1,172,876	40	9,745,466
CASH AND CASH EQUIVALENTS, ENDING	\$ 14,722,776	\$ 1,721,611	\$ 40	\$ 16,444,427
Reconciliation to Statement of Net Position:				
Unrestricted cash and investments	\$ 8,838,086	\$ 1,174,435	\$ -	\$ 10,012,521
Restricted cash and investments	5,884,690	547,176	40	6,431,906
Total cash and investments	\$ 14,722,776	\$ 1,721,611	\$ 40	\$ 16,444,427



Copperas Cove

Head for the Hills

CITY OF COPPERAS COVE, TEXAS

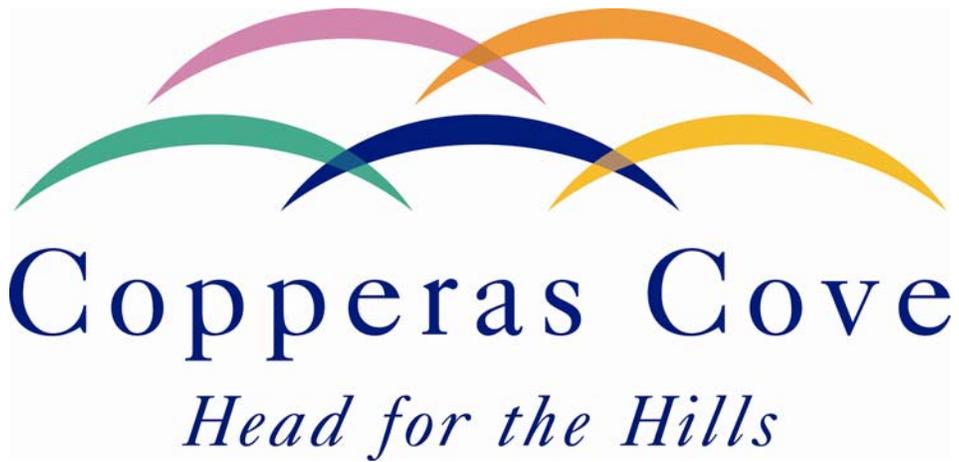
PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Business-type Activities			Total Funds
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,854,389	\$ 1,011,071	\$ (203,260)	\$ 3,662,200
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,589,726	357,794	52,992	2,000,512
Decrease (increase) in assets:				
Accounts receivable	(266,815)	(376,303)	-	(643,118)
Inventory	-	-	3,131	3,131
Prepaid expenses	(15,354)	(6,785)	(1,390)	(23,529)
Increase (decrease) in liabilities:				
Accounts payable	52,283	24,516	(10,616)	66,183
Retainage payable	(25,480)	-	-	(25,480)
Accrued liabilities	(4,831)	20,322	(1,817)	13,674
Landfill closure costs	-	70,449	-	70,449
Accrued compensated absences	(10,030)	6,549	(247)	(3,728)
Net pension obligation	2,262	1,244	282	3,788
Net OPEB obligation	4,781	2,893	1,001	8,675
Customer deposits	102,810	-	-	102,810
Total adjustments	<u>1,429,352</u>	<u>100,679</u>	<u>43,336</u>	<u>1,573,367</u>
Net cash provided (used) by operating activities	<u>\$ 4,283,741</u>	<u>\$ 1,111,750</u>	<u>\$ (159,924)</u>	<u>\$ 5,235,567</u>

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



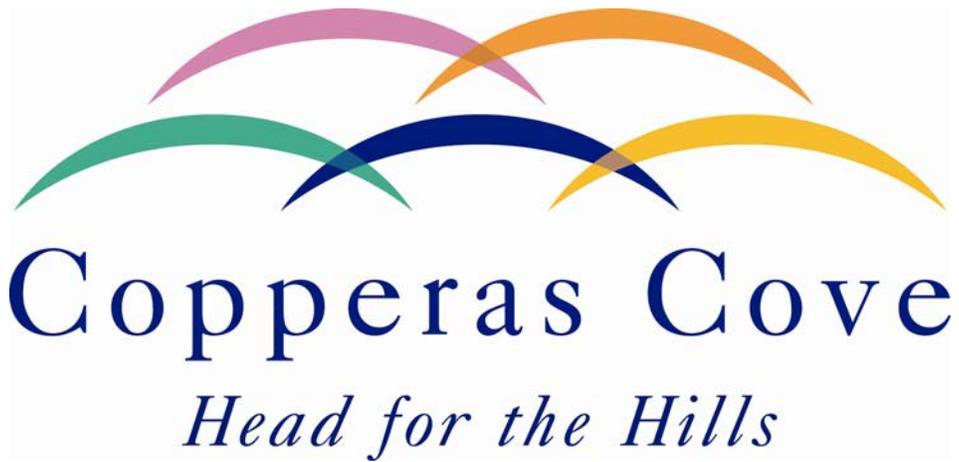
Copperas Cove

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, 2014

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 only has one item that qualifies for reporting in this category. It is 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.

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 only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable, is reported only in the governmental funds balance sheet. The 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: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

Net 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

As a result of implementing GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City's beginning net position for the governmental and business-type activities, respectively, decreased by \$760,821 and \$316,863. These decreases result from no longer deferring and amortizing bond issuance costs.

Additionally, the City has reclassified its deferred loss on bond refunding (previously reported as a component of long-term debt) to deferred outflows of resources in the statements of net position in accordance with GASB Statement No. 65. The effect of this change increases the long-term liabilities of the governmental and business-type activities by \$481,399 and \$556,223, respectively, and corresponds to an increase in deferred outflows of resources as of October 1, 2013.

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.” The details of this \$(49,796,992) difference are as follows:

Bonds payable	\$(45,662,028)
Unamortized bond discounts and premiums	(1,871,511)
Deferred loss on refunding	267,391
Net pension obligation	(552,166)
Net OPEB obligation	(158,955)
Accrued interest payable	(200,967)
Compensated absences	(618,756)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$(<u>48,796,992</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 \$371,497 difference are as follows:

Property taxes	\$ 191,490
Ambulance charges for services	76,652
Municipal court fines	<u>103,355</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>371,497</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 \$428,103 difference are as follows:

Capital outlay	\$ 2,219,669
Depreciation expense	(<u>1,791,566</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>428,103</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 \$14,980,060 difference are as follows:

Principal repayments	\$ 17,640,925
Issuance of debt	(3,002,964)
Amortization of discounts and premiums	556,107
Deferred loss on refunding	<u>(214,008)</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>\$ 14,980,060</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 \$166,555 difference are as follows:

Compensated absences	\$ 89,133
Accrued interest	110,607
Net pension obligation	(9,522)
Net OPEB obligation	<u>(23,663)</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>\$ 166,555</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 \$(592,915) difference are as follows:

Dispositions	<u>\$(592,915)</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>\$(592,915)</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, 2014, 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, 2014, are shown below:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 13,815,988	51
Municipal bonds	<u>6,280,539</u>	145
Total Fair Value	<u>\$ 20,096,527</u>	80

The City's investment pools are 2a7-like pools. A 2a7-like pool is one, which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but 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, 2014, the City utilized the following external investment pools:

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.

TexStar

The Texas Short-term Asset Reserve Program (TexStar) was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. JP Morgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexStar under an agreement with the TexStar Board. TexStar will invest only in instruments authorized under both the Public Funds Investment Act and the current TexStar Investment Policy. The primary objectives of TexStar are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet participants' needs, diversification to avoid unreasonable or avoidable risks and yield. In order to comply with the Public Funds Investment Act, TexStar maintains an AAAM rating from Standard & Poor's, which monitors the funds compliance weekly with its rating requirements.

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

B. Property Taxes

On January 1 of each year, a tax lien is attached to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property taxes are then levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which levied. The majority of the taxes are collected between October 1 and January 31. Delinquent property taxes receivable are not considered available 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, 2014, for the City's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Water and Sewer	Solid Waste	Nonmajor	Total
Receivables:						
Taxes	\$ 989,320	\$ 63,060	\$ -	\$ -	\$ 44,466	\$ 1,096,846
Ambulance	746,206	-	-	-	-	746,206
Fines	1,434,611	-	-	-	100,947	1,535,558
Utilities	-	-	3,170,032	2,439,613	-	5,609,645
Miscellaneous	72,150	-	-	-	317,767	389,917
Grants	35,525	12,695,400	-	-	-	12,730,925
Notes	-	-	-	-	142,489	142,489
Gross receivables	<u>3,277,812</u>	<u>12,758,460</u>	<u>3,170,032</u>	<u>2,439,613</u>	<u>605,669</u>	<u>22,251,586</u>
Less: allowance for uncollectible	<u>(2,247,378)</u>	<u>-</u>	<u>(1,106,121)</u>	<u>(436,007)</u>	<u>(195,805)</u>	<u>(3,985,311)</u>
Net total receivables	<u>\$ 1,030,434</u>	<u>\$ 12,758,460</u>	<u>\$ 2,063,911</u>	<u>\$ 2,003,606</u>	<u>\$ 409,864</u>	<u>\$ 18,266,275</u>

D. Fund Balance

As of September 30, 2014, governmental fund balance is comprised of the following:

Fund Balance Classification	General	Debt Service	Nonmajor
Nonspendable:			
Inventories	\$ 74,590	\$ -	\$ -
Prepaid items	124,106	-	-
Restricted:			
Tourism	-	-	122,352
Drainage	-	-	1,505,937
Municipal Court	-	-	92,658
Economic development	-	-	201,077
Homeland security	-	-	2,697
Emergency management	-	-	3,906
Grants	9,452	-	39
Debt service	-	13,223,038	-
Capital projects	-	-	6,513,389
Assigned:			
Capital projects	50,293	-	-
Unassigned	<u>5,582,265</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,840,706</u>	<u>\$ 13,223,038</u>	<u>\$ 8,442,055</u>

E. Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

Primary Government

	Balance 10/1/13	Additions	Deletions	Balance 09/30/14
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,263,035	\$ -	\$ -	\$ 1,263,035
Construction in progress	<u>1,938,029</u>	<u>585,266</u>	<u>580,026</u>	<u>1,943,269</u>
Total assets not being depreciated	<u>3,201,064</u>	<u>585,266</u>	<u>580,026</u>	<u>3,206,304</u>
Capital assets, being depreciated:				
Buildings	8,677,381	-	-	8,677,381
Furniture and fixtures	307,297	-	-	307,297
Vehicles	3,962,834	889,305	196,797	4,655,342
Equipment	5,203,566	165,072	234,611	5,134,027
Infrastructure	16,475,270	97,085	-	16,572,355
Facilities	<u>18,952,000</u>	<u>482,941</u>	<u>-</u>	<u>19,434,941</u>
Total capital assets being depreciated	<u>53,578,348</u>	<u>1,634,403</u>	<u>431,408</u>	<u>54,781,343</u>
Less accumulated depreciation:				
Buildings	5,364,689	282,266	-	5,646,955
Furniture and fixtures	291,056	691	-	291,747
Vehicles	2,827,482	386,123	196,797	3,016,808
Equipment	3,392,069	138,538	221,722	3,308,885
Infrastructure	2,939,277	317,276	-	3,256,553
Facilities	<u>3,494,169</u>	<u>666,672</u>	<u>-</u>	<u>4,160,841</u>
Total accumulated depreciation	<u>18,308,742</u>	<u>1,791,566</u>	<u>418,519</u>	<u>19,681,789</u>
Total capital assets being depreciated, net	<u>35,269,606</u>	<u>(157,163)</u>	<u>12,889</u>	<u>35,099,554</u>
Governmental activities capital assets, net	<u>\$ 38,470,670</u>	<u>\$ 428,103</u>	<u>\$ 592,915</u>	<u>\$ 38,305,858</u>

	Balance 09/30/13	Additions	Deletions	Balance 09/30/14
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 822,263	\$ 6,554	\$ -	\$ 828,817
Construction in progress	<u>3,338,721</u>	<u>946,349</u>	<u>42,381</u>	<u>4,242,689</u>
Total assets not being depreciated	<u>4,160,984</u>	<u>952,903</u>	<u>42,381</u>	<u>5,071,506</u>
Capital assets, being depreciated:				
Buildings	322,312	-	-	322,312
Vehicles	3,015,697	302,573	20,700	3,297,570
Equipment	3,353,727	95,680	28,920	3,420,487
Infrastructure	41,951,720	200,487	-	42,152,207
Facilities	<u>33,521,046</u>	<u>-</u>	<u>-</u>	<u>33,521,046</u>
Total capital assets being depreciated	<u>82,164,502</u>	<u>598,740</u>	<u>49,620</u>	<u>82,713,622</u>
Less accumulated depreciation:				
Buildings	283,374	10,833	-	294,207
Vehicles	2,097,408	298,465	20,700	2,375,173
Equipment	2,607,640	149,989	28,920	2,728,709
Infrastructure	23,065,982	739,835	-	23,805,817
Facilities	<u>11,110,131</u>	<u>840,543</u>	<u>-</u>	<u>11,950,674</u>
Total accumulated depreciation	<u>39,164,535</u>	<u>2,039,665</u>	<u>49,620</u>	<u>41,154,580</u>
Total capital assets being depreciated, net	<u>42,999,967</u>	<u>(1,440,925)</u>	<u>-</u>	<u>41,559,042</u>
Business-type activities capital assets, net	<u>\$ 47,160,951</u>	<u>\$ (488,022)</u>	<u>\$ 42,381</u>	<u>\$ 46,630,548</u>

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

Government activities:	
General government	\$ 237,428
Public safety	989,240
Community service	170,997
Highways and streets	392,411
Fleet maintenance	<u>1,490</u>
Total depreciation expense - governmental activities	<u>\$ 1,791,566</u>
Business-type activities:	
Water and sewer	\$ 1,628,879
Solid waste	357,794
Golf course	<u>52,992</u>
Total depreciation expense - business-type activities	<u>\$ 2,039,665</u>

Discretely Presented Component Unit

Activity for the Copperas Cove Economic Development Corporation (CCEDC) for the year ended September 30, 2014, was as follows:

	Balance 09/30/13	Additions	Deletions	Balance 09/30/14
Capital assets, not being depreciated:				
Land	\$ 1,150,899	\$ -		\$ 1,150,899
Construction in progress	40,480	-	40,480	-
Total assets not being depreciated	<u>1,191,379</u>	<u>-</u>	<u>40,480</u>	<u>1,150,899</u>
Capital assets, being depreciated:				
Buildings	177,379	330,810	-	508,189
Equipment	114,102	43,864	-	157,966
Improvements other than buildings	<u>246,600</u>	<u>-</u>	<u>-</u>	<u>246,600</u>
Total capital assets being depreciated	<u>538,081</u>	<u>374,674</u>	<u>-</u>	<u>912,755</u>
Less accumulated depreciation:				
Buildings	110,652	6,617	-	117,269
Equipment	110,425	7,660	-	118,085
Improvements other than buildings	<u>73,980</u>	<u>24,660</u>	<u>-</u>	<u>98,640</u>
Total accumulated depreciation	<u>295,057</u>	<u>38,937</u>	<u>-</u>	<u>333,994</u>
Total capital assets being depreciated, net	<u>243,024</u>	<u>335,737</u>	<u>-</u>	<u>578,761</u>
Governmental activities capital assets, net	<u>\$ 1,434,403</u>	<u>\$ 335,737</u>	<u>\$ 40,480</u>	<u>\$ 1,729,660</u>

F. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at September 30, 2014, is as follows:

	Interfund Receivables	Interfund Payables
General fund		
Nonmajor funds	\$ 859,551	\$ 40
Total general fund	<u>859,551</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	859,551
Debt service	-	289,649
Nonmajor funds	<u>3,897</u>	<u>3,897</u>
Total nonmajor funds	<u>3,937</u>	<u>1,153,097</u>
Total	<u>\$ 1,153,137</u>	<u>\$ 1,153,137</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, 2014, were:

	<u>Transfers in</u>	<u>Transfers out</u>
General fund		
Water and sewer	\$ 795,000	\$ -
Solid waste	483,000	-
Nonmajor governmental funds	<u>80,000</u>	<u>-</u>
Total general fund	<u>1,358,000</u>	<u>-</u>
Water and sewer		
General fund	-	795,000
Nonmajor governmental funds	<u>20,000</u>	<u>-</u>
Total water and sewer	<u>20,000</u>	<u>795,000</u>
Solid waste		
General fund	<u>-</u>	<u>483,000</u>
Total nonmajor governmental funds	<u>-</u>	<u>483,000</u>
Nonmajor governmental funds		
General fund	-	80,000
Water and sewer	<u>-</u>	<u>20,000</u>
Total nonmajor governmental funds	<u>-</u>	<u>100,000</u>
Total	<u>\$ 1,378,000</u>	<u>\$ 1,378,000</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, including current position, for the year ended September 30, 2014, is as follows:

	Balance 09/30/13	Additions	Deletions	Adjustments	Balance 09/30/14	Due Within One Year
Governmental activities:						
General obligation bonds	\$ 21,978,134	\$ -	\$ 783,094	\$ -	\$ 21,195,040	\$ 1,107,060
Certificates of obligation	33,210,000	2,951,036	15,805,000	-	20,356,036	12,720,000
Limited tax notes	5,574,819	-	1,052,832	(411,036)	4,110,951	1,213,493
Unamortized bond premium	2,463,977	51,928	561,741	-	1,954,164	-
Unamortized bond discount	(88,287)	-	(5,638)	-	(82,649)	-
Total bonds payable	63,138,643	3,002,964	18,197,029	(411,036)	47,533,542	15,040,553
Compensated absences	707,889	390,763	479,896	-	618,756	284,628
Net pension obligation	542,644	1,054,562	1,045,040	-	552,166	-
Net OPEB obligation	135,295	47,448	23,788	-	158,955	-
Governmental activities long-term debt	<u>\$ 64,524,471</u>	<u>\$ 4,495,737</u>	<u>\$ 19,745,753</u>	<u>\$ (411,036)</u>	<u>\$ 48,863,419</u>	<u>\$ 15,325,181</u>
Business-type activities:						
General obligation bonds	\$ 19,346,868	\$ -	\$ 1,811,907	\$ -	\$ 17,534,961	\$ 1,817,940
Certificates of obligation	2,150,000	7,178,964	315,000	-	9,013,964	355,000
Limited tax notes	5,940,181	-	647,168	411,036	5,704,049	686,506
Unamortized bond premiums	242,870	150,388	26,762	-	366,496	-
Unamortized bond discounts	(43,029)	-	(4,603)	-	(38,426)	-
Total bonds payable	27,636,890	7,329,352	2,796,234	411,036	32,581,044	2,859,446
Estimated landfill postclosure care costs	584,976	70,449	-	-	655,425	-
Compensated absences	179,099	112,582	96,079	-	195,602	78,242
Net pension obligation	190,908	245,323	241,535	-	194,696	-
Net OPEB obligation	48,594	17,224	8,549	-	57,269	-
Business-type activities long-term debt	<u>\$ 28,640,467</u>	<u>\$ 7,774,930</u>	<u>\$ 3,142,397</u>	<u>\$ 411,036</u>	<u>\$ 33,684,036</u>	<u>\$ 2,937,688</u>
Discretely Presented Component Unit:						
Revenue bonds	\$ 1,970,000	\$ -	\$ 75,000	\$ -	\$ 1,895,000	\$ 75,000
Compensated absences	10,054	11,116	11,077	-	10,093	7,610
Net pension obligation	7,493	19,929	19,725	-	7,697	-
Net OPEB obligation	1,736	992	496	-	2,232	-
Discretely Presented Component Unit	<u>\$ 1,989,283</u>	<u>\$ 32,037</u>	<u>\$ 106,298</u>	<u>\$ -</u>	<u>\$ 1,915,022</u>	<u>\$ 82,610</u>

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

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

Bonds payable at September 30, 2014, 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	781,000
2007 refunding	3.94	05/31/07	09/30/23	1,408,500	1,348,500
2009 various purpose	3.00 - 4.875	09/10/09	08/15/34	4,770,000	4,505,000
2010 various purpose	4.00 - 4.50	05/25/10	08/15/35	1,425,000	1,320,000
2010 refunding	1.00 - 2.75	11/15/10	08/15/19	2,490,540	1,512,040
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	778,500
2013 refunding	2.00	04/15/13	08/15/17	860,000	4,600,000
2013 various purpose	0.35-2.625	01/15/13	08/15/33	4,685,000	860,000
Limited tax notes:					
2008A	3.611	10/28/08	08/30/15	1,235,000	176,987
2009	2.00 - 3.00	09/10/09	08/15/16	890,000	693,959
2010	2.375 - 3.00	05/27/10	08/15/16	165,000	245,000
2010A	1.00 - 2.30	11/15/10	08/15/14	1,380,000	1,070,699
2012	1.96	02/11/12	09/30/18	990,000	1,056,315
2013	0.35-1.25	01/15/13	09/30/19	2,000,000	867,991
Tax/revenue certificates of obligation:					
2007 various purpose	3.94	05/31/07	09/30/27	5,300,000	4,820,000
2011 various purpose	3.50 - 5.00	02/01/11	08/15/17	39,000,000	12,635,000
2013 PPFCO	2.00	12/12/13	09/30/25	630,000	580,000
2014 various purpose	2.00	02/15/14	09/30/39	<u>2,321,036</u>	<u>2,321,036</u>
Total				<u>\$ 77,008,076</u>	<u>\$ 45,662,027</u>
Business-type activities:					
General obligation bonds:					
2005 refunding	3.68	11/29/05	08/15/19	4,022,200	\$ 1,965,001
2006 refunding	3.78	03/09/06	08/15/21	3,984,000	3,124,000
2007 refunding	3.94	05/31/07	09/30/23	3,286,500	3,146,500
2010 various purpose	2.375 - 3.00	05/25/10	08/30/35	3,260,000	3,065,000
2010 refunding	1.00 - 2.75	11/15/10	08/15/19	3,554,460	2,157,960
2012 refunding	.25 - 3.00	04/15/12	08/15/23	4,973,000	3,586,500
2013 refunding	2.00	04/15/13	08/15/17	490,000	490,000
Limited tax notes:					
2008A	3.611	10/28/08	08/15/15	955,000	38,013
2009	2.00 - 3.00	09/10/09	08/15/16	1,620,000	581,041
2010	2.375 - 3.00	05/27/10	08/15/16	3,885,000	3,140,000
2010A	1.00 - 2.30	11/15/10	08/15/14	535,000	484,301
2012	1.96	02/11/12	09/30/18	335,000	68,685
2013	0.35-1.25	01/15/13	09/30/19	630,000	1,392,009
Tax/revenue certificates of obligation:					
2005 various purpose	3.63	11/10/05	08/15/25	3,050,000	2,010,000
2014 various purpose	2.0 - 3.5	02/15/14	09/30/39	<u>7,590,000</u>	<u>7,003,964</u>
Total				<u>\$ 42,170,160</u>	<u>\$ 32,252,974</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.

On December 12, 2013, the City issued Public Property Finance Contractual Obligations, Series 2013 in the amount of \$630,000, maturing in 2025 with an interest rate of 2.49%. The proceeds of the bonds will be used for the purpose of purchasing a fire truck and related fire equipment for the truck.

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	\$ 1,107,060	\$ 763,749	\$ 1,817,942	\$ 598,567
2016	1,362,440	738,557	1,907,560	547,635
2017	1,135,200	706,133	1,804,800	493,537
2018	1,411,420	677,055	1,808,580	440,060
2019	1,207,420	636,975	1,712,579	383,235
2020-2024	5,911,500	2,532,490	5,358,500	1,117,692
2025-2029	5,865,000	1,339,093	1,150,000	551,988
2030-2034	3,100,000	377,387	1,435,000	302,061
2035-2039	95,000	4,274	540,000	35,725
Total	<u>\$ 21,195,040</u>	<u>\$ 7,775,714</u>	<u>\$ 17,534,961</u>	<u>\$ 4,470,500</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	\$ 12,720,000	\$ 759,925	\$ 355,000	\$ 305,651
2016	580,000	254,558	380,000	296,024
2017	765,000	235,521	415,000	285,898
2018	520,000	209,965	435,000	274,990
2019	540,000	192,918	450,000	263,519
2020-2024	2,717,759	693,171	2,142,241	1,133,173
2025-2029	1,722,759	242,321	1,447,241	829,974
2030-2034	367,759	93,038	1,517,241	573,850
2035-2039	422,759	39,400	1,872,241	243,000
Total	<u>\$ 20,356,036</u>	<u>\$ 2,720,817</u>	<u>\$ 9,013,964</u>	<u>\$ 4,206,079</u>

On February 15, 2014, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2014, in the amount of \$9,500,000, maturing in 2039 with interest rates ranging between 2.0% and 4.0%. The proceeds from the bonds will be used to construct and improve City streets, improve City water and wastewater facilities, improve City fire stations, and acquire equipment and vehicles for multiple departments.

Under an agreement with the Texas Department of Transportation ("TxDOT") in 2011, the City provided \$45,400,000 in funding for a highway improvement project designed to allow traffic to bypass the City to the east and reconnect to S. H. 190 south of the City. The City issued certificates of obligation to provide the funding for the project. In addition, pursuant to the TxDOT agreement,

TxDOT agreed to pay the City up to \$42,318,000 for the purpose of reimbursing the City for costs to construct the project. TxDOT is reimbursing the City the actual final construction cost of the project up to \$42,318,000 according to the following schedule: 30% of the bid construction cost of the project not to exceed \$12,695,400 in September 2012; 40% of the bid construction cost of the project not to exceed \$16,927,200 in September 2013; and 30% of the bid construction cost of the project not to exceed \$12,695,400 in October 2014.

Limited Tax Notes

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

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 1,213,493	\$ 84,880	\$ 686,507	\$ 122,149
2016	1,132,241	58,196	3,997,759	105,740
2017	987,241	33,008	542,759	12,323
2018	497,241	13,400	272,759	3,789
2019	280,735	4,688	204,265	1,376
Total	\$ 4,110,951	\$ 194,172	\$ 5,704,049	\$ 245,377

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, 2014.

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

	Contract Amount	Spent to Date	Remaining Commitment
Governmental	\$ 522,880	\$ 278,028	\$ 244,852
Water and sewer	2,482,577	2,053,615	428,962
Total	\$ 3,005,457	\$ 2,331,644	\$ 673,814

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:

<u>Fund</u>	<u>Amount</u>
General fund	\$ 457,419
Nonmajor governmental funds	<u>86,248</u>
	<u>\$ 543,667</u>

C. Employee Retirement Plan

Plan Description

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the city are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

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

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all the benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service cost contribution rates include recognition of the projected impact of annually repeating benefits, such as the Updated Service Credits and Annuity Increases. The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., the December 31, 2013 valuation will determine the rate beginning January 1, 2015).

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

	September 30,		
	2014	2013	2012
Annual Required Contribution (ARC)	\$ 1,314,586	\$ 1,261,930	\$ 1,280,493
Interest on NPO	51,873	50,595	46,151
Adjustment to the ARC	(46,645)	(44,452)	(39,671)
Annual pension cost	1,319,814	1,268,073	1,286,973
Contributions made	(1,306,300)	(1,249,819)	(1,223,476)
Increase (decrease) in NPO	13,514	18,254	63,497
Percentage of APC contributed	99%	99%	95%
Net pension obligation (NPO), beginning of year	741,045	722,791	659,294
Net pension obligation (NPO), end of year	<u>\$ 754,559</u>	<u>\$ 741,045</u>	<u>\$ 722,791</u>

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Actuarial Valuation Date	12/31/11	12/31/12	12/31/13
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	26.3 years; closed period	25.4 years; closed period	30.0 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:			
Investment rate of return*	7.0%	7.0%	7.0%
Projected salary increases ¹	varies by age and service	varies by age and service	varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%

Funded Status and Funding Progress

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annual Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2013, the most recent actuarial valuation date, is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/13	\$ 40,650,540	\$ 49,878,418	81.5%	\$ 9,227,878	\$ 10,555,116	87.4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

D. Post-retirement Health Care Benefits

The City provides certain health care benefits through a single-employer defined benefit OPEB plan. Regular, fulltime employees are eligible to participate in the City's health care plan as a retiree at their own expense. The retiree pays 100% of the premiums for the insurance. Members are eligible at any age with 20 years of service or at age 60 with 5 years of service. Spouses and dependents of retirees are also eligible. Currently, the City has 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, 2014, is as follows:

Annual Required Contribution (ARC)	\$ 67,504
Interest on Net OPEB Obligation	8,353
Adjustment to the ARC	<u>(7,739)</u>
Annual OPEB Cost	68,118
Employer Contributions	<u>(35,284)</u>
Increase (Decrease) in Net OPEB Obligation	32,834
Net OPEB Obligation, beginning of year	<u>185,625</u>
Net OPEB Obligation, end of year	<u>\$ 218,459</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2014 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual Required Contribution	Employer Contribution	Percentage Contributed	Net OPEB Obligation
September 30, 2012	\$ 81,668	\$ 39,230	48.0%	\$ 153,055
September 30, 2013	66,044	33,474	50.7%	185,625
September 30, 2014	68,118	35,284	51.8%	218,459

The funded status of the City's retiree health care plan under GASB Statement No. 45 as of December 31, 2012, 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
12/31/12	-	\$616,076	\$616,076	- %	10,636,449	5.79%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$616,076 at December 31, 2012. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 5.79%.

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 8 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 2014, 2013 and 2012 were \$19,383, \$17,828, and \$19,761, 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 OPEB Obligation</u>
09/30/12	\$ 19,761	\$ 19,761	100%	\$ -
09/30/13	17,828	17,828	100%	-
09/30/14	19,383	19,383	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.

