

# City of Copperas Cove, Texas Comprehensive Annual Financial Report

## For the Year Ended September 30, 2018



**City of Copperas Cove**  
Texas

# City of Copperas Cove, Texas

Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2018



# 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"**

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# Introductory Section

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“The City Built for Family Living”

March 19, 2019

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, 2018, 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 provides the City Council, City staff, our citizens, our bondholders and any other interested parties with valuable detail information concerning the financial condition and activities 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 Weaver and Tidwell, 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, 2018, 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 unmodified opinion that the City of Copperas Cove’s financial statements for the fiscal year ended September 30, 2018, 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. In November 2016, proposition 2 was passed to reduce the ½ cent sales tax to ¾ cent sales tax. The purpose of this change was to use the ¼ cent to fund the City’s street maintenance plan.

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

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

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

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

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

The government provides a full range of services including police and fire protection; the construction and maintenance of city streets and infrastructure; and recreational activities and cultural events. In addition to general government activities, 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 34,272 in accordance with resolution 2018-16 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 35,727 per the Fort Hood Fast Facts published on August 8, 2018. 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 29% of the student population comes from military families due to the close proximity to Fort Hood. All campuses are accredited by the TEA. 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 \$10.2 million for fiscal year 2018, an increase of 1.5% from prior year. The City has experienced a decline in net taxable value since 2009; this decline is the result of the disabled veteran's exemption plus the over 65 tax freeze.

Sales Tax. After property tax revenues, the General Fund's second largest revenue and most volatile source is sales tax generated from a variety of businesses operating in the City of Copperas Cove. Sales tax collections have increased by approximately 9.6 percent in comparison to fiscal year 2017.

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

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

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

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

Annually a multi-year budget is presented to City Council as part of the budget process. Multi-year budgeting will help to further streamline the current budgeting process for future year budgets. This document forecast the operating and debt service for the upcoming three years. In addition, a multi-year Capital Outlay Plan (COP), Capital Improvement Plan (CIP), Personnel Improvement Plan (PIP), and Debt Service requirement is prepared and presented to City Council as part of the annual process.

### **Major Initiatives**

At the end of the 2018 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 on the City's website under the Five-Year Capital Improvement Plan.

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

- Business US 190 redesign was presented to City Council and project is currently ongoing.
- Avenue D sidewalk improvement project is currently ongoing.
- Completed the Drainage Master Plan.
- Completed City Park Sewer Phase1 Improvements.

## **ACCOMPLISHMENTS**

During fiscal year 2018, the City invested in a number of programs and services that make Copperas Cove a better community. The following are some of the efforts and accomplishments of the City during the year:

### Police

- ◆ Conducted a National Night Out Event and a National Night Out Kick Off Party.
- ◆ Provided police protection during numerous community events.
- ◆ Continued the Crime Stoppers Program, Kiddo Card Program, Neighborhood Watch Program, Gunlock Program, and Copperas Cove Citizens Police Academy Program.
- ◆ Continued providing crime prevention programs and distribution of safety materials.
- ◆ Continued participation with Special Olympics and the Torch Run.
- ◆ Continued the Tobacco Grant Program, tobacco stings, and business compliance inspections.
- ◆ Continued participation in the Bulletproof Vest Grant Program.
- ◆ Maintained above average clearance rates in Part I & Part II crimes as compared to state averages.
- ◆ Improved efficiency and productivity for support services with the Criminal Investigation Section move to 10- hour shifts.
- ◆ Launched the new geographic policing model to include sector assignments and Problem Oriented Discussions (POD's).
- ◆ Created and implemented the RU Ok? Program, Cove Watch Program, and Video Surveillance Partner Program.

### Fire

- ◆ Received and managed a Homeland Security Program Grant used to fund the purchase of Interoperability Compliant portable radios.
- ◆ Meet all local, state, and federally-mandated training requirements related to fire protection and emergency medical response.
- ◆ Maintain a 95% or better Citizen Satisfaction rate for overall Services Delivery for Department.
- ◆ Earned the American Heart Association Mission Lifeline Gold Award.

### Community Services

- ◆ Parks Improvements.
- ◆ Renovation of City's Library and Civic Center.
- ◆ Library maintained accreditation by the Texas State Library & Archives Commission.
- ◆ The Library provided access to e-book, and downloadable materials.
- ◆ Conducted Youth Basketball with 480 participants.
- ◆ Conducted Swimming lesson for 5 levels of ability with 300 participants registered.
- ◆ Conducted Youth Flag Football and Youth Tackle Football with 283 participants.
- ◆ Conducted two Youth Soccer leagues with 800 participants.
- ◆ Conducted Youth Baseball / Softball program with over 767 participants.

## Public Works

- ◆ Continued to ensure all Federal, State and Local requirements were met.
- ◆ All departments maintained effective operations within budget constraints.
- ◆ All personnel continued training for license/certification requirements.
- ◆ Improved Wastewater Treatment processes that focused on increased safety, productivity, and cost savings.
- ◆ Updated the Water Conservation and Contingency Plan.

## Solid Waste

- ◆ Won the Solid Waste Association of North America (SWANA) Finest Award for the Single Stream Recycling Program.
- ◆ Successfully submitted quarterly and semiannual report for groundwater monitoring.
- ◆ 2,457 tons of recyclables were collected and kept away from the landfill resulting in savings for our City and helping the environment.
- ◆ Successfully submitted quarterly and semiannual reports for groundwater monitoring.

## **OTHER INFORMATION**

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

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

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

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

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

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

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

**Other Financial Policies:** Other financial policies the City has adopted include the calculation of Indirect cost recovery for the General Fund from the Utility funds for the General and Administrative cost incurred in conducting business, such as payroll, financial reporting, accounts payable, purchasing, and budgeting. Other policies adopted include procedures for Budget Amendments, Budget transfers, Purchasing, Investments, Capital Assets, 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, 2017. This was the 26th 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.

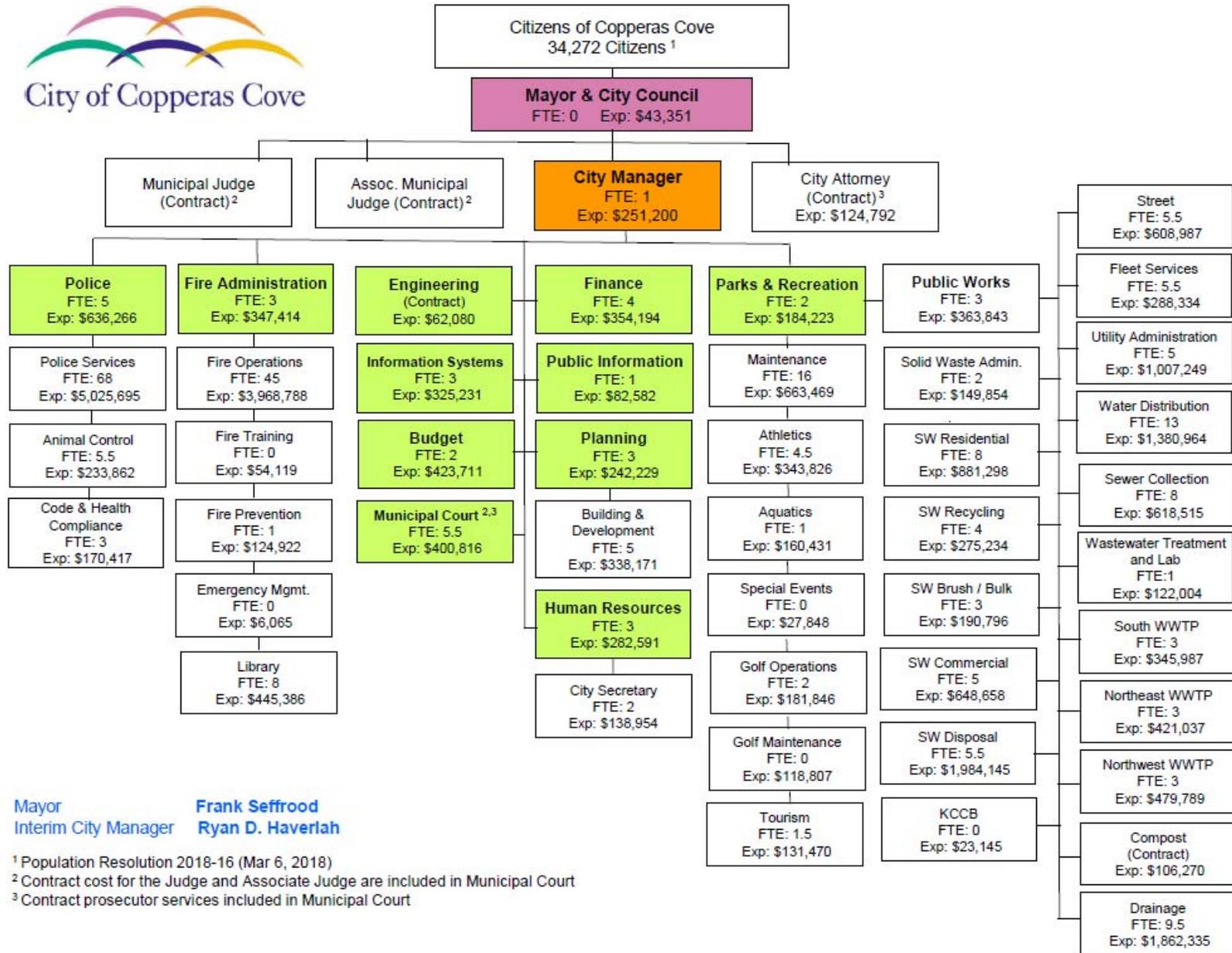
Furthermore, the work of the independent auditors from Weaver and Tidwell L.L.P. is greatly appreciated.

Respectfully submitted,

Ryan Haverlah  
Interim City Manager

Velia Key  
Director of Financial Services

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Mayor **Frank Seffrood**  
Interim City Manager **Ryan D. Haverlah**

<sup>1</sup> Population Resolution 2018-16 (Mar 6, 2018)

<sup>2</sup> Contract cost for the Judge and Associate Judge are included in Municipal Court

<sup>3</sup> Contract prosecutor services included in Municipal Court

# City of Copperas Cove, Texas

## List of Principal Officials

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### City Council

Vacant -Mayor  
Dan Yancey - Mayor Pro Tem

David Morris – Council Member  
James Pierce Jr – Council Member  
Jay Manning – Council Member

Kirby Lack – Council Member  
Marc Payne – Council Member  
Charlie Youngs – Council Member

Honoring the Leadership and Friendship of Mayor Frank Seffrood  
June 2008 – November 2014  
November 2015 – December 2018

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### City Staff

#### Reporting to City Council

Ryan D. Haverlah, Interim City Manager  
Denton, Navarro, Rocha, Bernal & Zech P.C., City Attorney  
F.W. "Bill" Price, City Judge  
Lisa Kubala, Associate Municipal Judge

#### Reporting to the City Manager

Joe Brown, Parks & Recreation Director/Deputy City Manager  
Ariana Beckman, Interim Budget Director  
Eddie Wilson, Police Chief  
Michael Neujahr, Fire Chief  
Velia Key, Director of Financial Services  
Jeff Davis, Human Resources Director  
Kevin Keller, Public Information Officer  
Greg Mitchell, Information Systems Director  
Robert Lewis, Director of Planning  
Jennifer Henry, Court Clerk



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, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# Financial Section

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## Independent Auditor's 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, 2018, 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*

The City's 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.

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

***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, as of September 30, 2018, 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, budgetary information and pension schedules 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's basic financial statements. The introductory section, combining financial statements and budget comparisons, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and budget comparisons 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 fund statements and budget comparisons 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
March 19, 2019

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# Management's Discussion and Analysis

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## 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, 2018. 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 20 and the accompanying notes to the financial statements.

### Financial Highlights

- The total net position of the City increased to \$53.5 million from the prior year's \$51.8 million.
- As of September 30, 2018, the City's governmental funds reported combined ending fund balances of \$19.2 million, an increase of \$1.8 million in comparison with prior year.
- As of September 30, 2018, unassigned fund balance for the General Fund was \$7.7 million, or 48% of total General Fund expenditures. Unassigned fund balance, when compared to prior year, increased 6%.

### 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 20 through 23 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 72 and 97 – 100.

The basic governmental fund financial statements can be found on pages 26 and 29 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 32 through 36 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 39 through 70 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 80 through 96 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, 2018.

### Net Position

The following table reflects the Condensed Statement of Net Position as of September 30, 2018 and the previous year.

	Condensed Statement of Net Position					
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 20,828,035	\$ 19,212,714	\$ 27,666,215	\$ 23,109,355	\$ 48,494,250	\$ 42,322,069
Capital assets	40,182,195	40,212,778	57,634,657	57,693,223	97,816,852	97,906,001
Total assets	61,010,230	59,425,492	85,300,872	80,802,578	146,311,102	140,228,070
Deferred outflows of resources	1,148,666	2,725,431	533,826	1,097,050	1,682,492	3,822,481
Other liabilities	1,465,830	1,530,401	2,091,666	2,994,922	3,557,496	4,525,323
Long-term liabilities	41,136,453	42,715,426	46,997,557	44,414,593	88,134,010	87,130,019
Total liabilities	42,602,283	44,245,827	49,089,223	47,409,515	91,691,506	91,655,342
Deferred inflows of resources	2,187,644	449,574	648,861	130,472	2,836,505	580,046
Net position						
Net investment in capital assets	13,518,030	12,730,095	13,200,778	20,954,140	26,718,808	33,684,235
Restricted	3,751,269	2,563,303	641,398	641,398	4,392,667	3,204,701
Unrestricted	99,670	2,162,124	22,254,438	12,764,103	22,354,108	14,926,227
Total net position	\$ 17,368,969	\$ 17,455,522	\$ 36,096,614	\$ 34,359,641	\$ 53,465,583	\$ 51,815,163

The City's combined net position was \$53.5 million as of September 30, 2018. Of the \$53.5 million, \$17.4 million was in the governmental activities and \$36.1 million was in the business-type activities. The City's total net position increased when compared to the prior year by \$1.7 million.

Net position consists of three components: net investment in capital assets, restricted net position and unrestricted net position. The first portion of net position (\$26.7 million or 50%) 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 \$6.9 million or 20%. 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 \$4.4 million at September 30, 2018, or 8% 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 \$1.2 million or 37% compared to September 30, 2017.

The third portion consists of unrestricted net position totaling \$22.4 million or 42% 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 \$7.4 million or 50% compared to September 30, 2017.

Changes in Net Position

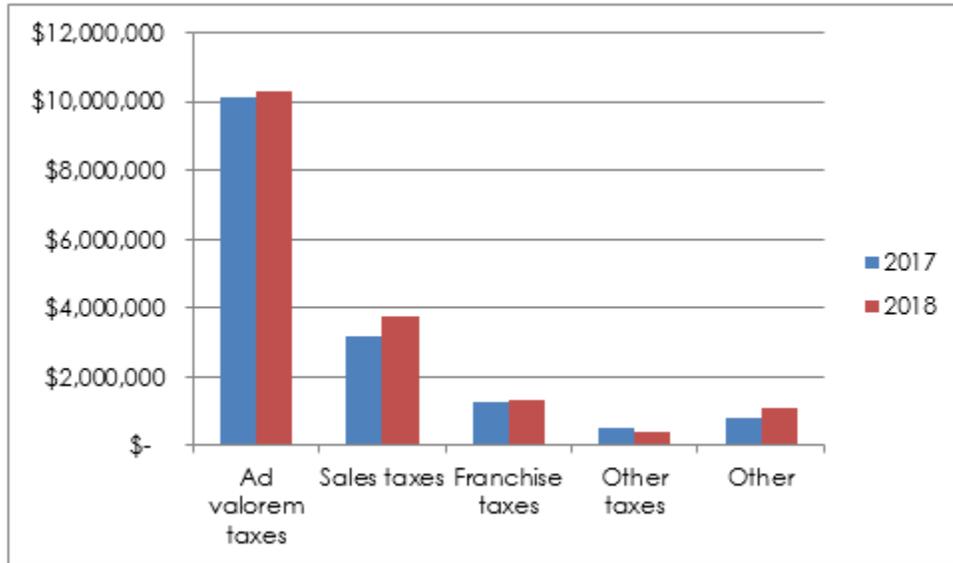
The City's total revenues for the fiscal year ended September 30, 2018, were \$38.2 million. Total revenues increased when compared to the prior year by \$1.5 million or 4%. The City's total costs of all programs and services increased to \$36.6 million, an increase of 11% from the previous year.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
Charges for services	\$ 3,536,980	\$ 3,742,339	\$ 17,126,727	\$ 15,776,344	\$ 20,663,707	\$ 19,518,683
Operating grants and contributions	190,466	1,094,061	-	-	190,466	1,094,061
Capital grants and contributions	-	-	-	-	-	-
<b>General revenues</b>						
Ad valorem taxes	10,329,477	10,117,814	-	-	10,329,477	10,117,814
Sales taxes	3,760,150	3,150,848	-	-	3,760,150	3,150,848
Franchise taxes	1,351,657	1,292,338	-	-	1,351,657	1,292,338
Other taxes	386,141	511,161	-	-	386,141	511,161
Interest and investment earnings	225,708	36,107	218,873	79,591	444,581	115,698
Miscellaneous	882,585	794,219	226,311	118,377	1,108,896	912,596
Total revenues	<u>20,663,164</u>	<u>20,738,887</u>	<u>17,571,911</u>	<u>15,974,312</u>	<u>38,235,075</u>	<u>36,713,199</u>
<b>Expenses</b>						
General government	3,696,432	3,433,034	-	-	3,696,432	3,433,034
Community services	2,434,554	2,275,747	-	-	2,434,554	2,275,747
Fleet and facility maintenance	334,857	312,799	-	-	334,857	312,799
Highways and streets	1,552,336	1,671,135	-	-	1,552,336	1,671,135
Public safety	12,855,222	11,662,529	-	-	12,855,222	11,662,529
Interest and fiscal charges	1,270,127	620,377	-	-	1,270,127	620,377
Water and sewer	-	-	10,590,491	9,468,937	10,590,491	9,468,937
Solid waste	-	-	3,570,483	3,151,170	3,570,483	3,151,170
Golf course	-	-	280,153	363,301	280,153	363,301
Total expenses	<u>22,143,528</u>	<u>19,975,621</u>	<u>14,441,127</u>	<u>12,983,408</u>	<u>36,584,655</u>	<u>32,959,029</u>
Increase (decrease) in net position before transfers	(1,480,364)	763,266	3,130,784	2,990,904	1,650,420	3,754,170
Transfers	1,393,811	1,323,702	(1,393,811)	(1,321,858)	-	1,844
Change in net position	(86,553)	2,086,968	1,736,973	1,669,046	1,650,420	3,756,014
Net position, beginning	17,455,522	15,368,554	34,359,641	32,690,595	51,815,163	48,059,149
Net position, ending	<u>\$ 17,368,969</u>	<u>\$ 17,455,522</u>	<u>\$ 36,096,614</u>	<u>\$ 34,359,641</u>	<u>\$ 53,465,583</u>	<u>\$ 51,815,163</u>

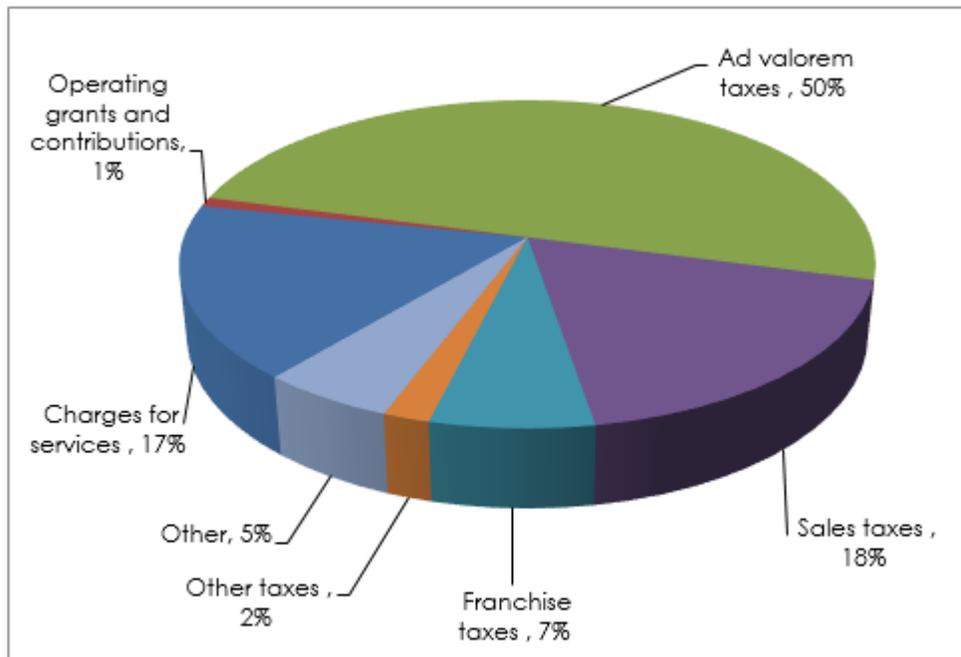
General Revenues – Governmental Activities

Governmental activities revenues such as ad valorem, sales, and franchise taxes are not shown by program, but are effectively used to support program activities City-wide. Ad valorem taxes increased to \$10.3 million, which is an increase of 2% compared to the previous year. Sales tax increased to \$3.8 million, which is an increase of 19% compared to the previous year.