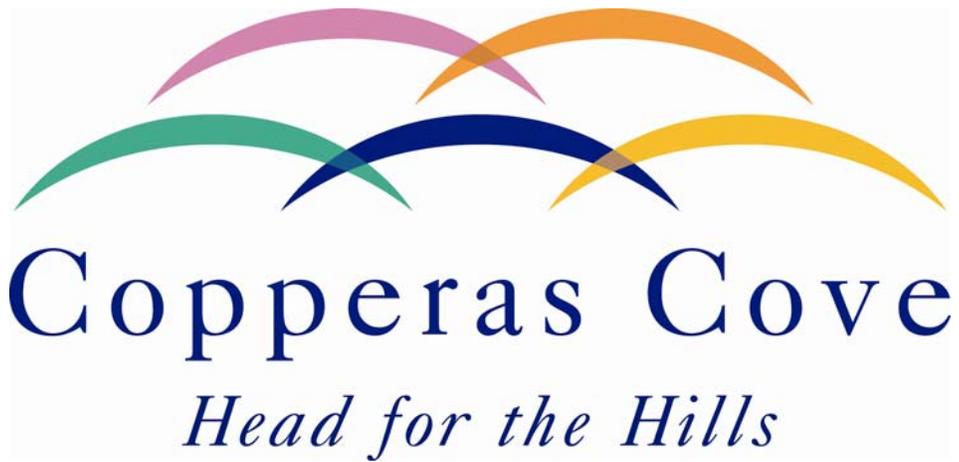
The regulations require that once the landfill is closed, the owner/operator is responsible for maintaining the final cover, monitoring groundwater and methane gas, and continuing leachate management for 30 years.

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, 2014, are \$655,425. It is estimated that the landfill requires 15 years of postclosure care as of September 30, 2014.

F. Prior Period Adjustment

During the year ended September 30, 2014, the City changed the manner in which certain debt proceeds from prior years were allocated between governmental activities and business-type activities. The result of this adjustment was a decrease to the beginning fund balance of the nonmajor capital projects funds in the amount of \$411,036. Additionally, as shown in Note IV. D., \$411,036 of cash and investments and limited tax notes were moved from governmental activities to business-type activities.



Copperas Cove

Head for the Hills

CITY OF COPPERAS COVE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

“The City Built for Family Living”

CITY OF COPPERAS COVE, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 11,131,505	\$ 10,786,217	\$ 10,712,934	\$(73,283)
Charges for services	1,374,475	1,245,488	1,190,645	(54,843)
Intergovernmental	-	32,380	41,588	9,208
Fines	742,818	613,990	567,928	(46,062)
Licenses	39,975	47,245	57,227	9,982
Permits	148,246	152,784	191,939	39,155
Investment income	20,436	13,035	13,749	714
Miscellaneous	264,427	286,046	292,949	6,903
Total revenues	13,721,882	13,177,185	13,068,959	(108,226)
EXPENDITURES				
Current:				
General government	2,928,448	2,981,053	2,661,710	319,343
Community services	1,885,502	1,939,592	1,798,452	141,140
Fleet and facility services	281,254	276,401	267,885	8,516
Highways and streets	1,210,050	1,338,182	1,053,449	284,733
Public safety	10,361,509	9,577,671	9,220,039	357,632
Total expenditures	16,666,763	16,112,899	15,001,534	1,111,365
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,944,881)	(2,935,714)	(1,932,575)	1,003,139
OTHER FINANCING SOURCES (USES)				
Transfers in	1,328,000	1,358,000	1,358,000	-
Sale of capital assets	6,000	34,123	44,761	10,638
Insurance recoveries	-	1,572	18,338	16,766
Total other financing sources (uses)	1,334,000	1,393,695	1,421,099	27,404
NET CHANGE IN FUND BALANCE	\$(1,610,881)	\$(1,542,019)	(511,476)	\$ 1,030,543
FUND BALANCE, BEGINNING			6,256,895	
CURRENT YEAR ENCUMBRANCES			457,419	
PRIOR YEAR ENCUMBRANCES			(362,132)	
FUND BALANCE, ENDING			\$ 5,840,706	

CITY OF COPPERAS COVE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

<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>
12/31/2011	\$ 34,888,305	\$ 43,708,685	79.8%	\$ 8,820,380	\$ 10,796,316	81.7%
12/31/2012	37,694,754	45,799,844	82.3%	8,105,090	10,636,844	76.2%
12/31/2013	40,650,540	49,878,418	81.5%	9,227,878	10,558,213	87.4%

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, 2014

<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>
12/31/2008	\$ -	\$ 523,754	0%	\$ 523,754	\$ 11,032,423	4.75%
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%

CITY OF COPPERAS COVE, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2014

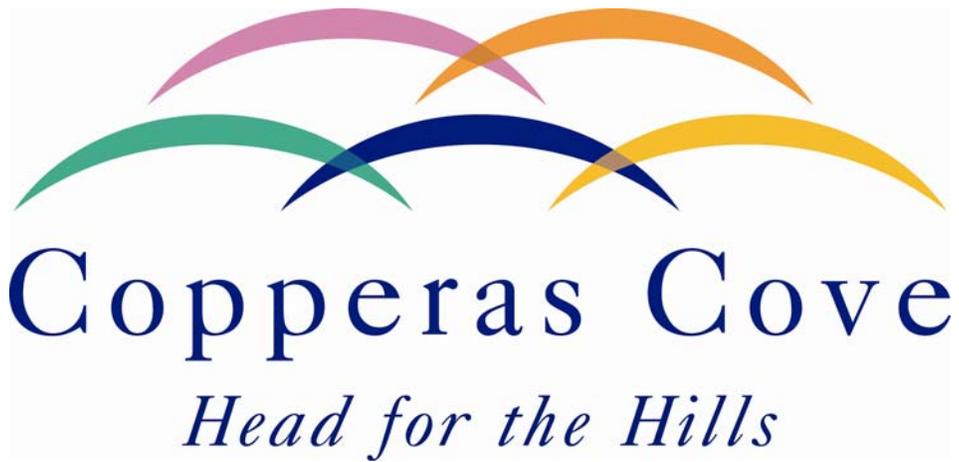
Budgets

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.

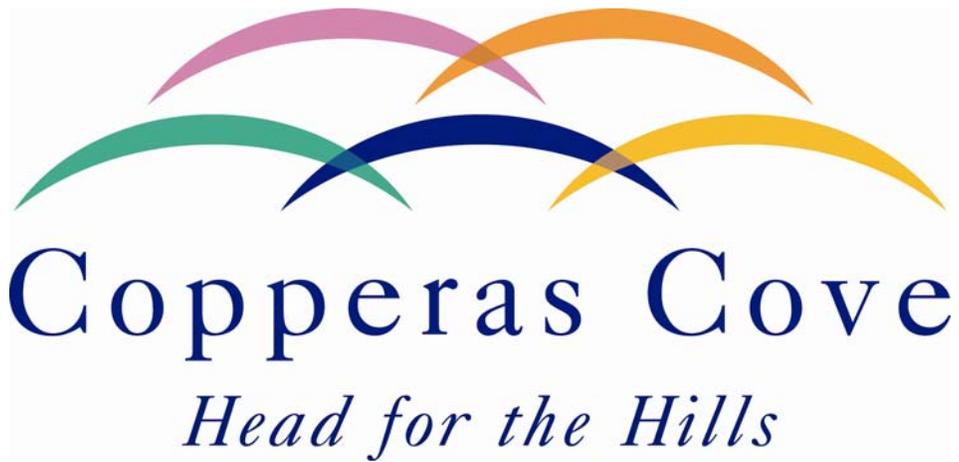
“The City Built for Family Living”

CITY OF COPPERAS COVE, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET BY FUND TYPE
SEPTEMBER 30, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and investments	\$ 1,571,071	\$ 6,530,622	\$ 8,101,693
Receivables (net of allowances for uncollectibles):			
Taxes	44,466	-	44,466
Accounts	216,032	-	216,032
Fines	5,047	-	5,047
Due from other funds	3,937	-	3,937
Prepaid items	1,987	-	1,987
Notes receivable	<u>142,489</u>	<u>-</u>	<u>142,489</u>
Total assets	<u>\$ 1,985,029</u>	<u>\$ 6,530,622</u>	<u>\$ 8,515,651</u>
LIABILITIES			
Accounts payable	\$ 35,001	\$ 17,233	\$ 52,234
Accrued liabilities	9,813	-	9,813
Unearned revenue	<u>6,502</u>	<u>-</u>	<u>6,502</u>
Total liabilities	<u>51,316</u>	<u>17,233</u>	<u>68,549</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable:			
Municipal court fines	<u>5,047</u>	<u>-</u>	<u>5,047</u>
Total deferred inflows of resources	<u>5,047</u>	<u>-</u>	<u>5,047</u>
FUND BALANCES			
Restricted	<u>1,928,666</u>	<u>6,513,389</u>	<u>8,442,055</u>
Total fund balances	<u>1,928,666</u>	<u>6,513,389</u>	<u>8,442,055</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,985,029</u>	<u>\$ 6,530,622</u>	<u>\$ 8,515,651</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, 2014

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 178,061	\$ -	\$ 178,061
Charges for services	930,769	-	930,769
Intergovernmental	189,450	-	189,450
Fines	31,966	-	31,966
Investment income	2,281	1,364	3,645
Total revenues	<u>1,332,527</u>	<u>1,364</u>	<u>1,333,891</u>
EXPENDITURES			
Current:			
Community services	128,341	-	128,341
Highways and streets	309,084	-	309,084
Public safety	54,333	-	54,333
Capital outlay	454,021	1,455,257	1,909,278
Debt service:			
Principal retirement	133,465	-	133,465
Interest and fiscal charges	19,141	1,866	21,007
Bond issuance costs	-	71,333	71,333
Total expenditures	<u>1,098,385</u>	<u>1,528,456</u>	<u>2,626,841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>234,142</u>	<u>(1,527,092)</u>	<u>(1,292,950)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of bonds	-	2,951,036	2,951,036
Premium on bonds	-	37,845	37,845
Sale of capital assets	19,350	-	19,350
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>(80,650)</u>	<u>2,988,881</u>	<u>2,908,231</u>
NET CHANGE IN FUND BALANCES	153,492	1,461,789	1,615,281
FUND BALANCES, BEGINNING	<u>1,775,174</u>	<u>5,462,636</u>	<u>7,237,810</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>(411,036)</u>	<u>(411,036)</u>
FUND BALANCES, BEGINNING, RESTATED	<u>1,775,174</u>	<u>5,051,600</u>	<u>6,826,774</u>
FUND BALANCES, ENDING	<u>\$ 1,928,666</u>	<u>\$ 6,513,389</u>	<u>\$ 8,442,055</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, 2014

	<u>Hotel/Motel Tax</u>	<u>Drainage Utility</u>	<u>Municipal Court</u>	<u>Texas Community Development Loan</u>
ASSETS				
Cash and investments	\$ 77,886	\$ 1,305,147	\$ 94,274	\$ 58,588
Receivables (net of allowance):				
Taxes	44,466	-	-	-
Accounts	-	216,032	-	-
Fines	-	-	5,047	-
Due from other funds	-	-	-	-
Prepaid items	-	1,987	-	-
Notes receivable	-	-	-	142,489
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>122,352</u>	\$ <u>1,523,166</u>	\$ <u>99,321</u>	\$ <u>201,077</u>
LIABILITIES				
Accounts payable	\$ -	\$ 9,062	\$ 235	\$ -
Accrued liabilities	-	8,167	1,381	-
Unearned revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	-	<u>17,229</u>	<u>1,616</u>	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable:				
Municipal court fines	-	-	5,047	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	-	-	<u>5,047</u>	-
FUND BALANCES				
Restricted	<u>122,352</u>	<u>1,505,937</u>	<u>92,658</u>	<u>201,077</u>
Total fund balances	<u>122,352</u>	<u>1,505,937</u>	<u>92,658</u>	<u>201,077</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>122,352</u>	\$ <u>1,523,166</u>	\$ <u>99,321</u>	\$ <u>201,077</u>

Tobacco Grant	Homeland Security Grants	FEMA Grant	City Wide Grants	Total Nonmajor Special Revenue Funds
\$ 4,730	\$ 4,740	\$ 9	\$ 25,697	\$ 1,571,071
-	-	-	-	44,466
-	-	-	-	216,032
-	-	-	-	5,047
-	-	3,897	40	3,937
-	-	-	-	1,987
-	-	-	-	142,489
<u>\$ 4,730</u>	<u>\$ 4,740</u>	<u>\$ 3,906</u>	<u>\$ 25,737</u>	<u>\$ 1,985,029</u>
\$ -	\$ 6	\$ -	\$ 25,698	\$ 35,001
265	-	-	-	9,813
4,465	2,037	-	-	6,502
<u>4,730</u>	<u>2,043</u>	<u>-</u>	<u>25,698</u>	<u>51,316</u>
-	-	-	-	5,047
-	-	-	-	5,047
-	2,697	3,906	39	1,928,666
-	2,697	3,906	39	1,928,666
<u>\$ 4,730</u>	<u>\$ 4,740</u>	<u>\$ 3,906</u>	<u>\$ 25,737</u>	<u>\$ 1,985,029</u>

CITY OF COPPERAS COVE, TEXAS

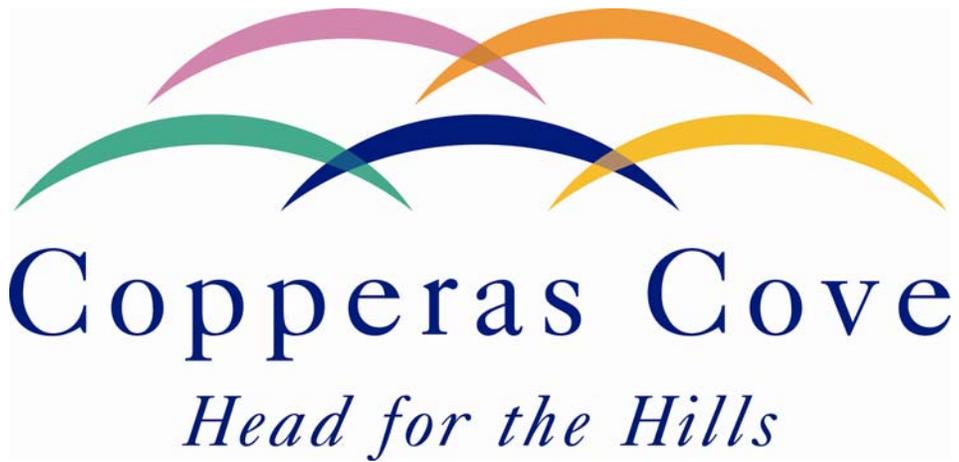
NONMAJOR SPECIAL REVENUE FUNDS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Hotel/Motel Tax</u>	<u>Drainage Utility</u>	<u>Municipal Court</u>	<u>Texas Community Development Loan</u>
REVENUES				
Taxes	\$ 178,061	\$ -	\$ -	\$ -
Charges for services	-	930,769	-	-
Intergovernmental	-	-	-	-
Fines	-	-	31,966	-
Investment income	59	2,130	45	17
Total revenues	<u>178,120</u>	<u>932,899</u>	<u>32,011</u>	<u>17</u>
EXPENDITURES				
Current:				
Community services	128,341	-	-	-
Highways and streets	-	309,084	-	-
Public safety	-	-	30,358	-
Capital outlay	32,881	255,567	5,837	-
Debt service:				
Principal retirement	30,000	103,465	-	-
Interest and fiscal charges	2,512	16,629	-	-
Total expenditures	<u>193,734</u>	<u>684,745</u>	<u>36,195</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,614)</u>	<u>248,154</u>	<u>(4,184)</u>	<u>17</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	19,350	-	-
Transfers out	-	(100,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(80,650)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(15,614)</u>	<u>167,504</u>	<u>(4,184)</u>	<u>17</u>
FUND BALANCES, BEGINNING	<u>137,966</u>	<u>1,338,433</u>	<u>96,842</u>	<u>201,060</u>
FUND BALANCES, ENDING	<u>\$ 122,352</u>	<u>\$ 1,505,937</u>	<u>\$ 92,658</u>	<u>\$ 201,077</u>