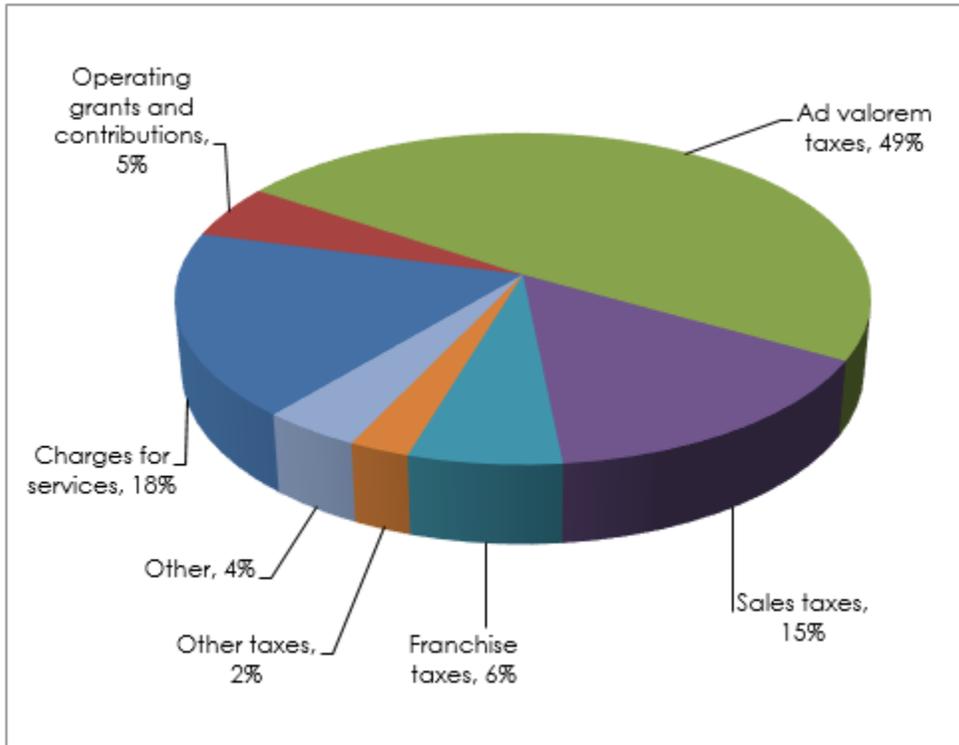
**General Revenues – Governmental Activities**



**Revenues by Source – Governmental Activities – FY 2018**



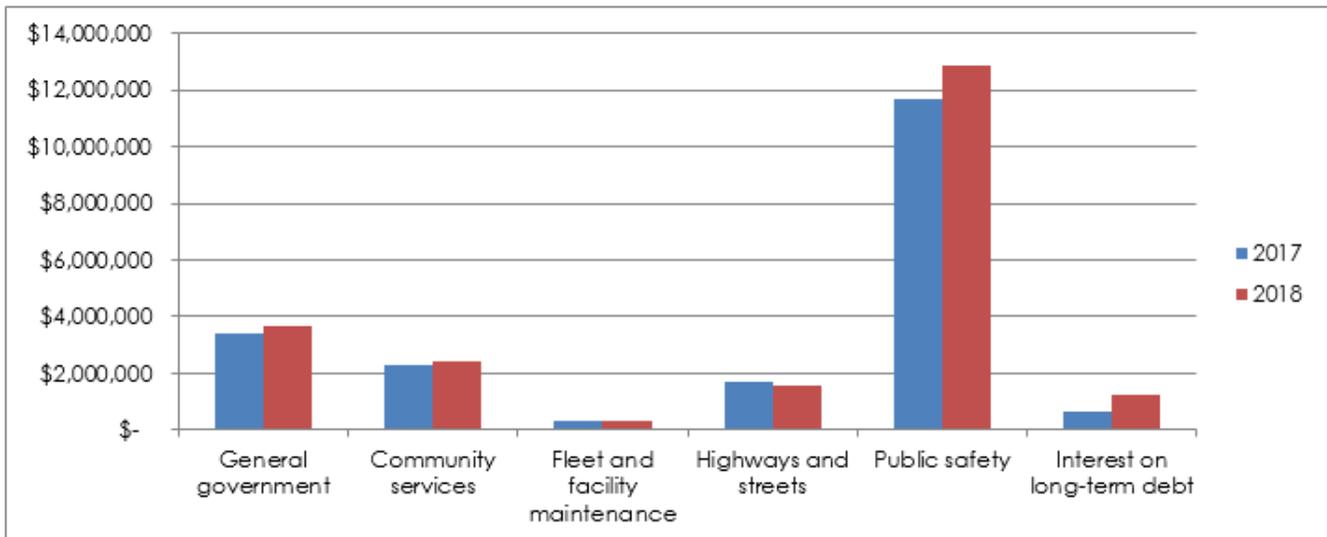
Revenues by Source – Governmental Activities – FY 2017



Expenses – Governmental Activities

The following chart illustrates the City's governmental expenses by function. As shown, Public Safety is the largest function in expenses at \$12.9 million, or 58% of total expenses compared to the prior year's \$11.6 million, or 58%, followed by General Government at \$3.7 million, or 17% compared to prior year's \$3.4 million, or 17%. Community Services recorded \$2.4 million, or 11% compared to prior year's \$2.3 million, or 11%. Highways and Streets recorded \$1.6 million, or 7% compared to prior year's \$1.7 million, or 8%.

Expenses – Governmental Activities

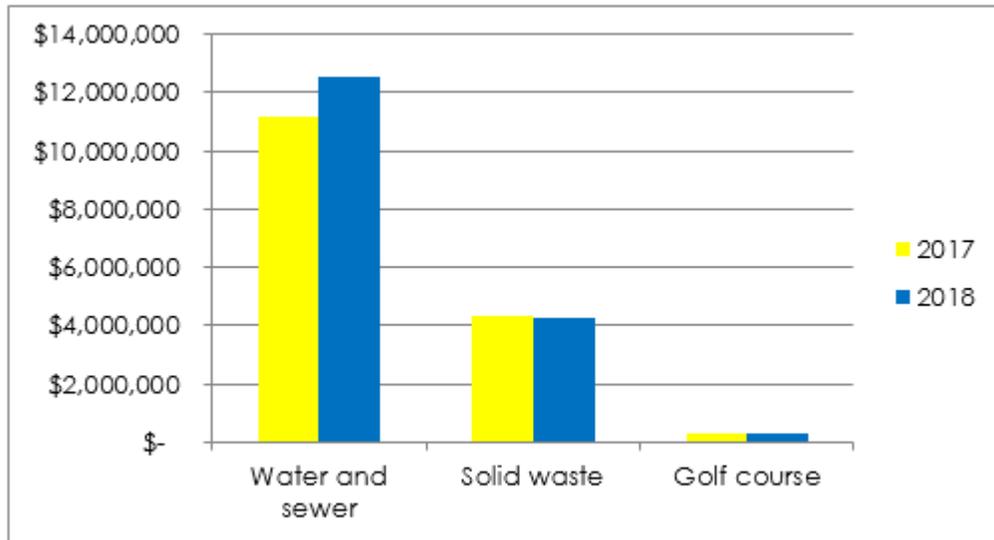


Business-type Activities – Revenues

Business-type activities increased the City’s net position by \$1.7 million. Charges for services provided the largest share of revenues at 97%.

Water and sewer fees are the major revenue source for the business-type activities of the City, which recorded \$12.5 million in revenue. Compared to the prior year, water and sewer revenues increased by \$1.4 million or 12%. Solid Waste revenues remained consistent at \$4.3 million, and the Golf Course Fund revenues remained consistent at \$293 thousand.

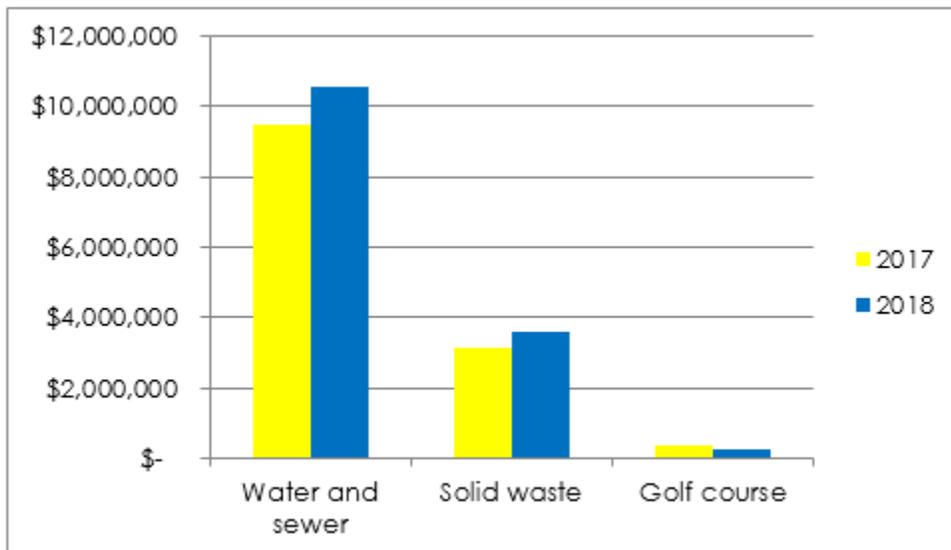
**Program Revenues – Business-type Activities**



Business-type Activities – Expenses

Total expenses for business-type activities were \$14.4 million, an increase of \$1.5 million, or 11% compared to the prior year. Water and Sewer recorded \$10.6 million in expenses, an increase of \$1.1 million or 12% compared to the prior year. Solid Waste expenses increased \$419 thousand or 13%. Golf Course expenses decreased from \$363 thousand in 2017 to \$280 thousand in 2018, a decrease of \$83 thousand or 23%.

**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 \$19.2 million, an increase of \$1.8 million in comparison with the prior year.

The General Fund is the chief operating fund of the City. At September 30, 2018, unassigned fund balance of the General Fund was \$7.7 million, while total fund balance was \$7.8 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 48% of total General Fund expenditures.

The Debt Service Fund has a total fund balance of \$133 thousand, 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 totaled \$18.4 million, a decrease of \$7.8 million or 74%. The Solid Waste Fund unrestricted net position was \$4.9 million, an increase of \$1.2 million or 32%. Unrestricted net position for the Golf Course Fund increased by \$474 thousand in 2018.

The total increase in net position for the three funds was \$1.4 million, \$295 thousand, and \$48 thousand, respectively. Total operating revenues in the 2018 fiscal year were \$17.4 million, an increase of 9% from the 2017 fiscal year. Total operating expenses totaled \$12.9 million, an increase of 1%. Total operating income was \$4.4 million, an increase of \$268 thousand or 7%.

## 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.

## Capital Assets and Debt Administration

### Capital Assets

As of September 30, 2018, the City has \$97.8 million invested in various capital assets, net of accumulated depreciation. Of the \$97.8 million, \$40.2 million is invested in governmental activities and \$57.6 million is invested in business-type activities. Compared to last year, total capital assets decreased \$90 thousand. Capital assets in governmental activities decreased \$31 thousand from the prior year. Capital assets in business-type activities decreased \$60 thousand from the prior year.

The following table provides a breakdown of the capital asset balances net of accumulated depreciation at September 30, 2018. Additional information on the City's capital assets may be found in Note 2-E to the financial statements.

### City Of Copperas Cove's Capital Assets At Year-End

	Capital Assets					
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,278,035	\$ 1,278,035	\$ 917,921	\$ 917,921	\$ 2,195,956	\$ 2,195,956
Buildings and improvements	7,299,223	7,686,127	15,751	17,877	7,314,974	7,704,004
Furniture and fixtures	57	2,329	-	-	57	2,329
Vehicles	1,448,974	1,386,518	1,617,210	928,929	3,066,184	2,315,447
Equipment	867,485	1,069,126	239,475	226,556	1,106,960	1,295,682
Facilities/infrastructure	27,204,870	27,213,770	51,235,608	49,008,860	78,440,478	76,222,630
Construction in progress	2,083,551	1,576,873	3,608,692	6,593,080	5,692,243	8,169,953
Total capital assets	<u>\$ 40,182,195</u>	<u>\$ 40,212,778</u>	<u>\$ 57,634,657</u>	<u>\$ 57,693,223</u>	<u>\$ 97,816,852</u>	<u>\$ 97,906,001</u>

### Long-term Debt

The City's total debt increased by \$2.9 million during the current fiscal year. During the 2018 fiscal year, the City had the following debt issuances:

- Combination Tax and Revenue Certificates of Obligation, Series 2018, in the amount of \$9.545 million.

The following schedule shows the outstanding bonds and notes of the City (both current and long-term) as of September 30, 2018 and 2017.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligations	\$ 16,763,920	\$ 18,275,340	\$ 12,761,080	\$ 14,854,660	\$ 29,525,000	\$ 33,130,000
Tax/revenue certificates of obligation	17,070,921	14,995,000	29,954,079	24,750,000	47,025,000	39,745,000
Tax notes	235,000	735,000	250,000	520,000	485,000	1,255,000
Total debt	<u>\$ 34,069,841</u>	<u>\$ 34,005,340</u>	<u>\$ 42,965,159</u>	<u>\$ 40,124,660</u>	<u>\$ 77,035,000</u>	<u>\$ 74,130,000</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, 2018		
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 2-G of the Notes to the Financial Statements.

**Economic Factors and Next Year's Budget**

In the fiscal year 2019 Budget, General Fund Property tax revenues are budgeted to decrease mainly due to the increase in debt service payments. Sales taxes are budgeted to increase by 7% in comparison to prior year.

The City continues to develop and is experiencing several housing developments under construction and anticipates the construction will continue for more than a decade. Heartwood Park Phase II, a development of 148 lots, has sold a large number of homes and continues construction on remaining lots. The Reserves at Skyline Mountain, a development of 57 lots, finished installing infrastructure and is currently constructing and selling homes. There are also three additional housing developments including Creekside Hills, Heartwood Park Phase III, and Valley at Great Hills with over 1,800 lots in the platting and design phases that will provide additional housing needs for Copperas Cove.

The City is also pursuing the purchase of certificates of convenience and necessity (CCN) to provide water service to several of these developments. The City benefited from a portion on the property tax rolls in 2018, but the greatest impact will begin with 2019 and several years beyond.