<u>Tobacco Grant</u>	<u>Homeland Security Grants</u>	<u>FEMA Grant</u>	<u>City Wide Grants</u>	<u>Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 178,061
-	-	-	-	930,769
2,169	161,583	-	25,698	189,450
-	-	-	-	31,966
-	30	-	-	2,281
<u>2,169</u>	<u>161,613</u>	<u>-</u>	<u>25,698</u>	<u>1,332,527</u>
-	-	-	-	128,341
-	-	-	-	309,084
2,169	21,806	-	-	54,333
-	134,038	-	25,698	454,021
-	-	-	-	133,465
-	-	-	-	19,141
<u>2,169</u>	<u>155,844</u>	<u>-</u>	<u>25,698</u>	<u>1,098,385</u>
-	5,769	-	-	234,142
-	-	-	-	19,350
-	-	-	-	(100,000)
-	-	-	-	(80,650)
-	5,769	-	-	153,492
-	(3,072)	3,906	39	1,775,174
<u>\$ -</u>	<u>\$ 2,697</u>	<u>\$ 3,906</u>	<u>\$ 39</u>	<u>\$ 1,928,666</u>



Copperas Cove

Head for the Hills

CITY OF COPPERAS COVE, TEXAS

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

2013 General Obligation Bonds Fund – to account for the proceeds from debt issued for the purposes of building and equipping a new fire station.

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

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.

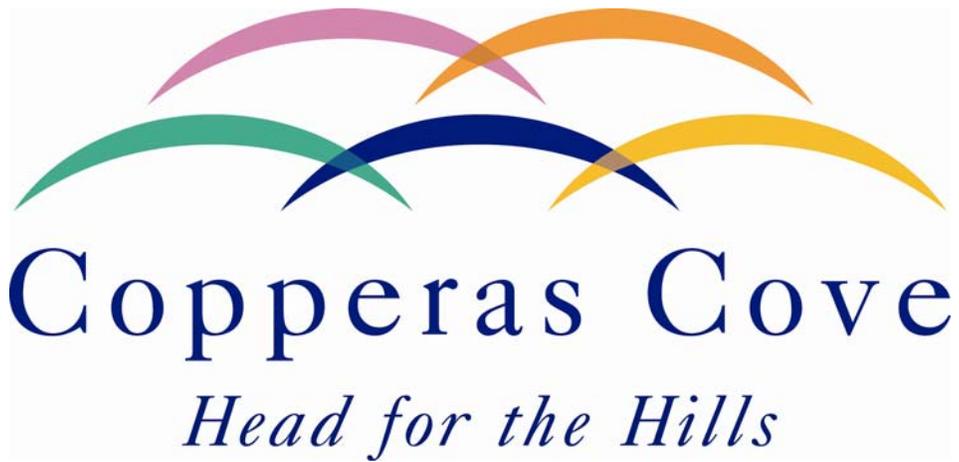
CITY OF COPPERAS COVE, TEXAS
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2014

	2006 Limited Tax Notes	Reliever Route	2008 Limited Tax Notes	2009 Capital Improvement
ASSETS				
Cash and investments	\$ <u>11,236</u>	\$ <u>15</u>	\$ <u>-</u>	\$ <u>-</u>
Total assets	\$ <u>11,236</u>	\$ <u>15</u>	\$ <u>-</u>	\$ <u>-</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	<u>11,236</u>	<u>15</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>11,236</u>	<u>15</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>11,236</u>	\$ <u>15</u>	\$ <u>-</u>	\$ <u>-</u>

<u>2010 Limited Tax Notes</u>	<u>2010A Limited Tax Notes</u>	<u>2011 Revenue & Limited Tax Bonds</u>	<u>2011 Capital Improvement</u>	<u>2012 Tax Supported Tax Notes</u>	<u>2012 Municipal Court Limited Tax Note</u>	<u>2013 Capital Improvement</u>
\$ <u>330</u>	\$ <u>17,282</u>	\$ <u>42,860</u>	\$ <u>6,506</u>	\$ <u>60,451</u>	\$ <u>1,989</u>	\$ <u>4,163,134</u>
\$ <u>330</u>	\$ <u>17,282</u>	\$ <u>42,860</u>	\$ <u>6,506</u>	\$ <u>60,451</u>	\$ <u>1,989</u>	\$ <u>4,163,134</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>330</u>	<u>17,282</u>	<u>42,860</u>	<u>6,506</u>	<u>60,451</u>	<u>1,989</u>	<u>4,163,134</u>
<u>330</u>	<u>17,282</u>	<u>42,860</u>	<u>6,506</u>	<u>60,451</u>	<u>1,989</u>	<u>4,163,134</u>
\$ <u>330</u>	\$ <u>17,282</u>	\$ <u>42,860</u>	\$ <u>6,506</u>	\$ <u>60,451</u>	\$ <u>1,989</u>	\$ <u>4,163,134</u>

(continued)



Copperas Cove

Head for the Hills

CITY OF COPPERAS COVE, TEXAS
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2014

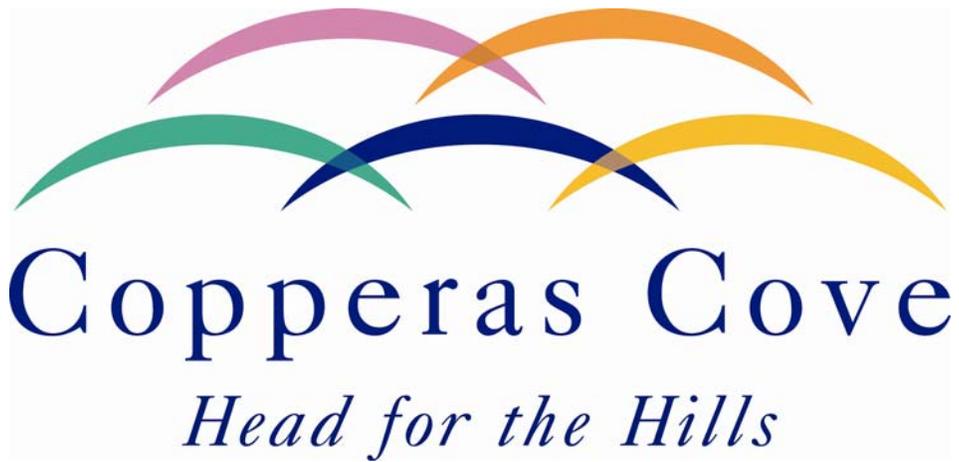
	<u>2013 Tax Supported Tax Notes</u>	<u>2013 Public Property Finance</u>	<u>2014 Tax Supported Certificates of Obligation</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS				
Cash and investments	\$ <u>130,653</u>	\$ <u>594,263</u>	\$ <u>1,501,903</u>	\$ <u>6,530,622</u>
Total assets	\$ <u>130,653</u>	\$ <u>594,263</u>	\$ <u>1,501,903</u>	\$ <u>6,530,622</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ <u>7,956</u>	\$ <u>-</u>	\$ <u>9,277</u>	\$ <u>17,233</u>
Total liabilities	<u>7,956</u>	<u>-</u>	<u>9,277</u>	<u>17,233</u>
Fund balances:				
Restricted	<u>122,697</u>	<u>594,263</u>	<u>1,492,626</u>	<u>6,513,389</u>
Total fund balances	<u>122,697</u>	<u>594,263</u>	<u>1,492,626</u>	<u>6,513,389</u>
Total liabilities and fund balances	\$ <u>130,653</u>	\$ <u>594,263</u>	\$ <u>1,501,903</u>	\$ <u>6,530,622</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, 2014

	2006 Limited Tax Notes	Reliever Route	2008 Limited Tax Notes	2009 Capital Improvement
REVENUES				
Investment income	\$ 6	\$ -	\$ 1	\$ 12
Total revenues	<u>6</u>	<u>-</u>	<u>1</u>	<u>12</u>
EXPENDITURES				
Capital outlay	250	-	3,048	69,480
Debt service:				
Interest and fiscal charges	-	-	1,080	198
Bond issuance costs	-	-	-	-
Total expenditures	<u>250</u>	<u>-</u>	<u>4,128</u>	<u>69,678</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(244)</u>	<u>-</u>	<u>(4,127)</u>	<u>(69,666)</u>
OTHER FINANCING SOURCES				
Premium on bonds	-	-	-	-
Issuance of bonds	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(244)</u>	<u>-</u>	<u>(4,127)</u>	<u>(69,666)</u>
FUND BALANCES, BEGINNING	<u>11,480</u>	<u>15</u>	<u>4,127</u>	<u>69,666</u>
PRIOR PERIOD ADJUSTMENT	-	-	-	-
FUND BALANCES, BEGINNING, RESTATED	<u>11,480</u>	<u>15</u>	<u>4,127</u>	<u>69,666</u>
FUND BALANCES, ENDING	<u>\$ 11,236</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ -</u>

2010 Limited Tax Notes	2010A Limited Tax Notes	2011 Revenue & Limited Tax Bonds	2011 Capital Improvement	2012 Tax Supported Tax Notes	2012 Municipal Court Limited Tax Note	2013 Capital Improvement
\$ <u>1</u>	\$ <u>7</u>	\$ <u>14</u>	\$ <u>4</u>	\$ <u>63</u>	\$ -	\$ <u>859</u>
<u>1</u>	<u>7</u>	<u>14</u>	<u>4</u>	<u>63</u>	-	<u>859</u>
24,776	9,102	-	2,170	83,850	-	416,122
-	-	-	-	-	588	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>24,776</u>	<u>9,102</u>	<u>-</u>	<u>2,170</u>	<u>83,850</u>	<u>588</u>	<u>416,122</u>
(<u>24,775</u>)	(<u>9,095</u>)	<u>14</u>	(<u>2,166</u>)	(<u>83,787</u>)	(<u>588</u>)	(<u>415,263</u>)
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(<u>24,775</u>)	(<u>9,095</u>)	<u>14</u>	(<u>2,166</u>)	(<u>83,787</u>)	(<u>588</u>)	(<u>415,263</u>)
<u>25,105</u>	<u>20,272</u>	<u>42,846</u>	<u>8,672</u>	<u>200,603</u>	<u>2,577</u>	<u>4,578,397</u>
-	6,105	-	-	(56,365)	-	-
<u>25,105</u>	<u>26,377</u>	<u>42,846</u>	<u>8,672</u>	<u>144,238</u>	<u>2,577</u>	<u>4,578,397</u>
\$ <u>330</u>	\$ <u>17,282</u>	\$ <u>42,860</u>	\$ <u>6,506</u>	\$ <u>60,451</u>	\$ <u>1,989</u>	\$ <u>4,163,134</u>

(continued)



Copperas Cove

Head for the Hills

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, 2014

	2013 Tax Supported Tax Notes	2013 Public Property Finance	2014 Tax Supported Certificates of Obligation	Total Nonmajor Capital Projects Funds
REVENUES				
Investment income	\$ 139	\$ 147	\$ 111	\$ 1,364
Total revenues	<u>139</u>	<u>147</u>	<u>111</u>	<u>1,364</u>
EXPENDITURES				
Capital outlay	15,542	9,296	821,621	1,455,257
Debt service:				
Interest and fiscal charges	-	-	-	1,866
Bond issuance costs	-	26,588	44,745	71,333
Total expenditures	<u>15,542</u>	<u>35,884</u>	<u>866,366</u>	<u>1,528,456</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,403)</u>	<u>(35,737)</u>	<u>(866,255)</u>	<u>(1,527,092)</u>
OTHER FINANCING SOURCES				
Premium on bonds	-	-	37,845	37,845
Issuance of bonds	-	630,000	2,321,036	2,951,036
Total other financing sources	<u>-</u>	<u>630,000</u>	<u>2,358,881</u>	<u>2,988,881</u>
NET CHANGE IN FUND BALANCES	(15,403)	594,263	1,492,626	1,461,789
FUND BALANCES, BEGINNING	<u>498,876</u>	<u>-</u>	<u>-</u>	<u>5,462,636</u>
PRIOR PERIOD ADJUSTMENT	(360,776)	-	-	(411,036)
FUND BALANCES, BEGINNING, RESTATED	<u>138,100</u>	<u>-</u>	<u>-</u>	<u>5,051,600</u>
FUND BALANCES, ENDING	<u>\$ 122,697</u>	<u>\$ 594,263</u>	<u>\$ 1,492,626</u>	<u>\$ 6,513,389</u>

CITY OF COPPERAS COVE, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
TAXES				
Current ad valorem	\$ 6,293,694	\$ 6,293,694	\$ 6,266,577	\$(27,117)
Delinquent ad valorem	56,500	45,000	48,083	3,083
Penalty and interest	46,000	37,000	35,357	(1,643)
Franchise	1,321,500	1,327,000	1,359,461	32,461
Sales	3,239,811	2,910,323	2,771,359	(138,964)
Mixed drink	14,000	13,200	16,484	3,284
Bingo	160,000	160,000	215,613	55,613
Total taxes	<u>11,131,505</u>	<u>10,786,217</u>	<u>10,712,934</u>	<u>(73,283)</u>
LICENSES				
Bicycle	10	-	12	12
Contractors	25,000	32,000	39,865	7,865
Animal	5,000	6,000	5,617	(383)
Taxi cab	600	300	300	-
Vicious/dangerous animal	600	350	200	(150)
Wrecker	765	595	595	-
Food establishment	8,000	8,000	10,638	2,638
Total licenses	<u>39,975</u>	<u>47,245</u>	<u>57,227</u>	<u>9,982</u>
PERMITS				
Building	48,000	60,000	94,518	34,518
Street cuts	6,000	7,624	8,859	1,235
Electrical	14,000	12,000	13,420	1,420
Solicitors	1,000	2,620	3,085	465
Natural gas lines	2,000	1,500	2,000	500
Garage sale	8,000	8,000	7,490	(510)
Plumbing	35,000	28,000	30,428	2,428
Mechanical	15,000	15,000	11,975	(3,025)
Car wash	500	500	345	(155)
Signs	1,500	1,575	1,775	200
Swimming pools	200	300	660	360
Certificate of occupancy	2,000	2,200	2,720	520
Alarms	4,000	4,000	3,245	(755)
Alcohol license	4,546	3,365	3,365	-
Food workers	4,000	4,000	5,864	1,864
Land disturbance	-	200	140	(60)
Other permit fees	2,500	1,900	2,050	150
Total permits	<u>148,246</u>	<u>152,784</u>	<u>191,939</u>	<u>39,155</u>