**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  
 914 South Main Street  
 Copperas Cove, Texas 76522  
 (254) 547-4221

Or visit our website at <http://www.copperascovetx.gov>

# Basic Financial Statements

# City of Copperas Cove, Texas

## Statement of Net Position

September 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 18,742,134	\$ 14,202,804	\$ 32,944,938	\$ 5,550,046
Restricted cash and investments	-	5,947,301	5,947,301	-
Receivables (net of allowance)				
Taxes	1,169,514	-	1,169,514	229,111
Accounts	563,755	4,489,228	5,052,983	-
Fines	78,061	-	78,061	-
Ambulance fees	22,179	-	22,179	-
Grants	96,027	-	96,027	-
Internal balances	-	-	-	-
Inventories	71,924	17,604	89,528	-
Prepaid items	14,292	9,278	23,570	4,439
Notes receivable	70,149	3,000,000	3,070,149	-
Capital assets				
Nondepreciable	3,361,586	4,526,613	7,888,199	612,460
Depreciable (net)	36,820,609	53,108,044	89,928,653	370,623
<b>Total assets</b>	<b>61,010,230</b>	<b>85,300,872</b>	<b>146,311,102</b>	<b>6,766,679</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow - pension	733,138	257,962	991,100	70,672
Deferred outflow - OPEB	99,995	-	-	-
Deferred outflow - refunding	315,533	275,864	591,397	-
<b>Total deferred outflows of resources</b>	<b>1,148,666</b>	<b>533,826</b>	<b>1,582,497</b>	<b>70,672</b>
<b>Total assets and deferred outflows of resources</b>	<b>62,158,896</b>	<b>85,834,698</b>	<b>147,893,599</b>	<b>6,837,351</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

**City of Copperas Cove, Texas**  
Statement of Net Position – Continued  
September 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES</b>				
Accounts payable	\$ 480,765	\$ 583,021	\$ 1,063,786	\$ 79,847
Retainage payable	71,157	43	71,200	-
Accrued liabilities	369,648	269,924	639,572	2,950
Due to other governments	131,230	-	131,230	-
Unearned revenue	74,817	1,001	75,818	-
Other liabilities	187,475	-	187,475	-
Accrued interest payable	150,738	191,225	341,963	7,288
Customer deposits	-	1,046,452	1,046,452	-
Noncurrent liabilities				
Due within one year	3,080,327	3,931,803	7,012,130	95,000
Due in more than one year	38,056,126	43,065,754	81,121,880	1,656,954
Total liabilities	42,602,283	49,089,223	91,691,506	1,842,039
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow - pension	2,185,050	648,861	2,833,911	12,319
Deferred inflow - OPEB	2,594	-	-	-
Total deferred inflows of resources	2,187,644	648,861	2,833,911	12,319
<b>NET POSITION</b>				
Net investment in capital assets	13,518,030	13,200,778	26,718,808	983,083
Restricted for				
Debt service	217,905	641,398	859,303	-
Community services	20,121	-	20,121	-
Highways and streets	3,140,842	-	3,140,842	-
Public safety	48,767	-	48,767	-
Economic development	323,634	-	323,634	4,067,809
Unrestricted	99,670	22,254,438	22,354,108	-
<b>TOTAL NET POSITION</b>	<b>\$ 17,368,969</b>	<b>\$ 36,096,614</b>	<b>\$ 53,465,583</b>	<b>\$ 5,050,892</b>

**City of Copperas Cove, Texas**  
Statement of Activities  
For the Fiscal Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities				
General government	\$ 3,696,432	\$ 1,273,656	\$ -	\$ -
Community services	2,434,554	402,634	-	-
Fleet and facility services	334,857	-	-	-
Highways and streets	1,552,336	49,884	-	-
Public safety	12,855,222	1,810,806	190,466	-
Interest and fiscal charges	1,270,127	-	-	-
Total governmental activities	22,143,528	3,536,980	190,466	-
Business-type activities				
Water and sewer	10,590,491	12,549,442	-	-
Solid waste	3,570,483	4,283,886	-	-
Golf course	280,153	293,399	-	-
Total business-type activities	14,441,127	17,126,727	-	-
Total primary government	<u>\$ 36,584,655</u>	<u>\$ 20,663,707</u>	<u>\$ 190,466</u>	<u>\$ -</u>
<b>COMPONENT UNIT</b>				
Economic development	\$ 623,957	\$ 5,025	\$ -	\$ -
<b>Total component unit</b>	<u>\$ 623,957</u>	<u>\$ 5,025</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Taxes				
Ad valorem taxes				
Sales taxes				
Franchise taxes				
Other taxes				
Miscellaneous				
Investment earnings				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
<b>Net position, ending</b>				

The Notes to the Basic Financial Statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (2,422,776)	\$ -	\$ (2,422,776)	
(2,031,920)	-	(2,031,920)	
(334,857)	-	(334,857)	
(1,502,452)	-	(1,502,452)	
(10,853,950)	-	(10,853,950)	
(1,270,127)	-	(1,270,127)	
(18,416,082)	-	(18,416,082)	
-	1,958,951	1,958,951	
-	713,403	713,403	
-	13,246	13,246	
-	2,685,600	2,685,600	
(18,416,082)	2,685,600	(15,730,482)	
			\$ (618,932)
			(618,932)
10,329,477	-	10,329,477	-
3,760,150	-	3,760,150	1,249,568
1,351,657	-	1,351,657	-
386,141	-	386,141	-
882,585	226,311	1,108,896	35,044
225,708	218,873	444,581	77,052
1,393,811	(1,393,811)	-	-
18,329,529	(948,627)	17,380,902	1,361,664
(86,553)	1,736,973	1,650,420	742,732
17,455,522	34,359,641	51,815,163	4,308,160
<u>\$ 17,368,969</u>	<u>\$ 36,096,614</u>	<u>\$ 53,465,583</u>	<u>\$ 5,050,892</u>

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# 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.

City of Copperas Cove, Texas  
Governmental Funds  
Balance Sheet  
September 30, 2018

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 7,846,662	\$ 138,940	\$ 10,756,532	\$ 18,742,134
Receivables (net of allowance)				
Taxes	966,644	85,895	116,975	1,169,514
Ambulance fees	22,179	-	-	22,179
Accounts	127,499	-	436,256	563,755
Fines	72,545	-	5,516	78,061
Grants	2,426	-	93,601	96,027
Due from other funds	-	-	87,674	87,674
Inventory	71,924	-	-	71,924
Prepaid items	12,130	-	2,162	14,292
Notes receivable	-	-	70,149	70,149
<b>TOTAL ASSETS</b>	<b>\$ 9,122,009</b>	<b>\$ 224,835</b>	<b>\$ 11,568,865</b>	<b>\$ 20,915,709</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 300,500	\$ 6,930	\$ 173,335	\$ 480,765
Retainage payable	-	-	71,157	71,157
Due to other funds	40	-	87,634	87,674
Due to other governments	131,230	-	-	131,230
Unearned revenue	59,543	-	15,274	74,817
Accrued liabilities	364,966	-	4,682	369,648
Other liabilities	187,475	-	-	187,475
Total liabilities	1,043,754	6,930	352,082	1,402,766
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable				
Property taxes	147,654	85,056	-	232,710
Municipal court fines	72,544	-	5,517	78,061
Ambulance fees	24,601	-	-	24,601
Total deferred inflows of resources	244,799	85,056	5,517	335,372
<b>FUND BALANCES</b>				
Nonspendable	84,054	-	2,162	86,216
Restricted	26,101	132,849	11,209,104	11,368,054
Assigned	50,488	-	-	50,488
Unassigned	7,672,813	-	-	7,672,813
Total fund balances	7,833,456	132,849	11,211,266	19,177,571
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 9,122,009</b>	<b>\$ 224,835</b>	<b>\$ 11,568,865</b>	<b>\$ 20,915,709</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

## City of Copperas Cove, Texas

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position September 30, 2018

**Total fund balances - governmental funds balance sheet** \$ 19,177,571

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

Capital assets, including accumulated depreciation, used in governmental activities are not financial resources and, therefore are not reported in the funds. Detail to these items include:

Capital assets	68,841,260
Accumulated depreciation	(28,659,065)

Long-term debt is not due and payable in the current period, and therefore are not reported in the funds. These amounts, and related accounts include:

Long-term debt	(34,069,841)
Unamortized (premium) discount	(908,809)
Deferred charges on refunding	315,533
Accrued interest	(150,738)

Long-term employee benefit related liabilities are not due and payable in the current period, and therefore are not reported in the funds. These amounts, and related accounts include:

Net pension liability	(3,962,392)
Deferred outflow - pension	733,138
Deferred inflow - pension	(2,185,050)
Other postemployment benefits	(1,360,841)
Deferred outflow - OPEB	99,995
Deferred inflow - OPEB	(2,594)
Compensated absences	(834,570)

Revenues earned but not available at year end are not recognized on the fund statements.

These items include:

Property taxes	232,710
Ambulance service	24,601
Municipal court fines	78,061

**Net position of governmental activities - statement of net position** \$ 17,368,969

**City of Copperas Cove, Texas**  
 Governmental Funds  
 Statement of Revenues, Expenditures,  
 and Changes In Fund Balances  
 For the Fiscal Year Ended September 30, 2018

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 11,504,301	\$ 3,780,129	\$ 565,442	\$ 15,849,872
Charges for services	1,530,086	-	1,044,344	2,574,430
Intergovernmental	3,815	132,150	186,651	322,616
Fines	690,238	-	36,342	726,580
Licenses	-	-	-	-
Permits	235,970	-	-	235,970
Investment income	88,725	32,218	104,765	225,708
Miscellaneous	720,188	80	11,881	732,149
Total revenues	<u>14,773,323</u>	<u>3,944,577</u>	<u>1,949,425</u>	<u>20,667,325</u>
<b>EXPENDITURES</b>				
Current				
General government	2,788,126	-	-	2,788,126
Community services	1,938,364	-	106,366	2,044,730
Fleet and facility services	283,538	-	-	283,538
Highways and streets	558,671	-	340,736	899,407
Public safety	10,295,914	-	201,606	10,497,520
Capital outlay	79,503	-	2,741,611	2,821,114
Debt service				
Principal retirement	-	2,876,419	114,080	2,990,499
Interest and fiscal charges	-	1,182,202	63,814	1,246,016
Total expenditures	<u>15,944,116</u>	<u>4,058,621</u>	<u>3,568,213</u>	<u>23,570,950</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,170,793)	(114,044)	(1,618,788)	(2,903,625)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	-	-	3,055,000	3,055,000
Premium on bonds	-	4,429	158,636	163,065
Sale of capital assets	76,391	-	-	76,391
Insurance recoveries	18,531	-	-	18,531
Transfers in	1,537,285	-	10,000	1,547,285
Transfers out	(12,094)	(15,921)	(125,459)	(153,474)
Total other financing sources (uses)	<u>1,620,113</u>	<u>(11,492)</u>	<u>3,098,177</u>	<u>4,706,798</u>
<b>NET CHANGE IN FUND BALANCES</b>	449,320	(125,536)	1,479,389	1,803,173
Fund balances, beginning of year	<u>7,384,136</u>	<u>258,385</u>	<u>9,731,877</u>	<u>17,374,398</u>
<b>FUND BALANCES, end of year</b>	<u><u>\$ 7,833,456</u></u>	<u><u>\$ 132,849</u></u>	<u><u>\$ 11,211,266</u></u>	<u><u>\$ 19,177,571</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

## 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 Fiscal Year Ended September 30, 2018

**Net change in fund balances - total governmental funds** \$ 1,803,173

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. These items include:

Current year capital outlay	1,869,011
Depreciation expense	(1,899,594)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has an effect on net position. The impact of recording these items, and related activity includes:

Current year issuance of debt	(3,055,000)
Current year payments on debt	2,988,463
New premiums on current year issuance	(137,117)
Amortization of existing premiums	47,403
Amortization of deferred charges	(45,280)
Change in accrued interest	(24,198)

Compensated absences, pension liability, and other postemployment benefits are not recognized in the governmental fund financial statements as they will not be settled with current financial resources; however these obligations are recognized in the governmental activities statement of net position. The change in these items includes:

Net pension liability	2,944,087
Deferred outflow - pension	(1,631,480)
Deferred inflow - pension	(1,735,476)
Other postemployment benefits	(1,135,876)
Deferred outflow - OPEB	99,995
Deferred inflow - OPEB	(2,594)
Compensated absences	(72,987)

Revenues earned but not available at year end are not recognized on the fund statements.

The change in these items include:

Property taxes	(22,447)
Ambulance service	(77,325)
Municipal court fines	689

**Change in net position of governmental activities - statement of activities** \$ (86,553)

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# City of Copperas Cove, Texas

## Enterprise Funds

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

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

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

# City of Copperas Cove, Texas

## Proprietary Funds

### Statement of Net Position

September 30, 2018

	Business-type Activities			Total
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 10,503,190	\$ 3,699,614	\$ -	\$ 14,202,804
Restricted cash and investments	5,529,193	201,196	216,912	5,947,301
Accounts receivable, net	1,671,312	2,815,986	1,930	4,489,228
Due from other funds	1,252,380	-	-	1,252,380
Inventory	-	-	17,604	17,604
Prepaid expenses	8,800	450	28	9,278
Notes receivable	3,000,000	-	-	3,000,000
Total current assets	21,964,875	6,717,246	236,474	28,918,595
Noncurrent assets				
Property and equipment				
Land	413,469	204,452	300,000	917,921
Buildings	189,590	-	132,722	322,312
Vehicles	1,218,695	3,315,794	61,267	4,595,756
Equipment	1,575,562	634,109	513,760	2,723,431
Facilities	32,064,184	3,784,765	1,600,245	37,449,194
Infrastructure	56,445,135	-	-	56,445,135
Construction in progress	3,574,974	-	33,718	3,608,692
Less accumulated depreciation	(42,678,331)	(4,572,849)	(1,176,604)	(48,427,784)
Net property and equipment	52,803,278	3,366,271	1,465,108	57,634,657
Total noncurrent assets	52,803,278	3,366,271	1,465,108	57,634,657
Total assets	74,768,153	10,083,517	1,701,582	86,553,252
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	159,484	52,112	46,366	257,962
Deferred charge on refunding	254,778	18,305	2,781	275,864
Total deferred outflows of resources	414,262	70,417	49,147	533,826

The Notes to the Basic Financial Statements are an integral part of this statement.

**City of Copperas Cove, Texas**  
Proprietary Funds  
Statement of Net Position – Continued  
September 30, 2018

	<b>Business-type Activities</b>			<b>Total</b>
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Nonmajor Golf Course</b>	
<b>LIABILITIES AND NET POSITION</b>				
Current liabilities				
Accounts payable	\$ 400,021	\$ 175,482	\$ 7,518	\$ 583,021
Accrued liabilities	52,107	216,410	1,407	269,924
Due to other funds	-	-	1,252,380	1,252,380
Unearned revenue	-	236	765	1,001
Customer deposits	1,046,452	-	-	1,046,452
Retainage payable	43	-	-	43
Accrued interest	178,273	10,208	2,744	191,225
Noncurrent liabilities, current portion	3,427,362	448,384	56,057	3,931,803
Total current liabilities	5,104,258	850,720	1,320,871	7,275,849
Noncurrent liabilities				
Compensated absences	82,171	20,077	204	102,452
Bonds payable	38,063,131	2,145,278	637,833	40,846,242
Pension	697,117	296,296	119,706	1,113,119
Other postemployment benefits	232,738	167,304	18,138	418,180
Estimated landfill postclosure care costs	-	585,761	-	585,761
Total noncurrent liabilities	39,075,157	3,214,716	775,881	43,065,754
Total liabilities	44,179,415	4,065,436	2,096,752	50,341,603
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	361,030	262,355	25,476	648,861
Total deferred inflows of resources	361,030	262,355	25,476	648,861
<b>NET POSITION</b>				
Net investment in capital assets	11,622,345	804,298	774,135	13,200,778
Restricted for				
Debt service	536,537	104,861	-	641,398
Unrestricted	18,483,088	4,916,984	(1,145,634)	22,254,438
<b>TOTAL NET POSITION</b>	<b>\$ 30,641,970</b>	<b>\$ 5,826,143</b>	<b>\$ (371,499)</b>	<b>\$ 36,096,614</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

**City of Copperas Cove, Texas**  
Proprietary Funds  
Combining Statement of Revenues, Expenses  
and Changes in Net Position  
For the Fiscal Year Ended September 30, 2018

	<b>Business-type Activities</b>			<b>Total</b>
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Nonmajor Golf Course</b>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 12,549,442	\$ 4,283,886	\$ 293,399	\$ 17,126,727
Miscellaneous	164,938	57,639	2,238	224,815
Total operating revenues	12,714,380	4,341,525	295,637	17,351,542
<b>OPERATING EXPENSES</b>				
Personnel services	1,951,289	1,198,686	61,707	3,211,682
Supplies and materials	2,563,691	206,815	54,908	2,825,414
Services and charges	2,298,963	1,511,175	84,224	3,894,362
Maintenance and repairs	291,620	201,453	38,349	531,422
Depreciation	2,048,857	391,702	30,126	2,470,685
Total operating expenses	9,154,420	3,509,831	269,314	12,933,565
<b>OPERATING INCOME (LOSS)</b>	3,559,960	831,694	26,323	4,417,977
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	187,279	26,878	4,716	218,873
Interest and fiscal charges	(1,436,071)	(60,652)	(10,839)	(1,507,562)
Gain on sale of capital assets	-	-	-	-
Other	262	1,234	-	1,496
Total nonoperating revenues (expenses)	(1,248,530)	(32,540)	(6,123)	(1,287,193)
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	2,311,430	799,154	20,200	3,130,784
<b>TRANSFERS</b>				
Transfers in	21,924	-	28,015	49,939
Transfers out	(939,750)	(504,000)	-	(1,443,750)
<b>CHANGE IN NET POSITION</b>	1,393,604	295,154	48,215	1,736,973
Net position, beginning of year	29,248,366	5,530,989	(419,714)	34,359,641
<b>NET POSITION, end of year</b>	<b>\$ 30,641,970</b>	<b>\$ 5,826,143</b>	<b>\$ (371,499)</b>	<b>\$ 36,096,614</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

**City of Copperas Cove, Texas**  
Proprietary Funds  
Statement of Cash Flows  
For the Fiscal Year Ended September 30, 2018

	<b>Business-type Activities</b>			<b>Total</b>
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Nonmajor Golf Course</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$13,084,237	\$4,453,939	\$ 295,537	\$17,833,713
Payments to suppliers	(5,393,098)	(1,997,317)	(184,194)	(7,574,609)
Payments to employees	(1,846,425)	(1,111,534)	(51,425)	(3,009,384)
Net cash flows provided by operating activities	<u>5,844,714</u>	<u>1,345,088</u>	<u>59,918</u>	<u>7,249,720</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Issuance of public note	-	-	-	-
Investment income	187,279	26,878	4,716	218,873
Payments on notes receivable	-	-	-	-
Net cash flows provided by (used in) investing activities	<u>187,279</u>	<u>26,878</u>	<u>4,716</u>	<u>218,873</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from issuance of long-term debt	5,645,000	595,000	250,000	6,490,000
Principal paid on long-term debt	(3,233,580)	(375,000)	(40,921)	(3,649,501)
Interest and fiscal charges paid	(1,029,401)	(8,184)	2,063	(1,035,522)
Proceeds from sale on capital assets	-	1,234	-	1,234
Acquisition of property and equipment	(1,198,952)	(1,123,994)	(88,911)	(2,411,857)
Net cash flows used by (used in) noncapital financing activities	<u>183,067</u>	<u>(910,944)</u>	<u>122,231</u>	<u>(605,646)</u>
<b>FINANCING ACTIVITIES</b>				
Cash received from other funds	21,924	-	(285,644)	(263,720)
Cash paid to other funds	(2,192,130)	(504,000)	-	(2,696,130)
Net cash flows provided (used) by noncapital financing activities	<u>(2,170,206)</u>	<u>(504,000)</u>	<u>(285,644)</u>	<u>(2,959,850)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,044,854	(42,978)	(98,779)	3,903,097
Cash and cash equivalents, beginning of year	<u>11,987,529</u>	<u>3,943,788</u>	<u>315,691</u>	<u>16,247,008</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$16,032,383</u>	<u>\$3,900,810</u>	<u>\$ 216,912</u>	<u>\$20,150,105</u>
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>				
Unrestricted cash and investments	\$10,503,190	\$3,699,614	\$ -	\$14,202,804
Restricted cash and investments	5,529,193	201,196	216,912	5,947,301
<b>TOTAL CASH AND INVESTMENTS</b>	<u>\$16,032,383</u>	<u>\$3,900,810</u>	<u>\$ 216,912</u>	<u>\$20,150,105</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**City of Copperas Cove, Texas**  
Proprietary Funds  
Statement of Cash Flows – Continued  
For the Fiscal Year Ended September 30, 2018

	<b>Business-type Activities</b>			<b>Total</b>
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Nonmajor Golf Course</b>	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 3,559,960	\$ 831,694	\$ 26,323	\$ 4,417,977
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	2,048,857	391,702	30,126	2,470,685
Decrease (increase) in assets				
Accounts receivable	791,094	112,414	(100)	903,408
Inventory	-	-	8,138	8,138
Prepaid expenses	308	211	211	730
Increase (Decrease) in liabilities				
Accounts payable	(239,132)	(139,556)	(15,062)	(393,750)
Accrued liabilities	(4,584)	(102,484)	(816)	(107,884)
Due to other funds	-	61,471	-	61,471
Landfill closure costs	(50,324)	(13,588)	-	(63,912)
Accrued compensated absences	(26,099)	60,133	(3,071)	30,963
Net pension liability	185,871	143,091	3,844	332,806
Net OPEB obligation	(421,237)	-	10,325	(410,912)
Total adjustments	<u>2,284,754</u>	<u>513,394</u>	<u>33,595</u>	<u>2,831,743</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ 5,844,714</u></u>	<u><u>\$1,345,088</u></u>	<u><u>\$ 59,918</u></u>	<u><u>\$ 7,249,720</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

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# City of Copperas Cove, Texas

## Notes to the Basic Financial Statements

### Note 1. 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 operation 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 914 South Main 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. The nonmajor funds are detailed in the combining financial statements section of this report.

## City of Copperas Cove, Texas

### Notes to the Basic Financial Statements

#### 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 – The 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.

The City reports the following nonmajor 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 and 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.

## **City of Copperas Cove, Texas**

### Notes to the Basic Financial Statements

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 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 expense 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 operated 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 qualified 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 investments 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 are accounted for 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.

# City of Copperas Cove, Texas

## Notes to the Basic Financial Statements

### 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 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

## **City of Copperas Cove, Texas**

### Notes to the Basic Financial Statements

#### **Compensated Absences**

The City's vacation policy grants employee vacation depending on longevity, from ten 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%) of 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.

#### **Pensions and other Post-employment Benefits**

For purposes of measuring the net pension liability and net OPEB liability, related deferred outflows and inflows of resources, and pension expense. City specific information about its Fiduciary Net Position in the applicable plans and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when the contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability and OPEB liability for life insurance benefits is obtained from TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with applicable Governmental Accounting Standards Board (GASB) standards. Information regarding the City's OPEB liability for retiree healthcare benefits is obtained through reports prepared for the City by its consulting actuary, Gabriel Roeder Smith & Company, in compliance with applicable GASB standards.

## City of Copperas Cove, Texas

### Notes to the Basic Financial Statements

#### Deferred Outflows/Inflows of Resources

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

- Deferred charges on bond refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after the measurement date – these contributions are deferred and recognized in the following fiscal year.
- Difference in project and actual earnings on pension and OPEB assets – this difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension and OPEB experience – this difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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

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

#### Fund Balance Classifications

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

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

## City of Copperas Cove, Texas

### Notes to the Basic Financial Statements

- *Committed:* This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council, the City's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned:* Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- *Unassigned:* This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which restricted and unrestricted fund balance is available, the City considered 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.

### Note 2. 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.

## City of Copperas Cove, Texas

### Notes to the Basic Financial Statements

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 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, 2018, the City's entire deposit balance was collateralized with securities held by the pledging financial institution or covered by FDIC insurance.

*Interest Credit 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% 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 Fund Investment Act.
7. Eligible investment pools in accordance with the Public Funds Investment Act, Sec. 2256.016-2256.019.

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

The City's investments at September 30, 2018 are shown below:

	Cost	Weighted Average Maturity (Days)
	<u>                    </u>	<u>                    </u>
TexPool - amortized cost	\$ 27,909,033	45
TexStar - amortized cost	2,852,785	32
CDs - cost	<u>1,959,000</u>	272
<b>Total</b>	<u><u>\$ 32,720,818</u></u>	

The City's investment pool is a 2a7-like pool. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 or the Investment Company Act of 1940. During the fiscal year ended September 30, 2018, the City utilized the following external investment pool.

**TexPool**

Under the TexPool Participation Agreement, administrative and investment firms 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.

**TexStar**

TexStar is managed by JPMorgan Fleming Asset Management, Inc. and First Southwest Asset Management, Inc. under the TexStar board of directors, and provide investment and participant services.

TexPool and TexStar are 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. The pools use amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in the pools is the same as the value of shares.

**Certificates of Deposits**

Certificates of deposit are reported at cost, and are not rated.

**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.

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

**C. Receivables**

Receivables at September 30, 2018 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	Total Non-major	Total
Receivables						
Taxes	\$ 966,644	\$ 85,895	\$ -	\$ -	\$ 116,975	\$ 1,169,514
Ambulance	22,179	-	-	-	-	22,179
Fines	1,453,402	-	-	-	110,331	1,563,733
Utilities	-	-	1,671,312	2,815,986	436,256	4,923,554
Accounts	127,499	-	-	-	1,930	129,429
Grants	2,426	-	-	-	93,601	96,027
Notes	-	-	3,000,000	-	70,149	3,070,149
Gross receivables	2,572,150	85,895	4,671,312	2,815,986	829,242	10,974,585
Less allowance for uncollectible	1,380,857	-	-	-	104,815	1,485,672
<b>Net total receivables</b>	<b>\$ 1,191,293</b>	<b>\$ 85,895</b>	<b>\$ 4,671,312</b>	<b>\$ 2,815,986</b>	<b>\$ 724,427</b>	<b>\$ 9,488,913</b>

**D. Fund Balance**

Fund Balance Classification	General	Debt Service	Non-major
Nonspendable			
Inventories	\$ 71,924	\$ -	\$ -
Prepaid items	12,130	-	2,162
Restricted			
Tourism	-	-	118,198
Drainage	-	-	2,627,165
Municipal court	-	-	38,245
Economic development	-	-	203,781
Homeland security	-	-	1,099
Emergency management	-	-	3,906
Grants	26,101	-	40
City services	-	-	533,251
Debt service	-	132,849	-
Capital projects	-	-	7,683,419
Assigned			
Capital projects	50,488	-	-
Unassigned	7,672,813	-	-
<b>Total</b>	<b>\$ 7,833,456</b>	<b>\$ 132,849</b>	<b>\$ 11,211,266</b>

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

**E. Capital Assets**

Capital asset activity for the year ended September 30, 2018, was as follows:

	Balance September 30, 2017	Additions	Deletions	Balance September 30, 2018
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,278,035	\$ -	\$ -	\$ 1,278,035
Construction in progress	1,576,873	1,603,138	1,096,460	2,083,551
<b>Total capital assets not being depreciated</b>	<b>2,854,908</b>	<b>1,603,138</b>	<b>1,096,460</b>	<b>3,361,586</b>
Capital assets, being depreciated				
Buildings	14,261,356	-	-	14,261,356
Furniture and fixtures	307,297	-	-	307,297
Vehicles	6,180,397	836,785	407,951	6,609,231
Equipment	5,272,581	136,203	292,326	5,116,458
Infrastructure	18,675,059	1,082,200	-	19,757,259
Facilities	19,420,651	7,422	-	19,428,073
<b>Total capital assets being depreciated</b>	<b>64,117,341</b>	<b>2,062,610</b>	<b>700,277</b>	<b>65,479,674</b>
Less accumulated depreciation				
Buildings	6,575,229	386,904	-	6,962,133
Furniture and fixtures	304,968	2,272	-	307,240
Vehicles	4,793,879	748,201	381,823	5,160,257
Equipment	4,203,455	337,844	292,326	4,248,973
Infrastructure	4,741,721	467,822	-	5,209,543
Facilities	6,140,219	630,700	-	6,770,919
<b>Total accumulated depreciation</b>	<b>26,759,471</b>	<b>2,573,743</b>	<b>674,149</b>	<b>28,659,065</b>
<b>Total capital assets being depreciated, net</b>	<b>37,357,870</b>	<b>(511,133)</b>	<b>26,128</b>	<b>36,820,609</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 40,212,778</b>	<b>\$ 1,092,005</b>	<b>\$ 1,122,588</b>	<b>\$ 40,182,195</b>

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

	Balance September 30, 2017	Additions	Deletions	Balance September 30, 2018
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 917,921	\$ -	\$ -	\$ 917,921
Construction in progress	6,593,080	1,012,926	3,997,314	3,608,692
Total capital assets not being depreciated	<u>7,511,001</u>	<u>1,012,926</u>	<u>3,997,314</u>	<u>4,526,613</u>
Capital assets, being depreciated				
Buildings	322,312	-	-	322,312
Vehicles	4,226,683	1,229,371	860,298	4,595,756
Equipment	2,591,242	158,975	26,786	2,723,431
Infrastructure	56,182,665	262,470	-	56,445,135
Facilities	33,703,500	3,745,694	-	37,449,194
Total capital assets being depreciated	<u>97,026,402</u>	<u>5,396,510</u>	<u>887,084</u>	<u>101,535,828</u>
Less accumulated depreciation				
Buildings	304,435	2,126	-	306,561
Vehicles	3,297,754	541,090	860,298	2,978,546
Equipment	2,364,686	146,053	26,783	2,483,956
Infrastructure	26,362,650	967,687	-	27,330,337
Facilities	14,514,655	813,729	-	15,328,384
Total accumulated depreciation	<u>46,844,180</u>	<u>2,470,685</u>	<u>887,081</u>	<u>48,427,784</u>
Total capital assets being depreciated, net	<u>50,182,222</u>	<u>2,925,825</u>	<u>3</u>	<u>53,108,044</u>
<b>Business-type activities capital assets, net</b>	<u><u>\$ 57,693,223</u></u>	<u><u>\$ 3,938,751</u></u>	<u><u>\$ 3,997,317</u></u>	<u><u>\$ 57,634,657</u></u>

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

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

Government activities		
General government	\$	337,809
Public safety		1,444,359
Community service		172,085
Highways and streets		610,550
Fleet maintenance		8,940
		<hr/>
<b>Total depreciation expense - government activities</b>	<b>\$</b>	<b>2,573,743</b>
		<hr/> <hr/>
Business-type activities		
Water and sewer	\$	2,048,857
Solid waste		391,702
Golf course		30,126
		<hr/>
<b>Total depreciation expense - business-type activities</b>	<b>\$</b>	<b>2,470,685</b>
		<hr/> <hr/>

**Discretely Presented Component Unit**

Activity for the Copperas Cove Economic Development Corporation (CCEDC) for the year ended September 30, 2018 was as follows:

	Balance September 30, 2017	Additions	Deletions	Balance September 30, 2018
	<hr/>	<hr/>	<hr/>	<hr/>
Capital assets, not being depreciated				
Land	\$ 612,460	\$ -	\$ -	\$ 612,460
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets not being depreciated	612,460	-	-	612,460
	<hr/>	<hr/>	<hr/>	<hr/>
Capital assets, being depreciated				
Buildings	508,189	-	-	508,189
Equipment	62,966	-	-	62,966
Improvements other than buildings	246,600	-	-	246,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated	817,755	-	-	817,755
	<hr/>	<hr/>	<hr/>	<hr/>
Less accumulated depreciation				
Buildings	178,253	20,328	-	198,581
Equipment	46,175	5,096	-	51,271
Improvements other than buildings	172,620	24,660	-	197,280
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	397,048	50,084	-	447,132
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciation, net	420,707	(50,084)	-	370,623
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Governmental activities capital assets, net</b>	<b>\$ 1,033,167</b>	<b>\$ (50,084)</b>	<b>\$ -</b>	<b>\$ 983,083</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

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

A summary of interfund receivables and payables at September 30, 2018 is as follows:

	Interfund Receivables	Interfund Payables
General fund		
Nonmajor governmental funds	\$ -	\$ 40
Total general fund	-	40
Nonmajor enterprise funds		
General fund	40	-
Total nonmajor enterprise funds	40	-
<b>Total</b>	<b>\$ 40</b>	<b>\$ 40</b>

Balances resulted from the time lag between the date that transactions are recorded in the accounting system and payments between funds are made, and are not representative of any specific transaction.

Transfers during the year ended September 30, 2018 were:

	Transfers In	Transfers Out
Governmental funds		
General fund	\$ 1,537,285	\$ 12,094
Debt service fund	-	15,921
Nonmajor governmental funds	10,000	125,459
Total governmental funds	1,547,285	153,474
Enterprise funds		
Water and sewer fund	21,924	939,750
Solid waste fund	-	504,000
Nonmajor golf course fund	28,015	-
Total enterprise funds	49,939	1,443,750
<b>Total transfers</b>	<b>\$ 1,597,224</b>	<b>\$ 1,597,224</b>

Transfers in to the General Fund and Water and Sewer Fund are all administrative. Transfers in to the Nonmajor Enterprise Fund are to fund debt payments. All transfers are in accordance with budgetary authorizations.

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

**G. Long-term Debt**

A summary of long-term debt transactions for the year ended September 30, 2018 is as follows:

	Balance September 30, 2017	Additions	Deletions	Balance September 30, 2018	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 18,275,340	\$ -	\$ 1,511,420	\$ 16,763,920	\$1,312,420
Certificates of obligation	14,995,000	3,055,000	979,079	17,070,921	1,199,079
Limited tax notes	735,000	-	500,000	235,000	235,000
Unamortized bond premium	819,095	137,117	47,403	908,809	-
Total bonds payable	34,824,435	3,192,117	3,037,902	34,978,650	2,746,499
Compensated absences	761,583	553,974	480,987	834,570	333,828
Pension	6,906,479	-	2,944,087	3,962,392	-
OPEB	224,965	1,135,876	-	1,360,841	-
<b>Governmental activities long-term debt</b>	<b>\$ 42,717,462</b>	<b>\$ 4,881,967</b>	<b>\$ 6,462,976</b>	<b>\$ 41,136,453</b>	<b>\$3,080,327</b>
<b>Business-type activities</b>					
General obligation bonds	\$ 14,854,660	\$ -	\$ 2,093,580	\$ 12,761,080	\$2,002,580
Certificates of obligation	24,750,000	6,490,000	1,285,921	29,954,079	1,610,921
Limited tax notes	520,000	-	270,000	250,000	250,000
Unamortized bond premium	1,635,880	291,290	157,621	1,769,549	-
Unamortized bond discount	(27,134)	-	(2,170)	(24,964)	-
Total bonds payable	41,733,406	6,781,290	3,804,952	44,709,744	3,863,501
Estimated landfill postclosure care costs	524,290	61,471	-	\$ 585,761	-
Compensated absences	168,903	113,454	111,604	170,753	68,302
Pension	1,992,525	-	879,406	1,113,119	-
OPEB	78,893	339,287	-	418,180	-
<b>Business-type activities long-term debt</b>	<b>\$ 44,498,017</b>	<b>\$ 7,295,502</b>	<b>\$ 4,795,962</b>	<b>\$ 46,997,557</b>	<b>\$3,931,803</b>
<b>Discretely presented component unit</b>					
Revenue bonds	\$ 1,650,000	\$ -	\$ 90,000	\$ 1,560,000	\$ 95,000
Compensated absences	2,159	-	-	2,159	-
Net pension liability	187,067	-	-	187,067	-
Net OPEB obligation	2,728	-	-	2,728	-
<b>Discretely presented component unit</b>	<b>\$ 1,841,954</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 1,751,954</b>	<b>\$ 95,000</b>

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

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

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

Bonds payable at September 30, 2018 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	\$ 360,000
2007 refunding	3.94	05/31/07	09/30/23	1,408,500	1,320,000
2010 various purpose	4.00-4.50	05/25/10	08/15/35	1,425,000	1,155,000
2010 refunding	1.00-2.75	11/15/10	08/15/19	2,490,540	65,920
2011 various purpose	3.50-5.00	02/01/11	08/15/28	5,490,000	5,260,000
2012 refunding	.25-3.00	04/15/12	08/15/23	972,000	423,000
2013 various purpose	.35-2.625	01/15/13	08/15/33	4,685,000	3,850,000
2015 refunding	1.97	12/15/15	08/15/25	775,000	685,000
2016 refunding	2.00-4.00	08/15/16	08/15/34	3,655,000	3,645,000
Limited tax notes					
2013	.35-1.25	01/15/13	09/30/19	2,000,000	235,000
Tax/revenue certificates of obligation					
2007 various purpose	3.94	05/31/07	09/30/27	5,300,000	3,615,000
2013 PPFCO	2.00	12/12/13	09/30/25	630,000	385,000
2014 various purpose	2.00	02/15/14	09/30/39	2,321,036	1,675,000
2015 various purpose	3.00	08/01/15	08/15/40	3,055,000	2,875,000
2016 various purpose	2.00-4.00	08/15/16	08/15/23	360,000	291,963
2016 various purpose	2.00-4.00	08/15/16	08/15/36	240,000	233,958
2017 various purpose	3.00	07/17/17	08/15/37	5,210,000	4,940,000
2018 various purpose	5.00	07/17/18	08/15/38	3,055,000	3,055,000
<b>Total</b>				<b>\$ 44,068,076</b>	<b>\$ 34,069,841</b>

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding
Business-type activities					
General obligation bonds					
2005 refunding	3.68	11/29/05	08/15/19	\$ 4,022,200	\$ 370,000
2006 refunding	3.78	03/09/06	08/15/21	3,984,000	1,440,000
2007 refunding	3.94	05/31/07	09/30/23	3,286,500	3,080,000
2010 various purpose	2.375-3.00	05/25/10	08/30/35	3,260,000	2,685,000
2010 refunding	1.00-2.75	11/15/10	08/15/19	3,554,460	94,080
2012 refunding	0.25-3.00	04/15/12	08/15/23	4,973,000	2,527,000
2015 refunding	1.97	12/15/15	08/15/25	400,000	355,000
2016 refunding	2.00-4.00	08/15/16	08/15/27	2,680,000	2,210,000
Limited tax notes					
2013	0.35-1.25	01/15/13	09/30/19	630,000	250,000
Tax/revenue certificates of obligation					
2005 various purpose	3.63	11/10/05	08/15/25	3,050,000	1,370,000
2014 various purpose	2.0-3.5	02/15/14	09/30/39	7,590,000	6,155,000
2015 various purpose	3.00	08/01/15	08/15/40	5,045,000	4,710,000
2016 various purpose	3.00-4.00	08/15/16	08/15/36	7,825,000	7,054,079
2017 various purpose	3.00	07/17/17	08/15/37	4,420,000	4,175,000
2018 various purpose	5.00	07/17/18	08/15/38	6,490,000	6,490,000
<b>Total</b>				<b>\$ 61,210,160</b>	<b>\$ 42,965,159</b>

**General Obligation Bonds**

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

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

Years Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 1,312,420	\$ 612,195	\$ 2,002,580	\$ 463,628
2020	1,353,000	573,928	1,797,000	398,346
2021	1,449,500	533,106	1,845,500	339,735
2022	1,243,000	487,342	1,377,000	276,198
2023	1,341,000	444,810	1,369,000	225,220
2024-2028	6,355,000	1,507,803	2,145,000	677,387
2029-2033	3,230,000	436,327	1,370,000	358,424
2034-2038	480,000	24,399	855,000	72,123
	-	-	-	-
<b>Total</b>	<b>\$ 16,763,920</b>	<b>\$ 4,619,910</b>	<b>\$ 12,761,080</b>	<b>\$ 2,811,061</b>

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

**Tax and Revenue Certificates of Obligation**

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

Years Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 1,199,079	\$ 590,772	\$ 1,610,921	\$ 1,063,048
2020	1,247,584	540,387	1,707,416	991,055
2021	1,301,836	496,923	1,758,164	930,272
2022	1,206,836	451,373	1,763,164	867,608
2023	1,246,838	408,835	1,803,162	813,442
2024-2028	4,766,252	1,417,143	7,608,748	3,156,399
2029-2033	2,805,315	819,596	6,889,685	1,877,710
2034-2038	2,857,181	367,612	5,867,819	816,424
2039-2043	440,000	25,000	945,000	48,600
<b>Total</b>	<b>\$ 17,070,921</b>	<b>\$ 5,117,641</b>	<b>\$ 29,954,079</b>	<b>\$ 10,564,558</b>

During the year ended September 30, 2018, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2018, in the amount of \$9,545,000 maturing in 2038 with an interest of 5%. The proceeds from the bonds will be used to acquire vehicles and heavy equipment entity-wide, acquiring equipment for the City golf course, fire protection, library and police purposes, acquiring and installing computer and electronic equipment for administrative, fire, and municipal courts, acquiring, constructing and improving City solid waste facilities and the acquisition of land and rights-of-way, construct and improve parks and recreational facilities, improving the City’s water and wastewater facilities, improving the golf course facilities, constructing and improving City streets, sidewalks, bike trails and pedestrian trails (collectively, the “Project”) and to pay for professional services in connection with the Project and the issuance of the Certificates.