CITY OF COPPERAS COVE, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
CHARGES FOR SERVICES				
Cemetery plot sales	\$ 7,000	\$ 5,500	\$ 8,621	\$ 3,121
Football fees	25,500	22,530	17,075	(5,455)
Basketball fees	19,750	18,211	18,211	-
Volleyball entry fees	5,000	8,650	6,375	(2,275)
Youth baseball fees	41,625	42,536	46,705	4,169
Adult softball fees	9,600	14,145	9,529	(4,616)
Soccer registration fees	41,100	35,255	33,200	(2,055)
Special events	1,250	440	440	-
Concession sales	20,000	20,000	11,068	(8,932)
Flag football fees	13,750	17,000	11,395	(5,605)
Track fees	4,410	-	-	-
Summer camp registration fees	42,000	42,215	34,770	(7,445)
Recreational classes	5,600	6,110	4,767	(1,343)
Kickball fees	-	1,600	-	(1,600)
Cheerleader fees	200	-	-	-
Swimming lessons	20,000	20,000	10,330	(9,670)
Swimming pool	50,500	50,500	39,374	(11,126)
Community building rental	31,000	31,000	24,182	(6,818)
Library meeting room rental	4,000	6,000	5,250	(750)
Library miscellaneous	13,000	13,000	12,395	(605)
Animal shelter fees	25,000	26,000	26,891	891
Ambulance fees	900,000	746,950	784,687	37,737
Print/copy fees	4,000	5,000	5,135	135
Mowing/mowing liens revenue	10,000	15,000	24,298	9,298
Sale of city maps	-	52	106	54
Service charge - nsf checks	150	180	210	30
Plat filing fees	5,050	1,000	1,950	950
RV park fees	22,000	10,236	7,393	(2,843)
Police overtime reimbursement	3,500	3,400	5,523	2,123
Police restitution	4,000	2,000	605	(1,395)
Festival reimbursements	15,000	13,000	10,431	(2,569)
Senior program fees	1,000	1,500	1,452	(48)
Open records	700	700	3,428	2,728
Pool rental	10,000	10,000	7,450	(2,550)
Animal identification	4,000	4,000	3,820	(180)
Re-inspection fees	7,000	7,000	5,350	(1,650)
Animal tranquilization fees	120	120	40	(80)
Street sign	770	36,277	979	(35,298)
Fire inspection fees	2,000	3,000	3,038	38
Fire testing fees	1,000	2,000	1,625	(375)
Rezoning request fees	1,600	800	1,000	200
Variance request fees	2,300	2,300	1,200	(1,100)
Other charges for services	-	281	347	66
Total charges for services	<u>1,374,475</u>	<u>1,245,488</u>	<u>1,190,645</u>	<u>(54,843)</u>

CITY OF COPPERAS COVE, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
FINES				
Municipal court fines	\$ 265,000	\$ 225,000	\$ 204,618	\$(20,382)
Traffic violations	156,000	124,800	112,342	(12,458)
Library fines	12,000	11,000	9,528	(1,472)
Arrest warrants	63,000	54,168	43,237	(10,931)
Child safety fund	11,500	10,000	8,260	(1,740)
State court fees	50,000	36,000	35,459	(541)
HB 70 fees	11,000	8,000	8,559	559
Arresting officer fees	29,000	19,000	19,465	465
Civil justice fee	30	25	25	-
Juvenile	134,788	117,722	117,702	(20)
Admin fee - defensive driving	10,500	8,000	8,358	358
Penalties - false alarm	-	275	375	100
Total fines	<u>742,818</u>	<u>613,990</u>	<u>567,928</u>	<u>(46,062)</u>
INVESTMENT INCOME				
Investment income	20,436	13,035	13,749	714
Total investment income	<u>20,436</u>	<u>13,035</u>	<u>13,749</u>	<u>714</u>
MISCELLANEOUS				
Rental	27,383	31,077	32,938	1,861
Miscellaneous	237,044	254,969	260,011	5,042
Total miscellaneous	<u>264,427</u>	<u>286,046</u>	<u>292,949</u>	<u>6,903</u>
INTERGOVERNMENTAL				
Grants	-	32,380	41,588	9,208
Total intergovernmental	<u>-</u>	<u>32,380</u>	<u>41,588</u>	<u>9,208</u>
Totals	<u>\$ 13,721,882</u>	<u>\$ 13,177,185</u>	<u>\$ 13,068,959</u>	<u>\$(108,226)</u>

CITY OF COPPERAS COVE, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
GENERAL GOVERNMENT				
City council	\$ 51,378	\$ 39,374	34,699	\$ 4,675
City manager	297,751	349,808	353,168	(3,360)
Financial services and accounting	1,156,302	1,146,525	1,095,574	50,951
City secretary	142,292	139,478	135,423	4,055
City attorney	111,499	197,288	186,832	10,456
Personnel	300,027	287,745	250,202	37,543
Nondepartmental	638,406	590,004	375,217	214,787
Engineering	230,793	230,831	230,595	236
Total general government	<u>2,928,448</u>	<u>2,981,053</u>	<u>2,661,710</u>	<u>319,343</u>
COMMUNITY SERVICES				
Parks and recreation	1,262,179	1,313,614	1,203,041	110,573
Library	439,371	445,438	431,329	14,109
Code and health	183,952	180,540	164,082	16,458
Total community services	<u>1,885,502</u>	<u>1,939,592</u>	<u>1,798,452</u>	<u>141,140</u>
FLEET AND FACILITY SERVICES				
Fleet maintenance	281,254	276,401	267,885	8,516
Total fleet and facility services	<u>281,254</u>	<u>276,401</u>	<u>267,885</u>	<u>8,516</u>
HIGHWAYS AND STREETS				
Highways and streets	1,210,050	1,338,182	1,053,449	284,733
Total highways and streets	<u>1,210,050</u>	<u>1,338,182</u>	<u>1,053,449</u>	<u>284,733</u>
PUBLIC SAFETY				
Building inspections	282,570	274,814	260,558	14,256
Municipal court	419,908	354,487	338,210	16,277
Animal control	295,678	269,654	231,834	37,820
Police department	5,414,760	4,968,051	4,803,149	164,902
Fire/EMS department	3,908,969	3,701,581	3,580,650	120,931
Emergency management	39,624	9,084	5,638	3,446
Total public safety	<u>10,361,509</u>	<u>9,577,671</u>	<u>9,220,039</u>	<u>357,632</u>
Total expenditures	<u>\$ 16,666,763</u>	<u>\$ 16,112,899</u>	<u>\$ 15,001,534</u>	<u>\$ 1,111,365</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes	\$ 167,900	\$ 166,150	\$ 178,061	\$ 11,911
Investment income	50	35	59	24
Total revenues	<u>167,950</u>	<u>166,185</u>	<u>178,120</u>	<u>11,935</u>
EXPENDITURES				
Current:				
Community services:				
Services and charges	130,403	153,617	123,367	30,250
Capital outlay:				
Community services	32,881	32,881	32,881	-
Debt service:				
Principal retirement	30,000	30,000	30,000	-
Interest and fiscal charges	<u>2,513</u>	<u>2,513</u>	<u>2,512</u>	<u>1</u>
Total expenditures	<u>195,797</u>	<u>219,011</u>	<u>188,760</u>	<u>30,251</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(27,847)</u>	<u>(52,826)</u>	<u>(10,640)</u>	<u>42,186</u>
FUND BALANCE, BEGINNING			137,966	
CURRENT YEAR ENCUMBRANCES			<u>25,276</u>	
PRIOR YEAR ENCUMBRANCES			<u>(30,250)</u>	
FUND BALANCE, ENDING			<u>\$ 122,352</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Charges for services	\$ 888,000	\$ 897,414	\$ 930,769	\$ 33,355
Investment income	<u>2,500</u>	<u>2,035</u>	<u>2,130</u>	<u>95</u>
Total revenues	<u>890,500</u>	<u>899,449</u>	<u>932,899</u>	<u>33,450</u>
EXPENDITURES				
Current:				
Highways and streets:				
Personnel services	251,480	228,828	219,395	9,433
Supplies and materials	35,544	30,644	25,138	5,506
Maintenance and repairs	36,890	20,546	13,000	7,546
Services and charges	65,093	55,850	60,182	(4,332)
Capital outlay:				
Capital drainage projects	773,000	1,026,365	200,798	825,567
Debt service:				
Principal	103,465	103,465	103,465	-
Interest and fiscal charges	<u>16,872</u>	<u>16,872</u>	<u>16,629</u>	<u>243</u>
Total expenditures	<u>1,282,344</u>	<u>1,482,570</u>	<u>638,607</u>	<u>843,963</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(391,844)</u>	<u>(583,121)</u>	<u>294,292</u>	<u>877,413</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	19,350	19,350
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(80,650)</u>	<u>19,350</u>
NET CHANGE IN FUND BALANCE	<u>\$ (491,844)</u>	<u>\$ (683,121)</u>	213,642	<u>\$ 896,763</u>
FUND BALANCE, BEGINNING			1,338,433	
CURRENT YEAR ENCUMBRANCES			<u>60,972</u>	
FUND BALANCE, ENDING			<u>\$ 1,505,937</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Fines	\$ 40,800	\$ 35,690	\$ 31,966	\$(3,724)
Investment income	95	47	45	(2)
Total revenues	<u>40,895</u>	<u>35,737</u>	<u>32,011</u>	<u>(3,726)</u>
EXPENDITURES				
Current:				
Public safety:				
Personnel	-	-	1,381	(1,381)
Supplies and materials	6,962	5,903	5,279	624
Maintenance and repairs	20,516	19,716	16,452	3,264
Services and charges	6,874	8,314	7,246	1,068
Capital outlay:				
Public safety	-	-	5,837	(5,837)
Debt service:				
Interest and fiscal charges	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Total expenditures	<u>34,952</u>	<u>34,533</u>	<u>36,195</u>	<u>(1,662)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 5,943</u>	<u>\$ 1,204</u>	<u>(4,184)</u>	<u>\$(5,388)</u>
FUND BALANCE, BEGINNING			<u>96,842</u>	
FUND BALANCE, ENDING			<u>\$ 92,658</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 3,375	\$ 4,950	\$ 2,169	\$(2,781)
Total revenues	<u>3,375</u>	<u>4,950</u>	<u>2,169</u>	<u>(2,781)</u>
EXPENDITURES				
Current:				
Public safety:				
Personnel services	5,400	2,000	2,065	(65)
Supplies and materials	<u>-</u>	<u>150</u>	<u>104</u>	<u>46</u>
Total expenditures	<u>5,400</u>	<u>2,150</u>	<u>2,169</u>	<u>(19)</u>
NET CHANGE IN FUND BALANCE	\$ <u>(2,025)</u>	\$ <u>2,800</u>	-	\$ <u>(2,800)</u>
FUND BALANCE, BEGINNING			<u>-</u>	
FUND BALANCE, ENDING			\$ <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, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 72,819	\$ 431,597	\$ 161,583	\$(270,014)
Investment income	-	-	30	30
Total revenues	72,819	431,597	161,613	(269,984)
EXPENDITURES				
Current:				
Community services:				
Supplies and materials	24	1,450	-	1,450
Public safety:				
Supplies and materials	8,750	20,619	20,115	504
Services and charges	-	4,072	1,562	2,510
Capital outlay:				
Community services	-	165	129	36
Public safety	60,819	185,768	134,038	51,730
Total expenditures	69,593	212,074	155,844	56,230
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,226	219,523	5,769	(213,754)
FUND BALANCE, BEGINNING			(3,072)	
FUND BALANCE, ENDING			\$ 2,697	

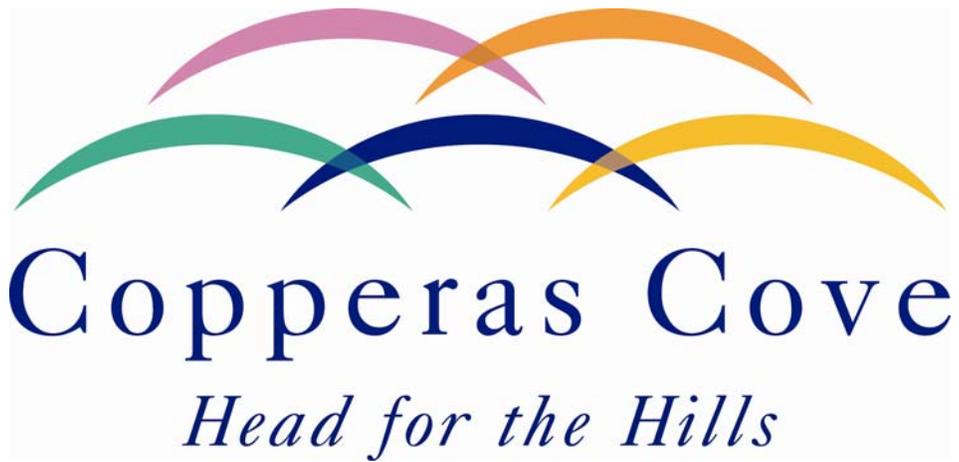
CITY OF COPPERAS COVE, TEXAS

DEBT SERVICE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 3,063,926	\$ 3,081,364	\$ 3,080,329	\$(1,035)
Intergovernmental	-	131,850	12,827,250	12,695,400
Investment income	20,000	20,000	25,143	5,143
Miscellaneous	<u>16,927,200</u>	<u>-</u>	<u>1,383</u>	<u>1,383</u>
Total revenues	<u>20,011,126</u>	<u>3,233,214</u>	<u>15,934,105</u>	<u>12,700,891</u>
EXPENDITURES				
Debt service:				
Principal retirement	17,672,628	17,627,628	17,507,460	120,168
Interest and fiscal charges	2,450,352	2,440,600	2,404,613	35,987
Bond issuance costs	<u>-</u>	<u>380</u>	<u>380</u>	<u>-</u>
Total expenditures	<u>20,122,980</u>	<u>20,068,608</u>	<u>19,912,453</u>	<u>156,155</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(111,854)</u>	<u>(16,835,394)</u>	<u>(3,978,348)</u>	<u>(12,857,046)</u>
OTHER FINANCING SOURCES (USES)				
Premium on bonds	131,850	14,083	14,083	-
Transfers out	<u>-</u>	<u>-</u>	<u>(120,165)</u>	<u>(120,165)</u>
Total other financing sources (uses)	<u>131,850</u>	<u>14,083</u>	<u>(106,082)</u>	<u>(120,165)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 19,996</u>	<u>\$(16,821,311)</u>	<u>\$(4,084,430)</u>	<u>\$ 12,736,881</u>
FUND BALANCE, BEGINNING			<u>17,307,468</u>	
FUND BALANCE, ENDING			<u>\$ 13,223,038</u>	



Copperas Cove

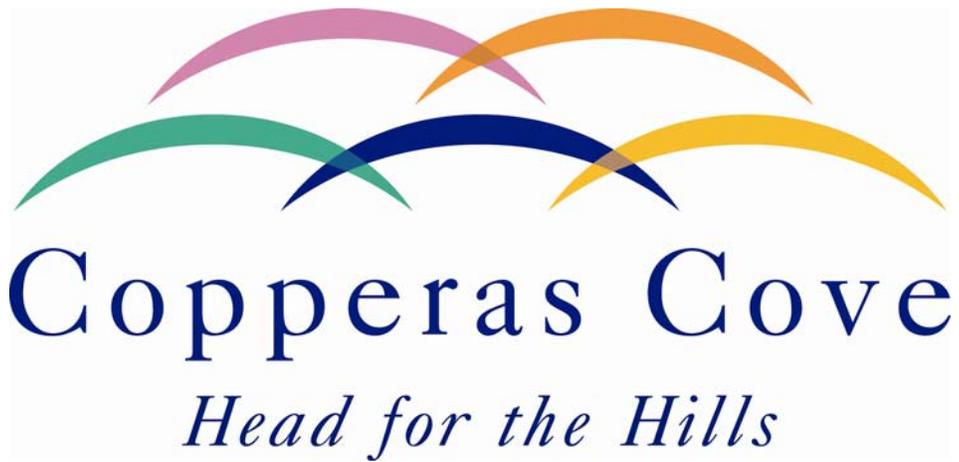
Head for the Hills

CITY OF COPPERAS COVE, TEXAS

STATISTICAL SECTION

(All Tables in the Statistical Section are Unaudited)

“The City Built for Family Living”



Copperas Cove

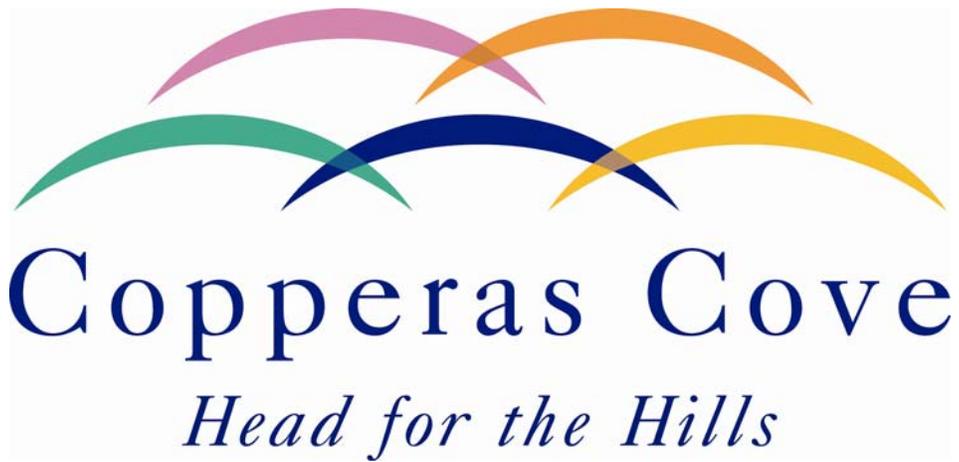
Head for the Hills



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”

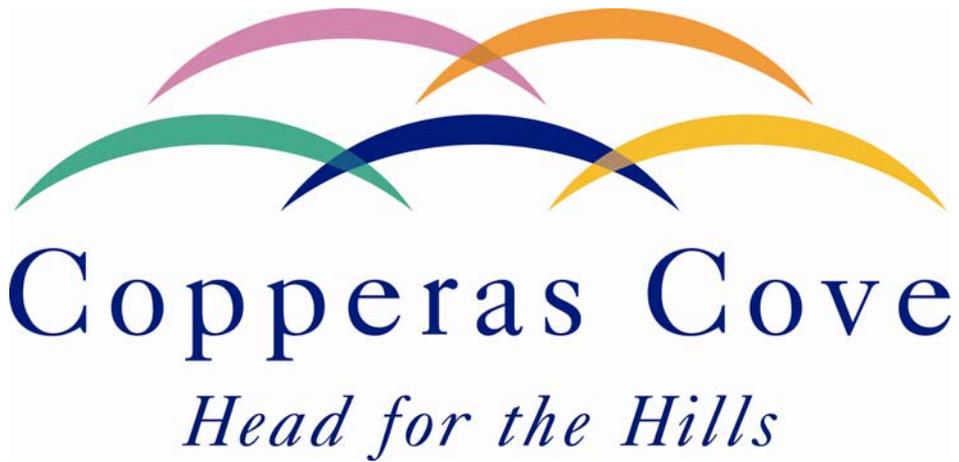


Copperas Cove

Head for the Hills



**FINANCIAL TRENDS
INFORMATION**



Copperas Cove

Head for the Hills

CITY OF COPPERAS COVE, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 2,647,484
Restricted:										
Debt service	590,327	370,920	2,052,717	2,241,325	478,387	424,487	366,564	156,930	97,478	129,781
Community services	336,826	352,417	328,857	339,794	311,224	5,387,776	342,815	43,821	1,124,834	1,700,723
Highways and streets	1,505,937	1,338,433	1,336,771	1,296,342	1,086,970	-	-	-	-	-
Public safety	100,402	96,842	82,251	82,854	135,760	-	-	-	-	-
Unrestricted	<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>	<u>4,823,357</u>
Total governmental activities	<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>	<u>\$ 9,301,345</u>
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 19,448,721
Restricted:										
Debt service	511,264	531,573	522,756	512,401	772,228	1,075,085	378,138	825,526	555,900	571,000
Capital projects	-	-	-	-	-	-	523,457	783,250	78,155	78,155
Unrestricted	<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>	<u>2,534,178</u>
Total business-type activities	<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>	<u>\$ 22,632,054</u>
Primary government:										
Net investment in capital assets	\$ 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	\$ 22,096,205
Restricted:										
Debt service	1,101,591	902,493	2,575,473	2,753,726	1,250,615	1,499,572	744,702	982,456	653,378	700,781
Community services	336,826	352,417	328,857	339,794	311,224	5,387,776	866,272	827,071	1,202,989	1,778,878
Highways and streets	1,505,937	1,338,433	1,336,771	1,296,342	1,086,970	-	-	-	-	-
Public safety	100,402	96,842	82,251	82,854	135,760	-	-	-	-	-
Unrestricted	<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>	<u>7,357,535</u>
Total primary government	<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>	<u>\$ 31,933,399</u>

TABLE 2

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENSES										
Governmental activities:										
General government	\$ 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	\$ 1,977,274
Community services	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	1,802,034
Fleet and facility maintenance	266,975	260,234	221,682	279,016	364,763	354,495	414,669	386,747	437,608	354,464
Highways and streets	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	877,655
Public safety	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	6,770,603
Interest on long-term debt	1,972,914	2,345,029	2,464,443	2,070,699	948,569	765,655	679,576	492,193	444,344	364,607
Total governmental activities expenses	<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>	<u>12,146,637</u>
Business-type activities:										
Water and sewer	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	6,416,373
Solid waste	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	1,906,728
Golf course	546,309	609,842	580,689	573,612	579,846	741,818	789,415	786,556	949,662	760,694
Total business-type activities expenses	<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>	<u>9,083,795</u>
Total primary government expenses	\$ <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>	\$ <u>21,230,432</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 334,382	\$ 283,509	\$ 327,064	\$ 352,865	\$ 254,356	\$ 318,728	\$ 253,864	\$ 470,885	\$ 355,323	\$ 324,440
Community services	1,112,802	1,119,533	1,175,746	1,016,328	970,855	1,018,263	1,315,084	933,020	900,461	825,813
Highways and streets	931,748	900,308	891,366	832,234	865,236	865,821	861,909	837,486	790,940	754,729
Public safety	692,758	669,343	926,953	574,554	928,159	994,799	2,299,739	1,261,826	938,489	1,026,549
Operating grants and contributions	376,813	460,352	289,311	42,807,297	314,701	299,511	821,392	450,303	160,504	699,807
Capital grants and contributions	2,776	863	139,528	169,298	709,919	507,970	1,805,607	450,824	909,162	-
Total governmental activities program revenues	<u>3,451,279</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>	<u>3,631,338</u>
Business-type activities:										
Charges for services:										
Water and sewer	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	8,084,493
Solid waste	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	2,430,997
Golf course	331,204	370,934	421,911	385,799	439,810	530,908	674,696	633,730	750,858	707,654
Capital grants and contributions	-	19,145	3,422	-	-	-	1,345,220	370,434	810,756	-
Total business-type activities program revenues	<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>	<u>11,223,144</u>
Total primary government program revenues	\$ <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>	\$ <u>14,854,482</u>

TABLE 2

CITY OF COPPERAS COVE, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
NET (EXPENSE) REVENUES										
Governmental activities	\$(15,927,046)	\$(15,636,121)	\$(15,122,984)	\$(18,862,056)	\$(13,257,863)	\$(12,782,956)	\$(8,748,785)	\$(9,358,235)	\$(10,881,490)	\$(8,515,299)
Business-type activities	<u>2,466,384</u>	<u>2,223,764</u>	<u>1,373,219</u>	<u>826,236</u>	<u>747,039</u>	<u>853,353</u>	<u>2,624,506</u>	<u>2,094,568</u>	<u>1,896,919</u>	<u>2,139,349</u>
Total primary government net expenses	<u>(13,460,662)</u>	<u>(13,412,357)</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>(6,375,950)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Ad valorem taxes	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	5,527,376
Sales taxes	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	2,034,195
Franchise taxes	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	1,111,332
Other taxes	410,158	357,225	352,523	410,235	428,840	362,779	103,775	97,844	99,160	86,688
Unrestricted investment earnings	42,537	67,321	17,072	16,923	48,967	143,829	489,974	610,569	372,250	206,744
Miscellaneous	177,552	162,006	176,736	319,754	245,860	344,326	-	-	-	-
Transfers	<u>1,137,835</u>	<u>1,046,004</u>	<u>683,000</u>	<u>961,309</u>	<u>1,275,776</u>	<u>1,049,271</u>	<u>1,065,087</u>	<u>996,616</u>	<u>976,090</u>	<u>897,402</u>
Total governmental activities	<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>	<u>9,863,737</u>
Business-type activities:										
Unrestricted investment earnings	33,707	19,806	12,553	15,194	16,420	60,154	260,206	456,616	442,453	200,849
Transfers	(1,137,835)	(1,046,004)	(683,000)	(961,309)	(1,275,776)	(1,049,271)	(1,065,087)	(996,616)	(976,090)	(897,402)
Miscellaneous	<u>22,764</u>	<u>49,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<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>	<u>(696,553)</u>
Total primary government	<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>	<u>9,167,184</u>
CHANGE IN NET POSITION										
Governmental activities	(597,746)	(934,610)	(1,073,789)	(4,820,985)	1,110,817	1,217,449	4,457,232	2,724,630	27,735	1,348,438
Business-type activities	<u>1,385,020</u>	<u>1,247,086</u>	<u>702,772</u>	<u>(119,879)</u>	<u>(512,317)</u>	<u>(135,764)</u>	<u>1,819,625</u>	<u>1,554,568</u>	<u>1,363,282</u>	<u>1,442,796</u>
Total primary government	<u>\$ 787,274</u>	<u>\$ 312,476</u>	<u>\$(371,017)</u>	<u>\$(4,940,864)</u>	<u>\$ 598,500</u>	<u>\$ 1,081,685</u>	<u>\$ 6,276,857</u>	<u>\$ 4,279,198</u>	<u>\$ 1,391,017</u>	<u>\$ 2,791,234</u>

CITY OF COPPERAS COVE, TEXAS

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

LAST TEN CALENDAR YEARS

Calendar Year	Property	Sales	Franchise	Bingo	Mixed Beverage	Totals
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
2005	5,527,376	2,034,195	1,111,332	71,964	14,724	8,759,591

Source: City of Copperas Cove Finance Department

TABLE 4

CITY OF COPPERAS COVE, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General fund										
Reserved										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 97,009	\$ 147,926	\$ 439,561	\$ 590,556	\$ 131,428	\$ 60,697
Inventory and prepaid items	-	-	-	-	75,642	75,462	73,708	67,352	108,590	131,954
Unreserved										
Designated for contingencies	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Unreserved, undesignated	-	-	-	-	5,389,639	3,982,944	3,678,639	3,328,429	3,124,192	2,940,696
Nonspendable	198,696	80,932	88,819	71,983	-	-	-	-	-	-
Restricted	9,452	9,446	9,430	22,680	-	-	-	-	-	-
Assigned	50,293	50,260	78,208	136,710	-	-	-	-	-	-
Unassigned	<u>5,582,265</u>	<u>6,116,257</u>	<u>5,684,953</u>	<u>5,362,117</u>	-	-	-	-	-	-
Total general fund	<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>	<u>\$ 4,133,347</u>
All other governmental funds										
Reserved:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 438,056	\$ 424,487	\$ 366,564	\$ 156,930	\$ 97,478	\$ 129,781
Capital projects	-	-	-	-	-	-	5,515,872	5,338,633	1,124,834	1,700,723
Encumbrances	-	-	-	-	543,181	64,805	729,673	638,251	562,887	226,636
Inventory and prepaid items	-	-	-	-	-	94	2,510	323	936	452
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	1,085,112
Capital projects funds	-	-	-	-	2,214,095	5,387,776	8,078,317	7,394,289	2,964,353	2,078,533
Nonspendable	-	-	110,535	123,779	-	-	-	-	-	-
Restricted	21,665,093	24,548,350	15,918,697	5,188,837	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>(3,072)</u>	<u>(1,228)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ 5,221,237</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