**Limited Tax Notes**

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

Years Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	235,000	2,938	250,000	3,126
<b>Total</b>	<b>\$ 235,000</b>	<b>\$ 2,938</b>	<b>\$ 250,000</b>	<b>\$ 3,126</b>

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

**Note 3. 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 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, 2018. Remaining commitments with contractors at September 30, 2018 totaled, \$1,182,728 and \$635,834 for governmental and water and sewer funds, respectively.

# City of Copperas Cove, Texas

## Notes to the Basic Financial Statements

### C. Defined Benefit Pension Policies

*Plan Descriptions.* The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

All eligible employees of the City are required to participate in TMRS. Employees of CCEDC also participate in the City's TMRS plan, however management has determined that due to the relative immateriality of the CCEDC's portion of the net pension liability, amounts allocable to CCEDC have not been excluded from these disclosures.

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

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

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

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

Employee deposit rate	6.0%
Matching ratio (City to Employee)	2 to 1
Years required for vesting	Five
Service retirement eligibility	20 years to any age, five years at age 60 and above
Updated service credit	100% repeating

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

**Employees Covered by Benefit Terms**

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	213
Inactive employees entitled to but not yet receiving benefits	222
Active employees	252
	<hr/>
	687
	<hr/> <hr/>

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

Employees for the City were required to contribute 6.0% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.52% and 12.52% in calendar years 2018 and 2017, respectively. The City’s contributions to TMRS for the year ended September 30, 2018 were \$1,441,457 and equal to the required contributions.

Net Pension Liability. The City’s Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

- Inflation rate: 2.5% per annum
- Payroll growth rate: 3.00% per annum
- Investment rate of return: 6.75% net of expenses

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a three year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.5%	4.55%
International equity	17.5%	6.35%
Core fixed income	10.0%	1.00%
Non-core fixed income	20.0%	4.15%
Real return	10.0%	4.15%
Real estate	10.0%	4.75%
Absolute return	10.0%	4.00%
Private equity	5.0%	7.75%
<b>Total</b>	<b>100.0%</b>	

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

**Changes in the Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2016	\$57,819,426	\$48,733,355	\$9,086,071
Charges for the year			
Service cost	1,634,469	-	1,634,469
Interest	3,879,541	-	3,879,541
Difference between expected and actual experience	(523,669)	-	(523,669)
Changes in assumptions	-	-	-
Contributions, employer	-	1,411,274	(1,411,274)
Contributions, employee	-	686,752	(686,752)
Net investment income	-	6,752,596	(6,752,596)
Benefit payments, including refunds of employee contributions	(2,323,947)	(2,323,947)	-
Administrative expense	-	(35,004)	35,004
Other changes	-	(1,774)	1,774
<b>Balance at December 31, 2017</b>	<b>\$ 60,485,820</b>	<b>\$ 55,223,252</b>	<b>\$ 5,262,568</b>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$14,418,769	\$ 5,262,568	\$ (2,146,195)

**Pension Plan Fiduciary Net Position**

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

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

Pension Expense and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2018, the City recognized pension expense of \$1,128,870.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual economic experience	\$ -	\$ (740,351)
Difference between projected and actual investment earnings	-	(2,105,879)
Differences in assumptions	17,368	-
Contributions subsequent to the measurement date	1,044,404	-
	<u>                    </u>	<u>                    </u>
<b>Total</b>	<u>\$ 1,061,772</u>	<u>\$ (2,846,230)</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,044,404 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2018 (i.e. recognized in the City's financial statements September 30, 2019). Other amounts reported as deferred outflows and inflows or resources related to pensions will be recognized in pension expenses as follows:

For the Years Ended September 30,	
<u>                    </u>	
2019	(265,261)
2020	(261,489)
2021	(843,350)
2022	(766,144)
2023	(692,618)
	<u>                    </u>
<b>Total</b>	<u>\$ (2,828,862)</u>

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

**D. Other Post-Employment Benefits (OPEB)**

**Post-Employment Healthcare Plan**

Plan Description and Benefits Provided

In addition to the pension benefits described in the previous note, the City established a medical insurance benefit plan for retirees. The City administers this single-employer defined benefits medical plan (the Retiree Medical Plan). The Retiree Medical Plan does not issue a publicly available financial report. Eligible retirees will be provided medical insurance benefits at a set premium rate based on City service at the time of retirement. Eligible retirees may also cover their eligible dependents. Retirees are responsible for paying the premiums. A retiree is defined as someone who is receiving lifetime monthly Texas City retirement pension benefit payments and who retired directly from active employment with the City of Copperas Cove. The City will stop insurance coverage on the retiree and dependent on the last day of the month when one of the following occurs:

1. The retiree reaches age 65; or
2. The retiree fails to submit the required set premium rate

No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

The following employees were covered by the benefit terms as of December 31, 2017.

Retirees or beneficiaries	5
Inactive employees, nonretired members	-
Active members	253
	<hr/>
	258
	<hr/> <hr/>

Total OPEB Liability

The City's total OPEB healthcare liability of \$759,705 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual entry age
Discount rate	3.31%
Inflation	2.5% per year
Salary increases	3.5% to 10.5%, including inflation
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the TMRS.
Mortality	For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
Health care trend rates	Initial rate of 7.5% declining to an ultimate rate of 4.25% after 15 years.

Changes in the OPEB Liability

Balance at September 30, 2017	\$ 703,350
Changes for the year	
Service cost	25,855
Interest	26,792
Change of benefit terms	-
Difference between expected and actual experience	(2,913)
Changes of assumptions	32,750
Benefit payments	(26,129)
	<hr/>
Net changes	56,355
	<hr/>
<b>Balance on September 30, 2018</b>	<b>\$ 759,705</b>
	<hr/> <hr/>

Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate for each period. In fiscal year 2018, amounts reflect an increase in the discount rate from the beginning of the year from 3.64% to 4.18%.

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates*

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.18%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease in Discount Rate (2.31%)	Discount Rate (3.31%)	1% Decrease in Discount Rate (4.31%)
Total OPEB liability	\$ 829,909	\$ 759,705	\$ 695,858

The following presents the total OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the County's total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates.

	1% Decrease in Healthcare Cost Rate	Healthcare Cost Rate	1% Decrease in Healthcare Cost Rate
Total OPEB liability	\$ 671,642	\$ 759,705	\$ 864,725

*OPEB Expense and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB*

OPEB Expense	Year Ended September 30, 2018
Service cost	\$ 25,855
Interest	26,792
Change of benefit terms	-
OPEB administrative expense	-
Recognition of the current year outflow (inflow)	3,265
Amortization of prior year outflow (inflow)	-
<b>Net changes</b>	<b>\$ 55,912</b>

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

As of September 30, 2018, the deferred inflows and outflows of resources are as follows:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual economic experience	\$ -	\$ 2,594
Changes in actuarial assumptions	29,166	-
Difference in projects and actual investment earnings	-	-
Contributions subsequent to the measurement date	19,596	-
	<u>                    </u>	<u>                    </u>
<b>Total</b>	<u>\$ 48,762</u>	<u>\$ 2,594</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ending September 30,	
<u>                    </u>	
2019	\$ 3,265
2020	3,265
2021	3,265
2022	3,265
2023	3,265
Thereafter	10,247
	<u>                    </u>
	<u>\$ 26,572</u>

**Life Insurance Benefits**

Plan Description and Benefits Provided

TMRS administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. It is considered to be a single-employer plan. 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.

Inactive employees currently receiving benefits	173
Inactive employees entitled to but not yet receiving benefits	58
Active employees	252
	<u>                    </u>
	<u>483</u>

**City of Copperas Cove, Texas**  
 Notes to the Basic Financial Statements

Contributions

**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 employee’s entire careers. The City’s contributions to the TMRS SDBF for the year ended September 30, 2018 were \$9,157 which equated the required contributions.

Total OPEB Liability

The City’s total OPEB liability was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The City’s total OPEB liability in the December 31, 2017 valuation was determined using the following actuarial assumptions:

Actuarial cost method	Individual entry age
Discount rate	3.31%
Inflation	2.5% per year
Salary increases	3.5% to 10.5%, including inflation
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the TMRS.
Mortality	For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a three year set-forward for both males and females. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.
Health care trend rates	Initial rate of 7.5% declining to an ultimate rate of 4.25% after 15 years.

The discount rate was based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2017.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

Changes in the Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
	<hr/>
Balance at December 31, 2016	\$ 886,868
Changes for the year	
Service cost	28,615
Interest	33,891
Change of benefit terms	-
Difference between expected and actuarial experience	-
Changes of assumptions	81,827
Benefit payments	<hr/> (9,157)
Net changes	<hr/> 135,176
<b>Balance of December 31, 2017</b>	<b><hr/>\$ 1,022,044<hr/></b>

Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer’s yearly contributions for retirees. Changes in assumptions are a result of the change in municipal bond index rate from the previous year.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.31%) or one percentage point higher (4.31%) than the current rate:

	1% Decrease in Discount Rate (2.31%)	Discount Rate (3.31%)	1% Decrease in Discount Rate (4.31%)
	<hr/>	<hr/>	<hr/>
Total OPEB liability	\$ 1,233,054	\$ 1,022,044	\$ 859,170

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

OPEB Expense and Related Deferred Outflows or Resources and Deferred Inflows of Resources  
For the year ended September 30, 2018, the City recognized OPEB expense of \$79,343.

At September 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	64,990	-
Difference in projects and actual investment earnings	-	-
Contributions subsequent to the measurement date	5,839	-
	<u>                    </u>	<u>                    </u>
<b>Total</b>	<u>\$ 70,829</u>	<u>\$ -</u>

The City reported \$5,839 as deferred outflows related to OPEB resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	
<u>                    </u>	
2019	\$ 16,837
2020	16,837
2021	16,837
2022	14,479
2023	-
Thereafter	-
	<u>                    </u>
	<u>\$ 64,990</u>

**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.

**City of Copperas Cove, Texas**  
Notes to the Basic Financial Statements

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, 2018 are \$585,761. It is estimated that the landfill requires 11 years of postclosure care as of September 30, 2018.

**F. Grant and Public Loans**

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic strength of the City. This program rebate property and sales taxes and are authorized under Chapter 380 of the Texas Local Government Code.

The City has entered into an agreement that shall refund 25% of the Ad Valorem Tax Revenues increase on the Project Assessed Taxable Value over the 2011 Ad Valorem Tax Base Line Year calculated annually until a total of \$25,000,000 in money is paid from a combination of Sales Tax Revenues and Ad Valorem Tax Revenues.

<u>Year of Term</u>	<u>City’s Performance Requirements</u>
1-25	25% of Ad Valorem Tax
1-5	35% of one cent Sales Tax Revenues
6-10	40% of one cent Sales Tax Revenues
11-25	60% of one cent Sales Tax Revenues

In addition, the City entered into a Public Loan in fiscal year 2016, in the amount of \$3,000,000. The public loan balance shall be fully repaid on the ninth anniversary.

# **City of Copperas Cove, Texas**

## Required Supplementary Information

**City of Copperas Cove, Texas**  
 Required Supplementary Information  
 General Fund  
 Schedule of Revenues, Expenditures, and Changes  
 In Fund Balance – Budget and Actual (Budgetary Basis)  
 For the Fiscal Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 11,509,704	\$ 11,509,704	\$ 11,504,301	\$ (5,403)
Charges for services	1,433,644	1,433,644	1,530,086	96,442
Intergovernmental	3,608	3,608	3,815	207
Fines	641,745	641,745	629,193	(12,552)
Licenses	55,120	55,120	61,045	5,925
Permits	208,460	208,460	235,970	27,510
Investment income	53,917	53,917	88,725	34,808
Miscellaneous	645,306	645,306	720,188	74,882
Total revenues	<u>14,551,504</u>	<u>14,551,504</u>	<u>14,773,323</u>	<u>221,819</u>
<b>EXPENDITURES</b>				
Current				
General government	3,085,184	3,085,184	2,928,250	156,934
Community services	2,106,844	2,106,844	2,038,762	68,082
Fleet and facility services	285,108	285,108	283,870	1,238
Highways and streets	652,952	652,952	548,093	104,859
Public safety	10,504,699	10,504,699	10,302,259	202,440
Total expenditures	<u>16,634,787</u>	<u>16,634,787</u>	<u>16,101,234</u>	<u>533,553</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,083,283)	(2,083,283)	(1,327,911)	755,372
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,523,091	1,523,189	1,537,285	14,096
Transfers out	-	-	(12,094)	(12,094)
Sale of capital assets	20,000	52,913	76,391	23,478
Insurance recoveries	17,000	17,000	18,531	1,531
Total other financing sources (uses)	<u>1,560,091</u>	<u>1,593,102</u>	<u>1,620,113</u>	<u>27,011</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (523,192)</u>	<u>\$ (490,181)</u>	292,202	<u>\$ 782,383</u>
Fund balance, beginning of year			7,384,136	
Current year encumbrances			320,784	
Prior year encumbrances			<u>(163,666)</u>	
<b>FUND BALANCE, end of year</b>			<u>\$ 7,833,456</u>	

**City of Copperas Cove, Texas**  
Required Supplementary Information  
Texas Municipal Retirement System  
Schedule of Changes in Net Pension Liability  
and Related Ratios\*

	Measurement Year <u>2017</u>	Measurement Year <u>2016</u>	Measurement Year <u>2015</u>	Measurement Year <u>2014</u>
Total pension liability				
Service cost	\$ 1,634,469	\$ 1,622,451	\$ 1,495,238	\$ 1,410,662
Interest (on the total pension liability)	3,879,541	3,689,620	3,637,340	3,470,336
Difference between expected and actual experience	(523,669)	(298,002)	(622,765)	(578,465)
Changes of assumptions	-	-	121,574	-
Benefit payments, including refunds of employee contributions	(2,323,947)	(2,088,899)	(1,903,036)	(2,015,046)
Net change in total pension liability	2,666,394	2,925,170	2,728,351	2,287,487
Total pension liability, beginning of year	57,819,426	54,894,256	52,165,905	49,878,418
<b>Total pension liability, end of year (a)</b>	<b>\$ 60,485,820</b>	<b>\$ 57,819,426</b>	<b>\$ 54,894,256</b>	<b>\$ 52,165,905</b>
Plan fiduciary net position				
Contributions, employer	\$ 1,411,274	\$ 1,407,493	\$ 1,351,607	\$ 1,352,470
Contributions, employee	686,752	686,026	643,113	640,477
Net investment income	6,752,596	3,086,727	67,231	2,468,151
Benefit payments, including refunds of employee contributions	(2,323,947)	(2,088,899)	(1,903,036)	(2,015,046)
Administrative expense	(35,004)	(34,864)	(40,950)	(25,768)
Other	(1,774)	(1,878)	(2,023)	(2,119)
Net change in plan fiduciary net position	6,489,897	3,054,605	115,942	2,418,165
Plan fiduciary net position, beginning of year	48,733,355	45,678,750	45,562,808	43,144,643
<b>Plan fiduciary net position, end of year (b)</b>	<b>\$ 55,223,252</b>	<b>\$ 48,733,355</b>	<b>\$ 45,678,750</b>	<b>\$ 45,562,808</b>
<b>Net pension liability, end of year (a) - (b)</b>	<b>\$ 5,262,568</b>	<b>\$ 9,086,071</b>	<b>\$ 9,215,506</b>	<b>\$ 6,603,097</b>
Plan fiduciary net position as a percentage of total pension liability	91.30%	84.29%	83.21%	87.34%
Covered payroll	\$ 11,445,864	\$ 11,433,764	\$ 10,718,552	\$ 10,674,610
Net pension liability as a percentage of covered payroll	45.98%	79.47%	85.98%	61.86%

\*This schedule will present information for ten years as that information becomes available.

**City of Copperas Cove, Texas**  
 Required Supplementary Information  
 Texas Municipal Retirement System  
 Schedule of Contributions\*

Fiscal year	2018	2017	2016	2015
Actuarial determined contribution	\$ 1,441,457	\$ 1,413,827	\$ 1,360,243	\$ 1,306,426
Contributions in relation to the actuarially determined contribution	1,441,457	1,413,827	1,360,243	1,306,426
<b>Contribution deficiency (excess)</b>	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,606,767	\$ 11,433,764	\$ 10,718,552	\$ 10,456,668
Contributions as a percentage of covered payroll	12.42%	12.37%	12.69%	12.49%

**Notes to the Schedule of Contributions**

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28
Asset valuation method	10-Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary increases	3.50% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combining Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with BB.

Other information:

Notes There were no benefit changes during the year.

\*This schedule will present information for ten years as that information becomes available.