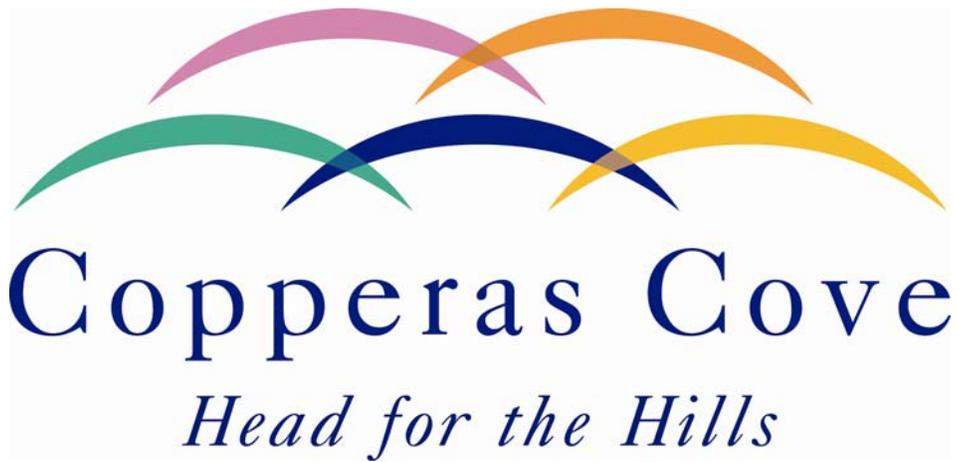
	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
REVENUES										
Taxes	\$ 13,971,324	\$ 13,435,777	\$ 13,164,642	\$ 12,762,118	\$ 12,756,287	\$ 12,472,480	\$ 11,636,499	\$ 10,435,134	\$ 9,526,380	\$ 8,747,317
Charges for services	2,121,414	2,148,310	2,168,844	1,920,904	1,935,879	1,976,286	1,957,335	1,790,420	1,707,578	1,486,260
Intergovernmental	13,058,288	17,367,931	13,089,316	635,435	991,057	573,215	728,358	103,226	220,980	781,026
Fines	599,894	672,774	730,528	617,983	851,855	923,735	800,841	815,533	706,025	733,830
Licenses	57,227	46,463	50,262	48,403	50,438	51,347	38,848	39,784	49,830	47,858
Permits	191,939	151,749	186,774	161,296	209,272	143,658	181,354	178,795	216,373	181,123
Investment income	42,537	67,321	17,072	16,923	48,967	143,829	489,974	610,569	372,250	206,744
Miscellaneous	294,332	259,712	333,849	522,760	367,572	472,538	419,113	662,467	257,730	352,822
Total revenues	<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>	<u>12,536,980</u>
EXPENDITURES										
General government	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	1,849,677
Community services	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	1,429,971
Fleet and facility services	267,510	255,839	216,223	269,820	360,257	347,946	400,647	376,342	361,661	341,005
Highways and streets	1,203,029	1,082,538	813,253	46,453,663	959,247	815,197	986,425	878,940	854,966	711,295
Public safety	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	6,333,450
Capital outlay	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	1,870,826
Debt service										
Principal retirement	17,640,925	13,230,808	2,826,748	1,595,508	1,428,939	1,277,501	873,731	926,000	710,600	640,000
Interest and fiscal charges	2,425,620	2,835,690	2,837,194	1,783,514	915,609	729,758	666,848	464,207	411,537	508,259
Bond issuance costs	71,713	122,253	32,328	670,233	-	91,072	-	-	-	-
Total expenditures	<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>	<u>13,684,483</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<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>	<u>(1,147,503)</u>

TABLE 5

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

LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
OTHER FINANCING SOURCES (USES)										
Issuance of capital leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,612	\$ 50,823	\$ -	\$ 559,828	\$ 191,286
Issuance of bonds	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	51,928	10,781	52,821	3,401,878	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(2,454,088)	-	-	-	-	-	-
Sale of capital assets	64,111	8,741	14,104	-	-	-	-	-	300,186	-
Insurance recoveries	18,338	13,397	8,714	-	-	-	-	-	-	-
Transfers in	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	1,194,335
Transfers out	(220,165)	(214,974)	(276,156)	(577,040)	(662,729)	(337,081)	(506,077)	(267,643)	(304,830)	(296,933)
Total other financing sources (uses)	<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>	<u>1,088,688</u>
NET CHANGE IN FUND BALANCES	<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>	<u>\$ (58,815)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<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>	<u>9.7%</u>



Copperas Cove

Head for the Hills



**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					
2014	2013	\$ 1,093,122,862	\$ 279,686,286	\$ 77,988,874	\$ 182,330	\$ 190,182,195	\$ 104,912,640	\$ 1,155,885,517	0.7774	\$ 1,155,885,517
2013	2012	1,031,206,299	256,129,826	77,269,634	182,650	164,603,431	92,940,709	1,107,244,269	0.7639	1,107,244,269
2012	2011	1,015,850,788	247,919,476	66,073,230	197,870	156,486,756	88,906,752	1,084,647,856	0.7639	1,084,647,856
2011	2010	982,229,990	242,493,067	67,350,050	192,230	146,385,820	78,422,116	1,067,456,541	0.760	1,067,456,541
2010	2009	1,042,392,798	243,294,708	64,040,190	186,290	131,303,669	81,695,580	1,136,914,737	0.760	1,136,914,737
2009	2008	1,041,083,408	236,161,374	67,222,770	114,180	119,893,916	86,150,945	1,138,536,871	0.740	1,138,536,871
2008	2007	867,633,248	204,100,078	66,011,498	115,920	102,803,530	-	1,035,057,214	0.740	1,035,057,214
2007	2006	785,140,036	159,987,484	62,029,470	90,590	87,723,750	-	919,523,830	0.740	919,785,031
2006	2005	737,593,910	52,350,230	59,473,482	50,180	70,659,836	-	778,807,966	0.775	778,807,966
2005	2004	716,849,289	846,460	66,419,767	-	67,161,105	-	716,954,411	0.775	716,954,411

* 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					
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
2005	2004	0.640	0.135	0.775	0.424	1.604	0.147	-	2.950

* 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

		2014	
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Wal-Mart Real Estate	Developer	\$ 12,276,940	1.13%
Oncor Electric Delivery Co. (FKA TXU)	Electric utility	13,094,970	1.21%
HEB Grocery Store	Retailer	10,000,000	0.92%
Wal-Mart Properties Stores East	Developer	8,251,480	0.76%
Judy Lane Properties	Property Manager	5,045,000	0.47%
Cove Terrace Associates, Ltd.	Developer	5,675,000	0.52%
Colonial Plaza Partnership	Retailer	5,750,000	0.53%
Cinergy Cinemas LP	Movie Theater	5,682,990	0.52%
Copper Commons III	Property Manager	4,522,950	0.42%
HEB Grocery CO	Retailer	8,288,140	0.76%
Subtotal		<u>78,587,470</u>	<u>7.25%</u>
All other taxpayers		<u>1,006,060,386</u>	<u>92.75%</u>
Total		<u>\$ 1,084,647,856</u>	<u>100.00%</u>
		2005	
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Central Telephone Co.	Telephone utility	\$ 8,788,780	1.23%
TXU Electric Delivery Co.	Electric utility	8,521,740	1.19%
Walmart Real Estate	Developer	17,865,420	2.49%
Vale Construction	Retailer	1,226,050	0.17%
Cove Terrace Associates	Retailer	6,030,900	0.84%
Texas Cable Partner LP	Cable Television	4,262,680	0.59%
Colonial Plaza Part.	Apartment Complex	3,786,920	0.53%
H E Butt Grocery Store	Grocery Store	2,401,160	0.34%
Judy Lane Properties	Retailer	3,297,240	0.46%
Crosstowne LTD	Retailer	3,586,030	0.50%
Subtotal		<u>59,766,920</u>	<u>8.34%</u>
All other taxpayers		<u>656,835,018</u>	<u>91.66%</u>
Total		<u>\$ 716,601,938</u>	<u>100.00%</u>

Source: Coryell County Appraisal District, Gatesville, Texas
2005 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		
2014	2013	\$ 9,356,141	\$ 9,288,597	99.3%	\$ -	\$ 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%
2005	2004	5,556,397	5,439,155	97.9%	51,672	5,490,827	98.82%	65,570	1.18%

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>
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
2005	2004	716,601,938	100.00%	0.7750

Source: City of Copperas Cove Budget Department

CITY OF COPPERAS COVE, TEXAS

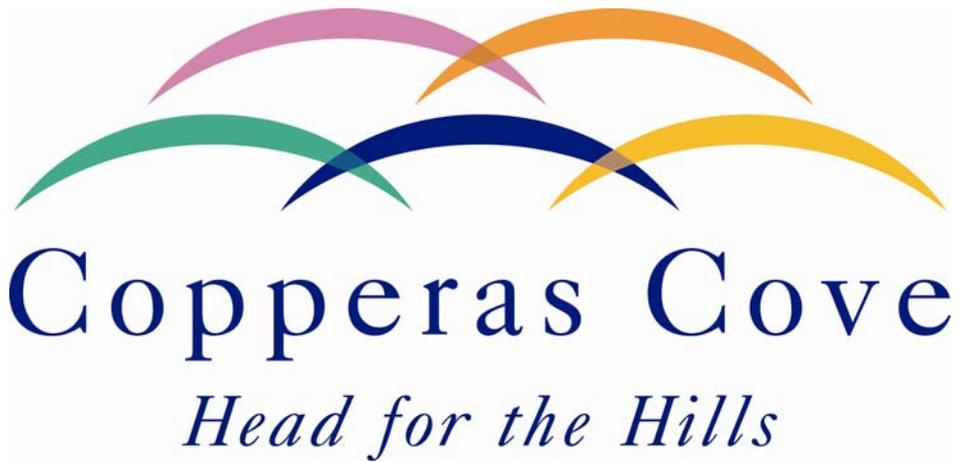
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Estimated Actual Property Value¹</u>	<u>Value of Construction Permits Issued²</u>	<u>Bank Deposits³</u>
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
2005	2004	716,936,911	53,956,123	171,489,000

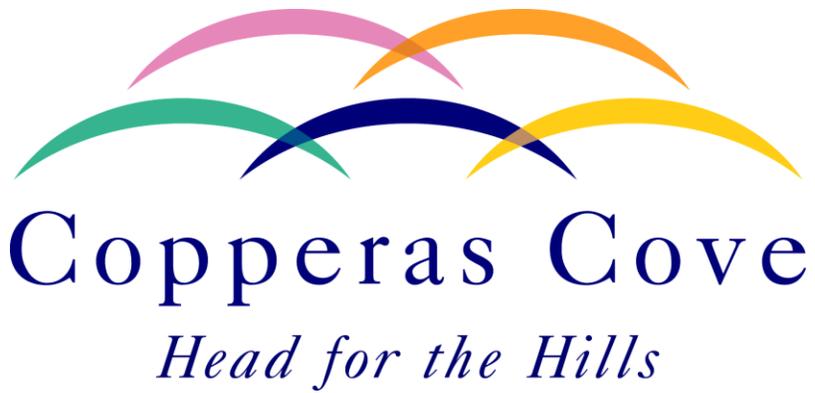
Sources:

- 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>

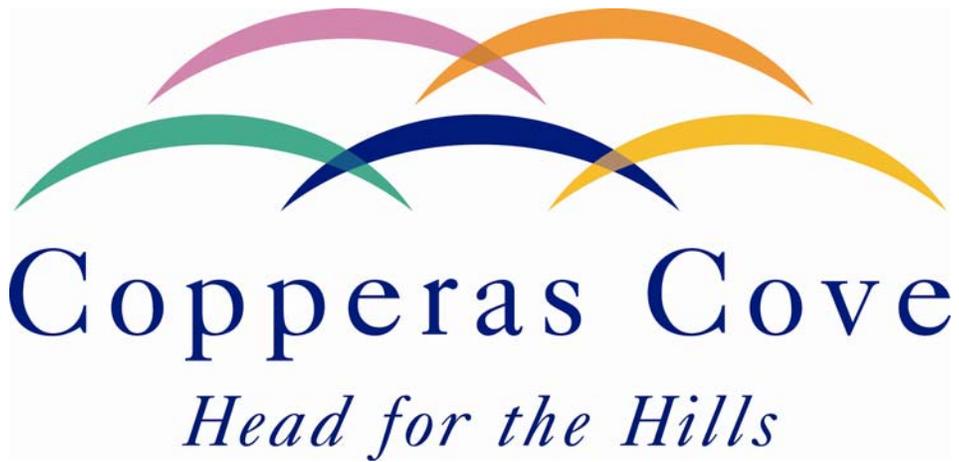


Copperas Cove

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, 2014

<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	\$ 26,638,510 *	84.75%	\$ 22,576,137
Lampasas County	4,950,000 *	2.49%	123,255
Lampasas Independent School District	40,349,982 *	2.55%	<u>1,028,925</u>
Subtotal overlapping debt			23,728,317
City direct debt			<u>47,533,539</u>
Total direct and overlapping debt			<u><u>\$ 71,261,856</u></u>
Total direct and overlapping debt % of assessed valuation			6.30%
Total direct and overlapping debt % per capita			\$ 2,151

* 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			
	2014	2013	2012	2011
Assessed value, tax roll	\$ 1,130,792,202	\$ 1,100,135,239	\$ 1,084,647,856	\$ 1,067,456,541
\$2.50 tax rate levy (1)	28,269,805	27,503,381	27,116,196	26,686,414
Actual City debt tax rate	0.255	0.191	0.219	0.177
Actual City debt tax levy	<u>2,877,866</u>	<u>2,103,459</u>	<u>2,376,463</u>	<u>1,884,061</u>
Legal annual debt service mar	25,391,939	25,399,922	24,739,733	24,802,353
Legal debt capacity (2)	316,439,684	316,539,176	308,311,756	309,092,137

(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			
	2014	2013	2012	2011
Assessed value, tax roll	\$ 1,130,792,202	\$ 1,100,135,239	\$ 1,084,647,856	\$ 1,067,456,541
\$1.50 tax rate levy (1)	28,269,805	27,503,381	16,269,718	16,011,848
Actual City debt tax rate	0.255	0.191	0.219	0.177
Actual City debt tax levy	<u>2,877,866</u>	<u>2,103,459</u>	<u>2,376,463</u>	<u>1,884,061</u>
Legal annual debt service mar	25,391,939	25,399,922	13,893,254	14,127,787
Legal debt capacity (2)	316,439,684	316,539,176	173,140,659	176,063,457

(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					
2010	2009	2008	2007	2006	2005
\$ 1,136,914,737	\$ 1,138,536,871	\$ 1,035,057,214	\$ 919,785,031	\$ 778,807,966	\$ 716,954,411
28,422,868	28,463,422	25,876,430	22,994,626	19,470,199	17,923,860
0.147	0.141	0.142	0.133	0.122	0.135
<u>1,672,947</u>	<u>1,601,921</u>	<u>1,469,481</u>	<u>1,222,532</u>	<u>947,926</u>	<u>965,422</u>
26,749,921	26,861,500	24,406,949	21,772,094	18,522,273	16,958,438
333,363,144	334,753,668	304,164,536	271,328,409	230,828,463	211,339,623