## City of Copperas Cove, Texas

### Required Supplementary Information

#### Schedule of Changes in OPEB Liability and Related Ratios\*

##### Post-employment Healthcare Plan – Schedule of Changes in the OPEB Liability and Related Ratios

	Measurement Year 2017
Total OPEB liability	
Service cost	\$ 25,855
Interest	26,792
Changes of benefit terms	-
Difference between expected and actual experience	(2,913)
Changes of assumptions	32,750
Benefit payments	(26,129)
Net changes in total OPEB liability	56,355
Total OPEB liability - beginning	703,350
<b>Total OPEB liability - ending</b>	<b>\$ 759,705</b>
Covered payroll	\$ 11,448,852
Total OPEB liability as a percentage of covered payroll	6.64%

##### Life Insurance Benefits – Schedule of Changes in OPEB Liability and Related Ratios

	Measurement Year 2017
Total OPEB liability	
Service cost	\$ 28,615
Interest	33,891
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	81,827
Benefit payments	(9,157)
Net changes in total OPEB liability	135,176
Total OPEB liability - beginning	886,868
<b>Total OPEB liability - ending</b>	<b>\$ 1,022,044</b>
Covered payroll	\$ 11,445,864
Total OPEB liability as a percentage of covered payroll	8.93%

\*These schedules will present information for ten years as that information becomes available.

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## City of Copperas Cove, Texas

### Notes to the Required Supplementary Information

September 30, 2018

#### 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 or 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 Fund, 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.

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# **City of Copperas Cove, Texas**

## Combining Statements and Budget Comparisons as Supplementary Information

The 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.

**City of Copperas Cove, Texas**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet by Fund Type  
 September 30, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 2,843,685	\$ 7,912,847	\$ 10,756,532
Receivables (net of allowance)			
Taxes	116,975	-	116,975
Accounts	436,256	-	436,256
Fines	5,516	-	5,516
Grants	93,601	-	93,601
Due from other funds	87,674	-	87,674
Prepaid items	2,162	-	2,162
Notes receivable	70,149	-	70,149
<b>TOTAL ASSETS</b>	<u><u>\$ 3,656,018</u></u>	<u><u>\$ 7,912,847</u></u>	<u><u>\$ 11,568,865</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$ 15,064	\$ 158,271	\$ 173,335
Retainage payable	-	71,157	71,157
Due to other funds	87,634	-	87,634
Accrued liabilities	4,682	-	4,682
Unearned revenue	15,274	-	15,274
Total liabilities	<u>122,654</u>	<u>229,428</u>	<u>352,082</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Municipal court fines	5,517	-	5,517
Total deferred inflows of resources	5,517	-	5,517
<b>FUND BALANCES</b>			
Nonspendable	2,162	-	2,162
Restricted	3,525,685	7,683,419	11,209,104
Total fund balances	<u>3,527,847</u>	<u>7,683,419</u>	<u>11,211,266</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u><u>\$ 3,656,018</u></u>	<u><u>\$ 7,912,847</u></u>	<u><u>\$ 11,568,865</u></u>

**City of Copperas Cove, Texas**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances by Fund Type  
For the Fiscal Year Ended September 30, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 565,442	\$ -	\$ 565,442
Charges for services	1,044,344	-	1,044,344
Intergovernmental	186,651	-	186,651
Fines	36,342	-	36,342
Investment income	28,634	76,131	104,765
Miscellaneous income	11,881	-	11,881
	<u>1,873,294</u>	<u>76,131</u>	<u>1,949,425</u>
Total revenues			
<b>EXPENDITURES</b>			
Current			
Community services	106,366	-	106,366
Highways and streets	340,736	-	340,736
Public safety	201,606	-	201,606
Capital outlay	217,023	2,524,588	2,741,611
Debt service			
Principal retirement	114,080	-	114,080
Interest and fiscal charges	3,151	60,663	63,814
	<u>982,962</u>	<u>2,585,251</u>	<u>3,568,213</u>
Total expenditures			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	890,332	(2,509,120)	(1,618,788)
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of bonds	-	3,055,000	3,055,000
Premium on bonds	-	158,636	158,636
Transfers in	-	10,000	10,000
Transfers out	(115,459)	(10,000)	(125,459)
	<u>(115,459)</u>	<u>3,213,636</u>	<u>3,098,177</u>
Total other financing sources (uses)			
<b>NET CHANGE IN FUND BALANCES</b>	774,873	704,516	1,479,389
Fund balances, beginning of year	2,752,974	6,978,903	9,731,877
	<u>2,752,974</u>	<u>6,978,903</u>	<u>9,731,877</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 3,527,847</u>	<u>\$ 7,683,419</u>	<u>\$ 11,211,266</u>

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# 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 the drainage assessment fees and grants.

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

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

**Tobacco Grant Fund** – To account for funds that 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 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.

**Park Improvements Fund** – To account for activity related to city park repairs, maintenance and improvements.

**Street Maintenance Fund** – To account for activity related to street maintenance.

**Employee Benefits Trust Fund** – To account for activity related to administration of employee benefits.

**City of Copperas Cove, Texas**  
 Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 September 30, 2018

	Hotel/Motel Tax	Drainage Utility	Municipal Court	Texas Community Development Loan
<b>ASSETS</b>				
Cash and investments	\$ 79,596	\$ 2,114,529	\$ 38,504	\$ 133,632
Receivables (net of allowance)				
Taxes	46,771	-	-	-
Accounts	-	436,256	-	-
Fines	-	-	5,516	-
Grants	-	-	-	-
Due from other funds	-	87,634	-	-
Prepaid items	1,655	507	-	-
Notes receivable	-	-	-	70,149
<b>TOTAL ASSETS</b>	<b>\$ 128,022</b>	<b>\$ 2,638,926</b>	<b>\$ 44,020</b>	<b>\$ 203,781</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,667	\$ 8,074	\$ 258	\$ -
Due to other funds	-	-	-	-
Accrued liabilities	1,502	3,180	-	-
Unearned revenue	-	-	-	-
Total liabilities	8,169	11,254	258	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable				
Municipal Court fines	-	-	5,517	-
Total deferred inflows of resources	-	-	5,517	-
<b>FUND BALANCES</b>				
Nonspendable	1,655	507	-	-
Restricted	118,198	2,627,165	38,245	203,781
Total fund balances	119,853	2,627,672	38,245	203,781
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 128,022</b>	<b>\$ 2,638,926</b>	<b>\$ 44,020</b>	<b>\$ 203,781</b>

<u>Tobacco Grant</u>	<u>Homeland Security Grants</u>	<u>FEMA Grant</u>	<u>City-Wide Grants</u>	<u>Parks Improvements</u>	<u>Street Maintenance</u>	<u>Employee Benefits Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 10,450	\$ -	\$ 3,906	\$ -	\$ 16,097	\$ 442,966	\$ 4,005	\$ 2,843,685
-	-	-	-	-	70,204	-	116,975
-	-	-	-	-	-	-	436,256
-	-	-	-	-	-	-	5,516
-	93,601	-	-	-	-	-	93,601
-	-	-	40	-	-	-	87,674
-	-	-	-	-	-	-	2,162
-	-	-	-	-	-	-	70,149
<u>\$ 10,450</u>	<u>\$ 93,601</u>	<u>\$ 3,906</u>	<u>\$ 40</u>	<u>\$ 16,097</u>	<u>\$ 513,170</u>	<u>\$ 4,005</u>	<u>\$ 3,656,018</u>
\$ -	\$ 44	\$ -	\$ -	\$ 21	\$ -	\$ -	\$ 15,064
-	87,634	-	-	-	-	-	87,634
-	-	-	-	-	-	-	4,682
10,450	4,824	-	-	-	-	-	15,274
10,450	92,502	-	-	21	-	-	122,654
-	-	-	-	-	-	-	5,517
-	-	-	-	-	-	-	5,517
-	-	-	-	-	-	-	2,162
-	1,099	3,906	40	16,076	513,170	4,005	3,525,685
-	1,099	3,906	40	16,076	513,170	4,005	3,527,847
<u>\$ 10,450</u>	<u>\$ 93,601</u>	<u>\$ 3,906</u>	<u>\$ 40</u>	<u>\$ 16,097</u>	<u>\$ 513,170</u>	<u>\$ 4,005</u>	<u>\$ 3,656,018</u>

**City of Copperas Cove, Texas**  
 Nonmajor Special Revenue Funds  
 Combining Statement of Revenues, Expenditures,  
 and Changes in fund Balances  
 For the Fiscal Year Ended September 30, 2018

	Hotel/Motel Tax	Drainage Utility	Municipal Court	Texas Community Development Loan
<b>REVENUES</b>				
Taxes	\$ 150,840	\$ -	\$ -	\$ -
Charges for services	-	1,007,001	-	-
Intergovernmental	-	-	-	-
Fines	-	-	36,342	-
Investment income	129	25,987	258	1,731
Miscellaneous	-	11,881	-	-
Total revenues	150,969	1,044,869	36,600	1,731
<b>EXPENDITURES</b>				
Current				
Community services	58,115	-	-	-
Highways and streets	-	340,736	-	-
Public safety	113,735	-	5,806	-
Capital outlay	-	112,437	-	-
Debt service				
Principal retirement	-	100,080	14,000	-
Interest and fiscal charges	-	2,955	196	-
Total expenditures	171,850	556,208	20,002	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(20,881)	488,661	16,598	1,731
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(115,361)	-	-
Total other financing sources (uses)	-	(115,361)	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(20,881)	373,300	16,598	1,731
Fund balances, beginning of year	140,734	2,254,372	21,647	202,050
<b>FUND BALANCES, end of year</b>	\$ 119,853	\$ 2,627,672	\$ 38,245	\$ 203,781

Tobacco Grant	Homeland Security Grants	FEMA Grant	City-Wide Grants	Parks Improvements	Street Maintenance	Employee Benefits Trust	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	414,602	\$ -	\$ 565,442
-	-	-	-	37,343	-	-	1,044,344
-	186,651	-	-	-	-	-	186,651
-	-	-	-	-	-	-	36,342
-	-	-	-	9	520	-	28,634
-	-	-	-	-	-	-	11,881
-	186,651	-	-	37,352	415,122	-	1,873,294
-	366	-	-	47,885	-	-	106,366
-	-	-	-	-	-	-	340,736
-	82,065	-	-	-	-	-	201,606
-	104,586	-	-	-	-	-	217,023
-	-	-	-	-	-	-	114,080
-	-	-	-	-	-	-	3,151
-	187,017	-	-	47,885	-	-	982,962
-	(366)	-	-	(10,533)	415,122	-	890,332
-	(98)	-	-	-	-	-	(115,459)
-	(98)	-	-	-	-	-	(115,459)
-	(464)	-	-	(10,533)	415,122	-	774,873
-	1,563	3,906	40	26,609	98,048	4,005	2,752,974
\$ -	\$ 1,099	\$ 3,906	\$ 40	\$ 16,076	\$ 513,170	\$ 4,005	\$ 3,527,847

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# City of Copperas Cove, Texas

## Nonmajor Capital Projects Funds

**2006 Limited Tax Notes Fund** – To account for the purchase of land and acquisition of engineering services for a new Police Station and the acquisition of a vacuum sweeper and ambulance. Payment of the debt service related for this issuance will be derived from the Tax Interest and Sinking Fund.

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

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

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

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

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

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

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

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

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

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

**2017 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.

**2018 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, 2018

	2006 Limited Tax Notes	2010A Limited Tax Notes	2011 Revenue and Limited Tax Bonds	2011 Capital Improvement
<b>ASSETS</b>				
Cash and investments	\$ 45	889	\$ 19,159	\$ 928
<b>TOTAL ASSETS</b>	<u>\$ 45</u>	<u>\$ 889</u>	<u>\$ 19,159</u>	<u>\$ 928</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-
Total liabilities	-	-	-	-
Fund balances				
Restricted	45	889	19,159	928
Total fund balances	<u>45</u>	<u>889</u>	<u>19,159</u>	<u>928</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 45</u>	<u>\$ 889</u>	<u>\$ 19,159</u>	<u>\$ 928</u>

2012 Tax Supported Tax Notes	2012 Municipal Court Limited Tax Note	2013 Capital Improvement	2013 Tax Supported Tax Notes
\$ 63,779	\$ -	\$ 3,371	\$ 2,837
<u>\$ 63,779</u>	<u>\$ -</u>	<u>\$ 3,371</u>	<u>\$ 2,837</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
63,779	-	3,371	2,837
<u>63,779</u>	<u>-</u>	<u>3,371</u>	<u>2,837</u>
<u>\$ 63,779</u>	<u>\$ -</u>	<u>\$ 3,371</u>	<u>\$ 2,837</u>

**City of Copperas Cove, Texas**  
 Nonmajor Capital Projects Funds  
 Combining Balance Sheet – Continued  
 September 30, 2018

	2013 Public Property Finance	2014 Tax Supported Certificates of Obligation	2015 Tax Supported Certificates of Obligation	2016 Tax Supported Certificates of Obligation	2017 Tax Supported Certificates of Obligation	2018 Court Technology	2018 Tax Supported Certificates of Obligation	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>								
Cash and investments	\$ 12,126	\$ 657,760	\$ 985,632	\$ 96,211	\$ 3,322,486	\$ 15,262	\$ 2,732,362	\$ 7,912,847
<b>TOTAL ASSETS</b>	<u>\$ 12,126</u>	<u>\$ 657,760</u>	<u>\$ 985,632</u>	<u>\$ 96,211</u>	<u>\$ 3,322,486</u>	<u>\$ 15,262</u>	<u>\$ 2,732,362</u>	<u>\$ 7,912,847</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 2,112	156,159	\$ -	\$ -	\$ 158,271
Retainage payable	-	-	-	-	71,157	-	-	71,157
Total liabilities	-	-	-	2,112	227,316	-	-	229,428
Fund balances								
Restricted	12,126	657,760	985,632	94,099	3,095,170	15,262	2,732,362	7,683,419
Total fund balances	<u>12,126</u>	<u>657,760</u>	<u>985,632</u>	<u>94,099</u>	<u>3,095,170</u>	<u>15,262</u>	<u>2,732,362</u>	<u>7,683,419</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 12,126</u>	<u>\$ 657,760</u>	<u>\$ 985,632</u>	<u>\$ 96,211</u>	<u>\$ 3,322,486</u>	<u>\$ 15,262</u>	<u>\$ 2,732,362</u>	<u>\$ 7,912,847</u>

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**City of Copperas Cove, Texas**  
 Nonmajor Capital Projects Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 For the Fiscal Year Ended September 30, 2018

	2006 Limited Tax Notes	2010A Limited Tax Notes	2011 Revenue and Limited Tax Bonds	2011 Capital Improvement
<b>REVENUES</b>				
Investment income	\$ -	\$ 47	\$ 492	\$ 46
Miscellaneous income	-	-	-	-
Total revenues	-	47	492	46
<b>EXPENDITURES</b>				
Capital outlay	-	4,082	24,638	4,595
Debt service				
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	-	4,082	24,638	4,595
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(4,035)	(24,146)	(4,549)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	-	-	-	-
Premium on bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (Uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	(4,035)	(24,146)	(4,549)
Fund balances, beginning of year	45	4,924	43,305	5,477
<b>FUND BALANCES, end of year</b>	<b>\$ 45</b>	<b>\$ 889</b>	<b>\$ 19,159</b>	<b>\$ 928</b>

2012 Tax Supported Tax Notes	2012 Municipal Court Limited Tax Note	2013 Capital Improvement	2013 Tax Supported Tax Notes
\$ 947	\$ -	\$ 948	\$ 80
-	-	-	-
947	-	948	80
-	-	2,999	10,681
-	471	-	-
-	-	-	-
-	471	2,999	10,681
947	(471)	(2,051)	(10,601)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
947	(471)	(2,051)	(10,601)
62,832	471	5,422	13,438
\$ 63,779	\$ -	\$ 3,371	\$ 2,837

**City of Copperas Cove, Texas**

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances – Continued  
For the Fiscal Year Ended September 30, 2018

	2013 Public Property Finance	2014 Tax Supported Certificates of Obligation	2015 Tax Supported Certificates of Obligation	2016 Tax Supported Certificates of Obligation	2017 Tax Supported Certificates of Obligation	2018 Court Technology	2018 Tax Supported Certificates of Obligation	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>								
Investment income	\$ 185	\$ 11,372	\$ 15,136	\$ 1,809	\$ 33,476	\$ 89	\$ 11,504	\$ 76,131
Miscellaneous income	-	-	-	-	-	-	-	-
Total revenues	185	11,372	15,136	1,809	33,476	89	11,504	76,131
<b>EXPENDITURES</b>								
Capital outlay	-	5,041	36,644	47,536	1,971,227	9,791	407,354	2,524,588
Debt service								
Interest and fiscal charges	-	-	-	-	-	236	-	707
Bond issuance costs	-	-	-	-	-	1,641	58,315	59,956
Total expenditures	-	5,041	36,644	47,536	1,971,227	11,668	465,669	2,585,251
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	185	6,331	(21,508)	(45,727)	(1,937,751)	(11,579)	(454,165)	(2,509,120)
<b>OTHER FINANCING SOURCES (USES)</b>								
Issuance of bonds	-	-	-	-	-	15,000	3,040,000	3,055,000
Premium on bonds	-	-	-	-	-	1,841	156,795	158,636
Transfers in	-	-	-	-	-	10,000	-	10,000
Transfers out	-	-	-	-	(10,000)	-	-	(10,000)
Total other financing sources (use)	-	-	-	-	(10,000)	26,841	3,196,795	3,213,636
<b>NET CHANGE IN FUND BALANCES</b>	185	6,331	(21,508)	(45,727)	(1,947,751)	15,262	2,742,630	704,516
Fund balances, beginning of year	11,941	651,429	1,007,140	139,826	5,042,921	-	(10,268)	6,978,903
<b>FUND BALANCES, end of year</b>	<b>\$ 12,126</b>	<b>\$ 657,760</b>	<b>\$ 985,632</b>	<b>\$ 94,099</b>	<b>\$ 3,095,170</b>	<b>\$ 15,262</b>	<b>\$ 2,732,362</b>	<b>\$ 7,683,419</b>

**City of Copperas Cove, Texas**  
 General Fund  
 Schedule of Revenues  
 Budget and Actual (Budgetary Basis)  
 For the Fiscal Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>TAXES</b>				
Current ad valorem	\$ 6,563,821	\$ 6,563,821	\$ 6,489,873	\$ (73,948)
Delinquent ad valorem	31,500	31,500	40,715	9,215
Penalty and interest	34,250	34,250	41,207	6,957
Franchise	1,385,591	1,385,591	1,414,093	28,502
Sales	3,327,552	3,327,552	3,345,548	17,996
Mixed drink	18,990	18,990	23,111	4,121
Bingo	148,000	148,000	149,754	1,754
	<hr/>	<hr/>	<hr/>	<hr/>
Total taxes	11,509,704	11,509,704	11,504,301	(5,403)
<b>LICENSES</b>				
Bicycle	10	10	-	(10)
Contractors	31,000	31,000	36,180	5,180
Animal	7,000	7,000	7,565	565
Taxi cab	180	180	180	-
Vicious/dangerous animal	650	650	800	150
Wrecker	680	680	680	-
Food handlers	3,100	3,100	4,070	970
Food establishment	12,500	12,500	11,570	(930)
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Total licenses	55,120	55,120	61,045	5,925
<b>PERMITS</b>				
Building	90,000	90,000	91,267	1,267
Street cuts	5,000	5,000	4,230	(770)
Electrical	25,000	25,000	31,459	6,459
Solicitors	2,000	2,000	1,295	(705)
Natural gas lines	6,290	6,290	7,040	750
Garage sale	8,000	8,000	4,810	(3,190)
Plumbing	37,000	37,000	52,084	15,084
Mechanical	18,000	18,000	27,915	9,915
Car wash	500	500	330	(170)
Signs	1,900	1,900	2,575	675
Swimming pools	400	400	560	160
Ambulance license	6,000	6,000	7,140	1,140
Certificate of occupancy	4,500	4,500	2,840	(1,660)
Alarms	3,500	3,500	2,365	(1,135)
Alcohol license	100	100	-	(100)
Food workers	200	200	60	(140)
Land disturbance	70	70	-	(70)
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Total permits	208,460	208,460	235,970	27,510