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 1,136,914,737	\$ 1,138,536,871	\$ 1,035,057,214	\$ 919,785,031	\$ 778,807,966	\$ 716,954,411
17,053,721	17,078,053	15,525,858	13,796,775	11,682,119	10,754,316
0.147	0.141	0.142	0.133	0.122	0.135
<u>1,672,947</u>	<u>1,601,921</u>	<u>1,469,481</u>	<u>1,222,532</u>	<u>947,926</u>	<u>965,422</u>
15,380,774	15,476,132	14,056,377	12,574,243	10,734,193	9,788,894
191,678,438	192,866,808	175,173,528	156,702,864	133,771,776	121,991,256

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			
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
2005	3,768	10,380	-	350	31	6,641	34,558	-	953	56,681	2.85%	1,890

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
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
2005	55,347	340	55,007	7.67%	1,834

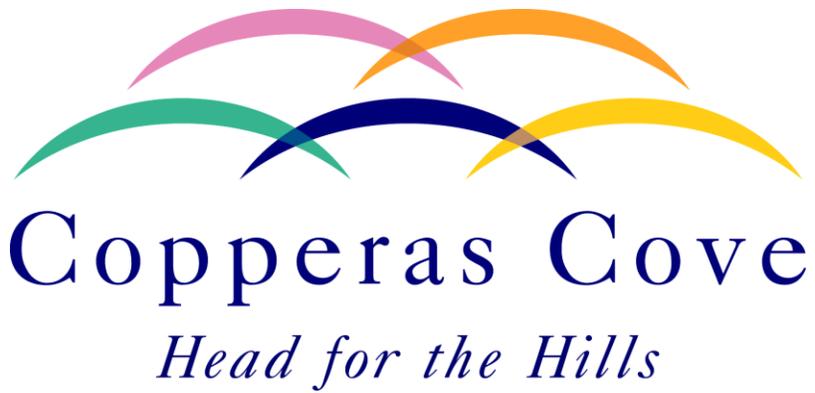
Source: Finance Department, City of Copperas Cove

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		
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
2005	7,468,582	4,023,862	3,444,720	1,135,000	1,166,100	2,301,100	1.50

* 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

Fiscal Year	Population¹	Personal Income (millions of dollars)²	Per Capita Personal Income²	Median Age³	School Enrollment⁴	Unemployment Rate⁵
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%
2005	29,988	1,992	26,657	28.1	7,340	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

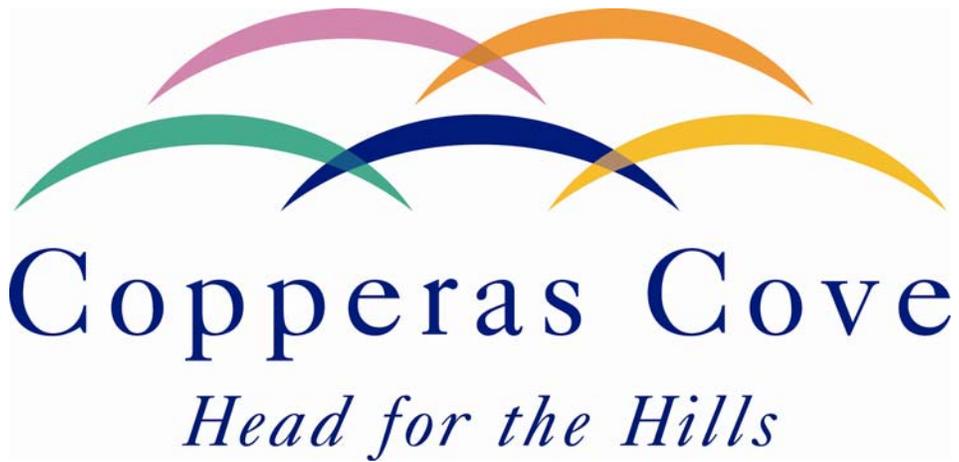
PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

Employer	2014		
	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	2005		
	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



Copperas Cove

Head for the Hills



OPERATING INFORMATION

CITY OF COPPERAS COVE, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	<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>	<u>2005</u>
General Fund										
City Manager	2	2	2	2	3	4	2	2	2	2
City Secretary	2	1.5	1.5	1.5	2	2	2	2	2	2
City Attorney (Contract)	0.5	1	1	1	1	1	1	1	1	1
Budget	2	2	4	4	-	-	-	-	-	-
Finance	5	5	7	7	7	7	6	5	6	6
Grants Administration	-	-	-	-	-	-	-	1	1	1
Human Resources	2.5	3	3	3	4.5	3.5	2	2	2	2
Information Systems	3	3	3	3	3	3	3	2	2	2
Municipal Court	6.5	6.5	6.5	6.5	7	7	8	8	7	7
City Judge (Contract)	1	1	1	1	1	1	1	1	1	1
Associate Judge (Contract)	1	1	1	1	1	1	1	1	1	1
Police	74	73	73	73	73.5	73.5	71	71	69	69
Public Affairs Office	-	-	-	-	1	1	1	-	-	-
Animal Control	5	5	5	5	5	5	4	4	4	4
Fire/EMS	51.5	51	51	51	53	53	52.5	52	46	46
Emergency Management	-	-	-	-	-	-	1	1	-	-
Engineering	-	-	-	-	2	2	2	1	4.5	4.5
Building & Development	4	4	4	4	4	4	5.5	5.5	5	4.5
Street	5.5	5.5	5.5	5.5	7.5	7.5	7.5	7	7	7
Public Works	-	4	-	-	-	-	0.5	0.5	0.5	0.5
Parks & Recreation	17.5	18	18	18	18	18	16	18	14	14
Fleet Services	5.5	5.5	5.5	4.5	5	5	5	5	5	5
Facility Maintenance	0	-	-	-	2	2	5	5	5	5
Planning	1	-	-	-	1	2	3	3	1	0.5
Library	7	6.5	6.5	8.5	10	10	10	10	9.5	9.5
Code & Health	3.5	3	3	3	4	4	3.5	3.5	2.5	2
Total General Fund	<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>	<u>196.5</u>
Water & Sewer Fund										
Water & Sewer Admin	3	4	4	3	2.25	2.25	2	2	2	2
Utility Administration	11	11	11	11	11	11	10	10	11	8
Water Distribution	11	11	11	11	11	11	9	9	9	12
Sewer Collection	8	8	8	8	9	9	7	7	7	7
Wastewater Treatment	10	11	11	11	11	11	11	11	11	10
Composting	0	0	0	0	3	3	3	3	2	2
Total Water & Sewer Fund	<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>	<u>41.00</u>
Solid Waste Fund										
Administration	5	4.67	4.67	4.67	4.25	4.25	4	4	4	2.5
Residential	6	5	5	4	4	4	4	4	4	4
Recycling	2	2	2	2	2	2	2	2	2	3
Brush	3	3	3	2	2	2	2	2	2	2
Commercial	3	3	3	3	4	4	4	4	4	4
Composting	-	3	3	3	-	-	-	-	-	-
Disposal	5.5	5.5	5.5	5	5	5	4.5	4	4	4.5
Total Solid Waste Fund	<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>	<u>20.00</u>

(continued)

CITY OF COPPERAS COVE, TEXAS

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

	<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>	<u>2005</u>
Recreational Activities Fund										
Recreational Activities Fund	-	-	-	2	2	2	2	2	1	1
Total Recreational Activities Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>
Cemetery Fund										
Cemetery Fund	-	-	-	1	1	1	1	1	1	1
Total Cemetery Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>						
Drainage Fund										
Drainage Utility	5.5	5.83	5.83	5.8	6.5	6.5	6.5	6.5	4.5	4.5
Total Drainage Fund	<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>	<u>4.5</u>
Golf Course Fund										
Golf Course	7	7	7	6.5	9.5	14.5	13.5	15	15	15
Total Golf Course Fund	<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>	<u>15.0</u>
Total All Funds	<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>	<u>278.0</u>

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

CITY OF COPPERAS COVE, TEXAS

Table 20

**CAPITAL ASSET STATISTICS AND OPERATING INDICATORS BY FUNCTIONS
LAST TEN FISCAL YEARS**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Government Facilities										
Building and Development										
<i>Use or Nature: Development Services</i>										
Building permits issued	3,000	3,000	3,100	3,237	3,092	2,455	2,178	2,229	3,232	3,019
Inspections performed	6,374	6,374	5,541	6,032	7,367	5,505	10,299	9,242	8,501	6,036
Fire Protection										
<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	1,043	1,049	1,042	1,042	1,105	1,050	1,014	1,600	1,600
Number of volunteer firemen	2	4	4	5	4	12	9	8	-	-
Number of paid firemen	50	50	46	46	51	51	52	52	46	46
Firemen per 1,000 population	2	2	1.44	1.44	1.70	1.70	1.73	1.73	1.51	1.51
Fire responses	1,436	1,436	1,268	1,302	1,694	1,842	2,177	2,356	2,275	2,190
Emergency medical services responses	3,875	3,875	3,357	2,968	2,694	2,882	3,402	3,339	3,100	3,242
Police Protection										
<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	53
Officers per 1,000 population	1.67	1.67	1.84	1.72	1.87	1.87	1.87	1.80	1.74	1.74
Calls for service	21,000	21,000	19,000	17,731	19,000	19,000	17,808	21,000	21,467	NA**
Part I violent crimes reported*	1,300	1,300	1,200	1,048	1,300	1,100	1,161	1,211	1,274	NA**
* Part I Crimes: Murder, Rape, Aggravated Assaulted, Burglary, Larceny, and Motor Vehicle Theft										
Animal Control										
<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	2,380
Number of euthanized	893	893	817	857	869	981	1,104	1,432	1,324	1,075
Number of animals adopted	421	421	459	660	595	663	638	648	696	1,365
Number of animals re-claimed	544	544	414	330	461	660	612	595	602	683
Municipal Court										
<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	6,847
Number of warrants cleared	1948	1948	3,202	7,500	3,098	2,662	1,648	1,936	2,989	2,544
Number of violations processed	8331	8331	9,500	9,575	11,159	9,846	10,581	8,561	10,124	12,450
Libraries										
<i>Use or Nature: Community Services</i>										
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	58,300	70,566	70,566	69,000	66,357	68,972	66,606	64,180	62,572	59,957
Circulation of items	82,000	95,000	71,621	87,000	98,893	120,224	113,457	95,826	102,986	109,299
Circulation per capita	2.54	2.94	2.24	2.72	3.30	4.01	3.78	3.19	3.50	3.70

CITY OF COPPERAS COVE, TEXAS

Table 20

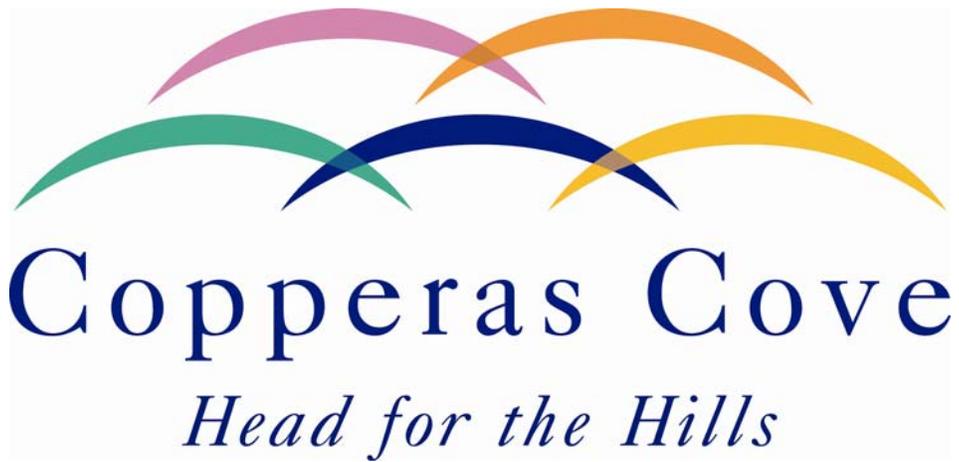
CAPITAL ASSET STATISTICS AND OPERATING INDICATORS BY FUNCTIONS

LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Parks and Recreation										
<i>Use or Nature: Community Services</i>										
Park acreage developed	380	380	380	380	380	380	380	214	214	214
Park acreage undeveloped	5	5	5	5	5	5	5	163	163	163
Playgrounds	7	8	8	7	7	7	7	6	5	5
Participants in sports activities	2732	2,213	2,636	2,869	2,683	2,889	2,700	2,837	2,382	2,353
Coaches certified	168	427	570	596	625	644	602	638	486	486
Street										
<i>Use or Nature: Public Works</i>										
Paved streets	135	133.3 miles	133.3 miles	133 miles	132.5 miles	132 miles	132 miles	129 miles	121 miles	121 miles
Unpaved streets	0	0 miles	0 miles	0 miles	0 miles	0 miles	0 miles	0 miles	0 miles	0 miles
Utilities										
Water System										
<i>Use or Nature: Public Works</i>										
Miles of water mains	226	226	220	226	225	225	183	255	230	230
Daily average consumption	4.1 MGD	4.1 MGD	4.1 MGD	3.9 MGD	4.2 MGD	4.2 MGD	4 MGD	4 MGD	4 MGD	4 MGD
Maximum daily capacity	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	13.5 MGD
Number of service connections	13,261	13,216	12,387	13,099	12,072	11,936	11,966	12,472	11,195	10,801
Source of water	Belton Lake									
Sewage System										
<i>Use or Nature: Public Works</i>										
Miles of sanitary sewers	381	377	377	375	375	375	350	350	210	210
Number of lift stations	14	16	16	16	16	16	15	14	14	14
Daily average treatment	2.5 MGD	1.9 MGD	2.631 MGD	1.9 MGD	3.1 MGD	3.1 MGD	3.1 MGD	3.1 MGD	3.1 MGD	3.1 MGD
Maximum capacity of treatment plants	9.0 MGD	9.0 MGD	9.0 MGD	9.0 MGD	9.0 MGD	9.0 MGD				
Number of service connections (active)	10,740	10,715	11,149	11,400	11,171	10,947	11,025	10,512	10,359	10,022
Golf Course										
<i>Use or Nature: Community Services</i>										
Rounds of golf played (annually)	16,770	16,770	19,300	19,300	22,592	27,911	32,954	30,004	32,437	35,060
Tournament rounds (annually)	525	525	626	676	662	1,190	1,495	1,429	1,798	NA**
Annual dues (memberships)	220	220	226	264	229	240	240	232	213	NA**
Community Statistics										
<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	1,159
City Employees	278	276	276	298	303	309	299	298	281.5	279
Fort Hood Servicemen	45,000	45,000	45,000	47,700	44,000	44,000	53,416	39,262	43,995	45,777
Fort Hood Employees (Civilians)	20,749	21,240	21,240	15,800	17,098	17,098	17,098	8,909	8,909	12,134

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

** Data not available



Copperas Cove

Head for the Hills