**City of Copperas Cove, Texas**  
 General Fund  
 Schedule of Revenues  
 Budget and Actual (Budgetary Basis) – Continued  
 For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>CHARGES FOR SERVICES</b>				
Cemetery plot sales	\$ 15,000	\$ 15,000	\$ 14,490	\$ (510)
Football fees	16,752	16,752	13,117	(3,635)
Basketball fees	26,947	26,947	26,947	-
Volleyball entry fees	7,006	7,006	5,345	(1,661)
Youth baseball fees	43,255	43,255	39,018	(4,237)
Youth softball fees	16,810	16,810	12,756	(4,054)
Adult softball fees	53,193	53,193	57,647	4,454
Soccer registration fees	34,075	34,075	33,155	(920)
Special events	1,970	1,970	470	(1,500)
Concession sales	10,161	10,161	7,097	(3,064)
Adult dodgeball fees	750	750	750	-
Flag football fees	2,179	2,179	2,530	351
Recreational classes	1,788	1,788	1,788	-
Swimming lessons	16,555	16,555	17,332	777
Swimming pool	45,255	45,255	51,377	6,122
Community building rental	28,092	28,092	20,595	(7,497)
Library meeting room rental	4,600	4,600	3,600	(1,000)
Library miscellaneous	12,360	12,360	11,874	(486)
Animal shelter fees	29,000	29,000	31,257	2,257
Ambulance fees	1,000,000	1,000,000	1,067,953	67,953
Notary fees	500	500	392	(108)
Print/copy fees	200	200	135	(65)
Mowing/mowing liens revenue	15,000	15,000	9,060	(5,940)
Sale of city maps	100	100	38	(62)
NSF charge fees	-	-	60	60
Plat filing fees	7,200	7,200	6,750	(450)
RV park fees	-	-	-	-
Police overtime reimbursement	1,500	1,500	1,982	482
Police restitution	500	500	801	301
Festival reimbursements	10,000	10,000	26,304	16,304
Senior program fees	1,872	1,872	2,041	169
Open records	400	400	324	(76)
Pool rental	5,999	5,999	5,045	(954)
Animal identification	7,500	7,500	9,080	1,580
Re-inspection fees	9,000	9,000	8,900	(100)
Animal tranquilization fees	50	50	-	(50)
Street sign	700	700	7,155	6,455
Fire inspection fees	5,075	5,075	4,945	(130)
Fire testing fees	-	-	-	-
Rezoning request fees	1,800	1,800	1,400	(400)
Variance request fees	500	500	800	300
Other charges for services	-	-	25,776	25,776
<b>Total charges for services</b>	<b>1,433,644</b>	<b>1,433,644</b>	<b>1,530,086</b>	<b>96,442</b>

**City of Copperas Cove, Texas**  
 General Fund  
 Schedule of Revenues  
 Budget and Actual (Budgetary Basis) – Continued  
 For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>FINES</b>				
Municipal court fines	\$ 258,200	\$ 258,200	\$ 247,774	\$ (10,426)
Traffic violations	108,300	108,300	113,867	5,567
Library fines	8,650	8,650	8,535	(115)
Arrest warrants	26,500	26,500	20,038	(6,462)
Child safety fund	10,900	10,900	10,093	(807)
State court fees	39,500	39,500	38,639	(861)
HB 70 fees	10,100	10,100	10,550	450
Arresting officer fees	23,800	23,800	23,707	(93)
Civil justice fee	28	28	34	6
Juvenile	139,267	139,267	139,260	(7)
Admin fee - defensive driving	15,000	15,000	15,171	171
Penalties - false alarm	1,500	1,500	1,525	25
Total fines	641,745	641,745	629,193	(12,552)
<b>INVESTMENT INCOME</b>				
Investment income	53,917	53,917	88,725	34,808
Total investment income	53,917	53,917	88,725	34,808
<b>MISCELLANEOUS</b>				
Rental	26,700	26,700	27,135	435
Miscellaneous	618,606	618,606	693,053	74,447
Total miscellaneous	645,306	645,306	720,188	74,882
<b>INTERGOVERNMENTAL</b>				
Grants	3,608	3,608	3,815	207
Total intergovernmental	3,608	3,608	3,815	207
<b>TOTALS</b>	<b>\$ 14,551,504</b>	<b>\$ 14,551,504</b>	<b>\$ 14,773,323</b>	<b>\$ 221,819</b>

**City of Copperas Cove, Texas**  
 General Fund  
 Schedule of Expenditures  
 Budget and Actual (Budgetary Basis)  
 For the Fiscal Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>GENERAL GOVERNMENT</b>				
City council	\$ 42,172	\$ 42,172	\$ 22,269	\$ 19,903
City manager	231,581	231,581	204,826	26,755
Financial services and accounting	754,378	754,378	700,619	53,759
Information systems	336,398	336,398	329,405	6,993
City secretary	136,875	136,875	139,159	(2,284)
City attorney	119,280	119,280	134,404	(15,124)
Public Information	91,801	91,801	102,780	(10,979)
Personnel	259,490	259,490	259,378	112
Planning	266,422	266,422	236,233	30,189
Nondepartmental	775,174	775,174	743,084	32,090
Engineering	71,613	71,613	56,093	15,520
Total general government	<u>3,085,184</u>	<u>3,085,184</u>	<u>2,928,250</u>	<u>156,934</u>
<b>COMMUNITY SERVICES</b>				
Parks and recreation	1,465,885	1,465,885	1,374,035	91,850
Library	478,949	478,949	522,532	(43,583)
Code and health	162,010	162,010	142,195	19,815
Total community services	<u>2,106,844</u>	<u>2,106,844</u>	<u>2,038,762</u>	<u>68,082</u>
<b>FLEET AND FACILITY SERVICES</b>				
Fleet maintenance	285,108	285,108	283,870	1,238
Total fleet and facility services	<u>285,108</u>	<u>285,108</u>	<u>283,870</u>	<u>1,238</u>
<b>HIGHWAYS AND STREETS</b>				
Highways and streets	652,952	652,952	548,093	104,859
Total highways and streets	<u>652,952</u>	<u>652,952</u>	<u>548,093</u>	<u>104,859</u>
<b>PUBLIC SAFETY</b>				
Building inspections	318,263	318,263	280,851	37,412
Municipal court	408,126	408,126	379,345	28,781
Animal control	258,482	258,482	225,962	32,520
Police department	5,411,359	5,411,359	5,186,150	225,209
Fire/EMS department	4,100,261	4,100,261	4,223,642	(123,381)
Emergency management	8,208	8,208	6,309	1,899
Total public safety	<u>10,504,699</u>	<u>10,504,699</u>	<u>10,302,259</u>	<u>202,440</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 16,634,787</u>	<u>\$ 16,634,787</u>	<u>\$ 16,101,234</u>	<u>\$ 533,553</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 Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 163,331	\$ 163,331	\$ 150,840	\$ (12,491)
Investment income	(123)	(123)	129	252
Total revenues	163,208	163,208	150,969	(12,239)
<b>EXPENDITURES</b>				
Current				
Community services				
Services and charges	65,615	65,615	60,615	5,000
Public Safety	125,988	125,988	113,735	12,253
Capital outlay				
Community services	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	191,603	191,603	174,350	17,253
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (28,395)</b>	<b>\$ (28,395)</b>	<b>(23,381)</b>	<b>\$ 5,014</b>
Fund balance, beginning of year			140,734	
Current year encumbrances			2,500	
Prior year encumbrances			-	
<b>FUND BALANCE, end of year</b>			<b>\$ 119,853</b>	

# City of Copperas Cove, Texas

## Drainage Utility Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 948,000	\$ 948,000	\$ 1,007,001	\$ 59,001
Investment income	3,800	18,965	25,987	7,022
Miscellaneous	-	7,159	11,881	4,722
Total revenues	951,800	974,124	1,044,869	70,745
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Personnel services	299,570	299,546	235,747	63,799
Supplies and materials	33,777	31,839	21,802	10,037
Maintenance and repairs	22,459	22,517	20,941	1,576
Services and charges	69,645	69,795	61,755	8,040
Capital outlay				
Capital drainage projects	155,360	270,826	274,420	(3,594)
Debt service				
Principal	100,080	100,080	100,080	-
Interest and fiscal charges	2,789	2,955	2,955	-
Total expenditures	683,680	797,558	717,700	79,858
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	268,120	176,566	327,169	150,603
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets	1,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	1,000	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 269,120</b>	<b>\$ 176,566</b>	327,169	<b>\$ 150,603</b>
Fund balance, beginning of year			2,254,372	
Current year encumbrances			53,438	
Prior year encumbrances			(7,307)	
<b>FUND BALANCE, end of year</b>			<b>\$ 2,627,672</b>	

# City of Copperas Cove, Texas

## Municipal Court Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Fines	\$ 33,950	\$ 33,950	\$ 36,342	\$ 2,392
Investment income	231	231	258	27
Total revenues	34,181	34,181	36,600	2,419
<b>EXPENDITURES</b>				
Current				
Public safety				
Personnel	-	-	-	-
Supplies and materials	3,615	3,615	5,806	(2,191)
Maintenance and repairs	-	-	-	-
Services and charges	-	-	-	-
Debt service				
Principal retirement	10,000	10,000	14,000	(4,000)
Interest and fiscal charges	200	200	196	4
Total expenditures	13,815	13,815	20,002	(6,187)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 20,366</b>	<b>\$ 20,366</b>	16,598	<b>\$ (3,768)</b>
Fund balance, beginning of year			21,647	
Current year encumbrances			-	
<b>FUND BALANCE, end of year</b>			<b>\$ 38,245</b>	

# City of Copperas Cove, Texas

Tobacco Grant Fund

Schedule of Revenues, Expenditures and Changes  
in Fund Balance – Budget and Actual (Budgetary Basis)  
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current				
Public safety				
Personnel services	-	-	-	-
Supplies and materials	-	-	-	-
Total expenditures	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year			-	
<b>FUND BALANCE, end of year</b>			<b>\$ -</b>	

# City of Copperas Cove, Texas

## Homeland Security Grants

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 231,796	\$ 231,796	\$ 186,651	\$ (45,145)
Investment income	-	-	-	-
Total revenues	231,796	231,796	186,651	(45,145)
<b>EXPENDITURES</b>				
Current				
Public safety				
Personnel	34,911	34,911	31,353	3,558
Supplies and materials	12,209	12,209	33,220	(21,011)
Maintenance and repairs	-	-	-	-
Services and charges	6,351	6,351	17,956	(11,605)
Capital outlay				
Public safety	150,719	150,719	104,586	46,133
Total expenditures	204,190	204,190	187,115	17,075
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	\$ 27,606	\$ 27,606	(464)	\$ (28,070)
Fund balance, beginning of year			1,563	
<b>FUND BALANCE, end of year</b>			\$ 1,099	

# City of Copperas Cove, Texas

## Debt Service Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 3,785,911	\$ 3,786,107	\$ 3,780,129	\$ (5,978)
Intergovernmental	132,150	132,150	132,150	-
Investment income	1,200	25,099	32,218	7,119
Miscellaneous	-	-	80	80
Total revenues	3,919,261	3,943,356	3,944,577	1,221
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	2,886,340	2,886,340	2,876,419	9,921
Interest and fiscal charges	864,575	864,575	1,182,202	(317,627)
Total expenditures	3,750,915	3,750,915	4,058,621	(307,706)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	168,346	192,441	(114,044)	(306,485)
<b>OTHER FINANCING SOURCES (USES)</b>				
Payment to refunding escrow agent	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium on bonds	-	754	4,429	3,675
Transfers out	-	-	(15,921)	(15,921)
Total other financing sources (uses)	-	754	(11,492)	(12,246)
<b>NET CHANGE IN FUND BALANCE</b>	\$ 168,346	\$ 193,195	\$ (125,536)	\$ (318,731)
Fund balance, beginning of year			258,385	
<b>FUND BALANCE, end of year</b>			\$ 132,849	

# **City of Copperas Cove, Texas**

Statistical Section

(All tables in the Statistical Section are Unaudited)



## 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's ability to generate its own source revenues.
- ❖ **Debt Capacity Information:** The Debt Capacity section provides understanding and assessment of 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 comparison 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.
- ❖ **Other Information:** The other information provides additional information which management of the City of Copperas Cove has determined to be useful to specific users of this report.



## **Financial Trends Information**

**City of Copperas Cove, Texas**  
**Net Position by Component**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental activities:					
Invested in capital assets, net of related debt	\$13,518,030	\$12,730,095	\$11,295,015	\$11,141,316	\$10,205,332
Restricted					
Debt service	217,905	337,912	693,078	301,339	590,327
Community services	343,755	310,804	310,804	354,908	336,826
Highways and streets	3,140,842	1,879,846	1,897,846	1,867,333	1,505,937
Public safety	48,767	34,741	34,741	71,530	100,402
Unrestricted	99,670	2,162,124	1,155,070	668,665	4,647,338
<b>Total governmental activities net assets</b>	<b>\$17,368,969</b>	<b>\$17,455,522</b>	<b>\$15,386,554</b>	<b>\$14,405,091</b>	<b>\$17,386,162</b>
Business-type activities:					
Invested in capital assets, net of related debt	\$13,200,778	\$20,954,140	\$23,926,500	\$25,997,032	\$20,327,650
Restricted					
Debt service	641,398	641,398	641,398	504,099	511,264
Unrestricted	22,254,438	12,846,151	8,122,697	5,119,417	10,171,273
<b>Total business-type activities net assets</b>	<b>\$36,096,614</b>	<b>\$34,441,689</b>	<b>\$32,690,595</b>	<b>\$31,620,548</b>	<b>\$31,010,187</b>
Primary government:					
Invested in capital assets, net of related debt	\$26,718,808	\$33,684,235	\$35,221,515	\$37,138,348	\$30,532,982
Restricted					
Debt service	859,303	979,310	1,334,476	805,438	1,101,591
Community services	343,755	310,804	310,804	354,908	336,826
Highways and streets	3,140,842	1,879,846	1,879,846	1,867,333	1,505,937
Public safety	48,767	34,741	34,741	71,530	100,402
Unrestricted	22,354,108	15,008,275	9,277,767	5,788,082	14,818,611
<b>Total primary government net assets</b>	<b>\$53,465,583</b>	<b>\$51,897,211</b>	<b>\$48,059,149</b>	<b>\$46,025,639</b>	<b>\$48,396,349</b>

Table 1

Fiscal Year				
2013	2012	2011	2010	2009
\$ 9,578,570	\$ 8,858,742	\$ 8,931,762	\$18,043,868	\$11,374,872
370,920	2,052,717	2,241,325	478,387	424,487
352,417	328,857	339,794	311,224	5,387,776
1,338,433	1,336,771	1,296,342	1,086,970	-
96,842	82,251	82,854	135,760	-
7,007,547	7,020,001	7,861,051	5,517,904	7,276,161
<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>
\$22,994,554	\$22,080,586	\$22,369,970	\$22,596,745	\$25,553,411
531,573	522,756	512,401	772,228	1,075,085
6,415,903	6,091,602	5,109,801	4,743,078	1,995,872
<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>
\$32,573,124	\$30,939,328	\$31,301,732	\$40,640,613	\$36,928,283
902,493	2,575,473	2,753,726	1,250,615	1,499,572
352,417	328,857	339,794	311,224	5,387,776
1,338,433	1,336,771	1,296,342	1,086,970	-
96,842	82,251	82,854	135,760	-
13,423,450	13,111,603	12,970,852	10,260,982	9,272,033
<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>

**City of Copperas Cove, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2018	2017	2016	2015	2014
<b>EXPENSES</b>					
Governmental activities:					
General government	\$ 3,696,432	\$ 3,433,034	\$ 3,140,253	\$ 3,535,829	\$ 3,293,107
Community services	2,434,554	2,275,747	2,154,671	3,214,351	2,074,947
Fleet and facility maintenance	334,857	312,799	295,982	456,308	266,975
Highways and streets	1,552,336	1,671,135	1,669,455	1,434,484	1,592,976
Public safety	12,855,222	11,662,529	11,075,796	9,162,709	10,177,406
Interest on long-term debt	1,270,127	620,377	628,810	1,054,111	1,972,914
<b>Total governmental activities expenses</b>	<b>22,143,528</b>	<b>19,975,621</b>	<b>18,964,967</b>	<b>18,857,792</b>	<b>19,378,325</b>
Business-type activities:					
Water and sewer	10,590,491	9,400,345	8,811,109	9,221,685	8,708,517
Solid waste	3,570,483	3,141,524	3,470,827	3,041,437	2,905,397
Golf course	280,153	359,491	611,534	565,774	546,309
<b>Total business-type activities expenses</b>	<b>14,441,127</b>	<b>12,901,360</b>	<b>12,893,470</b>	<b>12,828,896</b>	<b>12,160,223</b>
<b>Total primary government expenses</b>	<b>\$ 36,584,655</b>	<b>\$ 32,876,981</b>	<b>\$ 31,858,437</b>	<b>\$ 31,686,688</b>	<b>\$ 31,538,548</b>
<b>PROGRAM REVENUES</b>					
Governmental activities:					
Charges for services:					
General government	\$ 1,273,656	\$ 1,628,374	\$ 300,308	\$ 354,870	\$ 334,382
Community services	402,634	44,458	367,740	1,136,980	1,112,802
Highways and streets	49,884	1,040,597	886,844	930,020	931,748
Public safety	1,810,806	1,028,910	1,467,624	809,487	692,758
Operating grants and contributions	190,466	1,094,061	289,597	571,277	376,813
Capital grants and contributions	-	-	-	3,500	2,776
<b>Total governmental activities program revenues</b>	<b>3,727,446</b>	<b>4,836,400</b>	<b>3,312,113</b>	<b>3,806,134</b>	<b>3,451,279</b>
Business-type activities:					
Charges for services:					
Water and sewer	12,549,442	11,170,415	10,701,271	11,095,431	10,421,191
Solid waste	4,283,886	4,311,325	4,127,047	3,993,003	3,874,212
Golf course	293,399	294,604	284,718	323,330	331,204
Capital grants and contributions	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>17,126,727</b>	<b>15,776,344</b>	<b>15,113,036</b>	<b>15,411,764</b>	<b>14,626,607</b>
<b>Total primary government program revenues</b>	<b>\$ 20,854,173</b>	<b>\$ 20,612,744</b>	<b>\$ 18,425,149</b>	<b>\$ 19,217,898</b>	<b>\$ 18,077,886</b>

**Table 2**  
Page 1 of 2

Fiscal Year			
2013	2012	2011	2010
\$ 2,763,344	\$ 2,546,927	\$ 2,875,722	\$ 2,623,640
1,991,851	2,244,461	2,438,256	2,373,405
260,234	221,682	279,016	364,763
1,493,706	1,271,079	46,924,619	1,404,332
10,215,865	10,124,360	10,026,320	9,586,380
2,345,029	2,464,443	2,070,699	948,569
19,070,029	18,872,952	64,614,632	17,301,089
8,675,269	8,435,752	9,409,881	8,867,419
3,149,394	2,776,066	2,608,915	2,397,273
609,842	580,689	573,612	579,846
12,434,505	11,792,507	12,592,408	11,844,538
\$ 31,504,534	\$ 30,665,459	\$ 77,207,040	\$ 29,145,627
\$ 283,509	\$ 327,064	\$ 352,865	\$ 254,356
1,119,533	1,175,746	1,016,328	970,855
900,308	891,366	832,234	865,236
669,343	926,953	574,554	928,159
460,352	289,311	42,807,297	314,701
863	139,528	169,298	709,919
3,433,908	3,749,968	45,752,576	4,043,226
10,706,431	9,756,792	9,933,243	9,057,365
3,561,759	2,983,601	3,099,602	3,094,402
370,934	421,911	385,799	439,810
19,145	3,422	-	-
14,658,269	13,165,726	13,418,644	12,591,577
\$ 18,092,177	\$ 16,915,694	\$ 59,171,220	\$ 16,634,803

# City of Copperas Cove, Texas

## Changes in Net Position

### Last Ten Fiscal Years

	Fiscal Year				
	2018	2017	2016	2015	2014
<b>NET (EXPENSE) REVENUES</b>					
Governmental activities	\$(18,416,082)	\$(15,139,221)	\$(15,652,854)	\$(15,927,046)	\$(15,927,046)
Business-type activities	2,685,600	2,874,984	2,219,566	2,466,384	2,466,384
Total primary government net expense	<u>(15,730,482)</u>	<u>(12,264,237)</u>	<u>(13,433,288)</u>	<u>(13,460,662)</u>	<u>(13,460,662)</u>
<b>GENERAL REVENUES AND OTHER</b>					
<b>CHANGES IN NET POSITION</b>					
Governmental activities:					
Ad valorem taxes	10,329,477	10,117,814	9,967,981	9,742,586	9,430,398
Sales taxes	3,760,150	3,150,848	2,842,678	2,848,964	2,771,359
Franchise taxes	1,351,657	1,292,338	1,258,920	1,375,791	1,359,461
Other taxes	386,141	511,161	443,966	406,468	410,158
Investment earnings	225,708	36,107	37,671	101,631	42,537
Miscellaneous	882,585	794,219	792,655	267,602	177,552
Transfers	1,393,811	1,323,702	1,272,446	1,157,733	1,137,835
Total governmental activities	<u>18,329,529</u>	<u>17,226,189</u>	<u>16,616,317</u>	<u>15,900,775</u>	<u>15,329,300</u>
Business-type activities:					
Investment earnings	218,873	79,591	57,383	37,684	33,707
Transfers	(1,393,811)	(1,321,858)	(1,272,446)	(1,157,733)	(1,137,835)
Miscellaneous	226,311	118,377	65,543	128,586	22,764
Total business-type activities	<u>(948,627)</u>	<u>(1,123,890)</u>	<u>(1,149,520)</u>	<u>(991,463)</u>	<u>(1,081,364)</u>
Total primary government	<u>17,380,902</u>	<u>16,102,299</u>	<u>15,466,797</u>	<u>14,909,312</u>	<u>14,247,936</u>
<b>CHANGE IN NET POSITION</b>					
Governmental activities	(86,553)	2,086,968	963,463	849,117	(597,746)
Business-type activities	1,736,973	1,751,094	1,070,046	1,591,405	1,385,020
<b>Total primary government</b>	<u>\$ 1,650,420</u>	<u>\$ 3,838,062</u>	<u>\$ 2,033,509</u>	<u>\$ 2,440,522</u>	<u>\$ 787,274</u>

Fiscal Year				
2013	2012	2011	2010	2009
\$ (15,636,121)	\$ (15,122,984)	\$ (18,862,056)	\$ (13,257,863)	\$ (12,782,956)
2,223,764	1,373,219	826,236	747,039	853,353
(13,412,357)	(13,749,765)	(18,035,820)	(12,510,824)	(11,929,603)
8,994,705	8,873,472	8,590,003	8,570,742	8,468,730
2,712,277	2,585,231	2,427,417	2,479,925	2,309,693
1,361,973	1,361,161	1,315,430	1,318,570	1,321,777
357,225	352,523	410,235	428,840	362,779
67,321	17,072	16,923	48,967	143,829
162,006	176,736	319,754	245,860	344,326
1,046,004	683,000	961,309	1,275,776	1,049,271
14,701,511	14,049,195	14,041,071	14,368,680	14,000,405
19,806	12,553	15,194	16,420	60,154
(1,046,004)	(683,000)	(961,309)	(1,275,776)	(1,049,271)
49,520	-	-	-	-
(976,678)	(670,447)	(946,115)	(1,259,356)	(989,117)
13,724,833	13,378,748	13,094,956	13,109,324	13,011,288
(934,610)	(1,073,789)	(4,820,985)	1,110,817	1,217,449
1,247,086	702,772	(119,879)	(512,317)	(135,764)
\$ 312,476	\$ (371,017)	\$ (4,940,864)	\$ 598,500	\$ 1,081,685

**City of Copperas Cove, Texas**

**Tax Revenues by Source**

**Last Ten Calendar Years**

**Table 3**

<u>Calendar Year</u>	<u>Property</u>	<u>Sales</u>	<u>Franchise</u>	<u>Bingo</u>	<u>Mixed Beverage</u>	<u>Totals</u>
2018	\$10,351,924	\$ 3,345,548	\$ 1,282,303	\$ 149,754	\$ 23,111	\$15,152,640
2017	10,173,259	3,052,800	1,364,477	147,776	18,472	14,756,784
2016	9,967,981	2,842,678	1,258,920	200,864	18,445	14,288,888
2015	9,822,405	2,848,964	1,375,791	217,438	18,740	14,283,337
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

Source: City of Copperas Cove Finance Department

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**City of Copperas Cove, Texas**  
**Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2018	2017	2016	2015	2014
General fund					
Reserved					
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory and prepaid items	-	-	-	-	-
Unreserved					
Designated for contingencies	-	-	-	-	-
Unreserved, undesignated	-	-	-	-	-
Nonspendable	84,054	83,943	90,108	160,707	198,696
Restricted	26,101	26,094	26,084	9,457	9,452
Assigned	50,488	50,393	50,362	50,326	50,293
Unassigned	7,672,813	7,223,706	6,318,661	6,152,451	5,582,265
<b>Total general fund</b>	<b>\$ 7,833,456</b>	<b>\$ 7,384,136</b>	<b>\$ 6,485,215</b>	<b>\$ 6,372,941</b>	<b>\$ 5,840,706</b>
All other governmental funds					
Reserved					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	-
Encumbrances	-	-	-	-	-
Inventory and prepaid items	-	-	-	-	-
Notes receivable	-	-	-	-	-
Unreserved, reported in					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	2,162	2,749	1,689	2,970	-
Restricted	11,341,953	9,987,513	6,106,861	7,775,142	21,665,093
Unassigned	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 11,344,115</b>	<b>\$ 9,990,262</b>	<b>\$ 6,108,550</b>	<b>\$ 7,778,112</b>	<b>\$ 21,665,093</b>

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

Table 4

Fiscal Year				
2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ 97,009	\$ 147,926
-	-	-	75,642	75,462
-	-	-	-	1,000,000
-	-	-	5,389,639	3,982,944
80,932	88,819	71,983	-	-
9,446	9,430	22,680	-	-
50,260	78,208	136,710	-	-
6,116,257	5,684,953	5,362,117	-	-
<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>
\$ -	\$ -	\$ -	\$ 438,056	\$ 424,487
-	-	-	-	-
-	-	-	543,181	64,805
-	-	-	-	94
-	-	-	115,499	127,799
-	-	-	1,538,631	1,893,415
-	-	-	2,214,095	5,387,776
-	110,535	123,779	-	-
24,548,350	15,918,697	5,188,837	-	-
(3,072)	(1,228)	-	-	-
<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>

**City of Copperas Cove, Texas**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2018	2017	2016	2015	2014
<b>REVENUES</b>					
Taxes	\$15,849,872	\$ 15,072,161	\$ 14,494,115	\$ 14,453,638	\$ 13,971,324
Charges for services	2,574,430	2,627,172	2,291,612	2,124,167	2,121,414
Intergovernmental	322,616	1,094,061	289,598	554,192	13,058,288
Fines	669,605	617,865	24,686	576,127	599,894
Licenses	56,975	57,584	563,503	54,318	57,227
Permits	235,970	314,747	220,944	226,239	191,939
Investment income	225,708	52,280	37,671	101,631	42,537
Miscellaneous	732,149	757,453	791,825	387,802	294,332
<b>Total revenues</b>	<b>20,667,325</b>	<b>20,593,323</b>	<b>18,713,954</b>	<b>18,478,114</b>	<b>30,336,955</b>
<b>EXPENDITURES</b>					
General government	2,788,126	2,883,816	2,688,783	2,579,037	2,717,470
Community services	2,044,730	2,043,861	1,925,123	1,806,197	1,909,766
Fleet and facility services	283,538	291,882	276,534	272,903	267,510
Highways and streets	899,407	1,057,535	1,087,396	892,160	1,203,029
Public safety	10,497,520	9,948,933	9,482,135	9,099,534	9,224,214
Capital outlay	2,821,114	2,618,476	2,736,891	4,942,783	1,985,294
Debt service					
Principal retirement	2,990,499	2,587,301	2,909,440	15,025,105	17,640,925
Interest and fiscal charges	1,246,016	1,150,382	1,092,372	1,637,462	2,425,620
Bond issuance costs	-	-	62,513	34,395	71,713
<b>Total expenditures</b>	<b>23,570,950</b>	<b>22,582,186</b>	<b>22,261,187</b>	<b>36,289,576</b>	<b>37,445,541</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<b>( 2,903,625)</b>	<b>( 1,988,863)</b>	<b>( 3,547,233)</b>	<b>( 17,811,462)</b>	<b>( 7,108,586)</b>

Fiscal Year				
2013	2012	2011	2010	2009
\$ 13,435,777	\$ 13,164,642	\$ 12,762,118	\$ 12,756,287	\$ 12,472,480
2,148,310	2,168,844	1,920,904	1,935,879	1,976,286
17,367,931	13,089,316	635,435	991,057	573,215
672,774	730,528	617,983	851,855	923,735
46,463	50,262	48,403	50,438	51,347
151,749	186,774	161,296	209,272	143,658
67,321	17,072	16,923	48,967	143,829
259,712	333,849	522,760	367,572	472,538
34,150,037	29,741,287	16,685,822	17,211,327	16,757,088
2,410,130	2,295,603	2,571,032	2,340,206	2,739,976
1,793,492	2,035,401	2,207,167	2,193,410	2,103,284
255,839	216,223	269,820	360,257	347,946
1,082,538	813,253	46,453,663	959,247	815,197
9,150,282	9,102,313	8,933,461	8,962,367	8,559,414
2,980,169	1,734,555	1,976,709	5,610,024	10,031,225
13,230,808	2,826,748	1,595,508	1,428,939	1,277,501
2,835,690	2,837,194	1,783,514	915,609	729,758
122,253	32,328	670,233	-	91,072
33,861,201	21,893,618	66,461,107	22,770,059	26,695,373
288,836	7,847,669	(49,775,285)	( 5,558,732)	( 9,938,285)

**City of Copperas Cove, Texas**  
**Changes in Fund Balances – Continued**  
**Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2018	2017	2016	2015	2014
OTHER FINANCING SOURCES (USES)					
Issuance of capital leases	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of bonds	3,055,000	5,210,000	5,030,000	3,055,000	2,951,036
Premium on bonds	163,065	149,652	489,595	109,694	51,928
Payment to refunded bond escrow agent	-	-	(4,802,926)	-	-
Sale of capital assets	76,391	17,654	8,914	57,990	64,111
Insurance recoveries	18,531	68,488	21,916	26,299	18,338
Transfers in	1,547,285	1,533,384	1,475,000	1,404,000	1,358,000
Transfers out	(153,474)	(209,682)	(202,554)	(196,267)	(220,165)
Total other financing sources (uses)	<u>4,706,798</u>	<u>6,769,496</u>	<u>2,019,945</u>	<u>4,456,716</u>	<u>4,223,248</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b><u>\$ 1,803,173</u></b>	<b><u>\$ 4,780,633</u></b>	<b><u>\$(1,527,288)</u></b>	<b><u>\$ (13,354,746)</u></b>	<b><u>\$(2,885,338)</u></b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<u>20.4%</u>	<u>18.7%</u>	<u>20.8%</u>	<u>53.3%</u>	<u>56.8%</u>

Fiscal Year				
2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ -	\$ 50,612
7,545,000	1,962,000	48,360,540	1,590,000	6,895,000
10,781	52,821	3,401,878		
-	-	(2,454,088)		
8,741	14,104	-	-	-
13,397	8,714	-		
1,260,978	1,374,156	1,538,349	1,938,505	1,386,352
(214,974)	(276,156)	(577,040)	(662,729)	(337,081)
<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>\$ 8,912,759</u>	<u>\$10,983,308</u>	<u>\$ 494,354</u>	<u>\$(2,692,956)</u>	<u>\$(1,943,402)</u>
<u>52.4%</u>	<u>28.3%</u>	<u>6.3%</u>	<u>13.7%</u>	<u>12.6%</u>

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## Revenue Capacity Information

**City of Copperas Cove, Texas**

**Assessed Value and Estimated Tax Value of Taxable Property  
Last Ten Fiscal Years**

**Table 6**

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					
2018	2017	\$ 760,042,309	\$ 741,621,357	\$ 75,388,944	\$191,020	\$ 250,638,167	\$ 116,304,130	\$ 1,210,301,333	0.7979	\$ 1,210,301,333
2017	2016	718,266,061	721,532,708	75,013,914	191,550	215,618,376	106,628,274	1,192,757,583	0.7979	1,192,757,583
2016	2015	690,539,767	699,560,283	78,030,104	174,190	197,554,017	105,252,608	1,165,497,719	0.7979	1,165,497,719
2015	2014	1,093,122,862	279,686,286	77,988,874	182,330	190,182,195	104,912,640	1,155,885,517	0.7900	1,155,885,517
2014	2013	1,031,206,299	256,129,826	77,269,634	182,650	164,603,431	92,940,709	1,107,244,269	0.7774	1,107,244,269
2013	2012	1,015,850,788	247,919,476	66,073,230	197,870	156,486,756	88,906,752	1,084,647,856	0.7639	1,084,647,856
2012	2011	982,229,990	242,493,067	67,350,050	192,230	146,385,820	78,422,116	1,067,456,541	0.7639	1,067,456,541
2011	2010	1,042,392,798	243,294,708	64,040,190	186,290	131,303,669	81,695,580	1,136,914,737	0.760	1,067,456,541
2010	2009	1,041,083,408	236,161,374	67,222,770	114,180	119,893,916	86,150,945	1,138,536,871	0.760	1,136,914,737
2009	2008	867,633,248	204,100,078	66,011,498	115,920	102,803,530	-	1,035,057,214	0.740	1,138,536,871

\*Freeze on real property started Tax Year 2008

Source: Coryell County Appraisal District

**City of Copperas Cove, Texas**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

**Table 7**

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					
2018	2017	\$ 0.506	\$ 0.292	\$ 0.798	\$ 0.545	\$ 1.220	\$ 0.140	\$ 0.010	\$ 2.713
2017	2016	0.549	0.249	0.798	0.545	1.220	0.140	0.010	2.713
2016	2015	0.479	0.320	0.798	0.494	1.220	0.137	0.011	2.660
2015	2014	0.504	0.286	0.790	0.458	1.217	0.137	0.012	2.614
2014	2013	0.524	0.253	0.777	0.459	1.217	0.137	0.012	2.602
2013	2012	0.569	0.191	0.760	0.449	1.217	0.140	0.015	2.581
2012	2011	0.545	0.219	0.7639	0.424	1.217	0.141	0.015	2.561
2011	2010	0.584	0.177	0.760	0.423	1.217	0.141	0.015	2.556
2010	2009	0.613	0.147	0.760	0.398	1.181	0.141	-	2.479
2009	2008	0.599	0.141	0.740	0.399	1.181	0.141	-	2.461

\* GWCD - Groundwater Conservation District

Source: Coryell County Tax Assessor - Collector

**City of Copperas Cove, Texas**  
Principal Property Taxpayers  
Current Year and Nine Years Ago

**Table 8**

		2018	
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Oncor Electric Delivery Co. (FKA TXU)	Electric utility	\$ 13,782,220	1.15%
C-Cove 90 Partners LTD	Developer	12,500,000	1.04%
Wal-Mart Real Estate	Developer	11,670,602	0.97%
HEB Grocery CO	Retailer	10,664,236	0.89%
Yerby Five Hills I LLC ETAL	Developer	7,292,140	0.61%
Colonial Plaza PTNSHIP	Retailer	6,798,320	0.57%
Wal-Mart Properties	Developer	6,316,640	0.53%
H E Butt Grocery CO	Retailer	5,628,100	0.47%
Cove Terrace Associates I LTD	Developer	5,549,560	0.46%
Cinergy Cinemas LP	Movie Theater	5,419,570	0.45%
Subtotal		85,621,388	7.13%
All other taxpayers		1,115,822,919	92.87%
<b>Total</b>		<b>\$ 1,201,444,307</b>	<b>100.00%</b>

		2009	
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Walmart Real Estate	Developer	\$ 11,137,720	0.98%
Oncor Electric Delivery Co. (FKA TXU)	Electric Utility	9,523,200	0.84%
Wal-Mart Properties	Developer	8,065,690	0.71%
Cove Terrace Associates LTD	Developer	7,000,000	0.61%
Colonial Plaza Partnership	Retailer	5,871,540	0.52%
Naman Hospitality Inc.	Hospitality	5,501,970	0.48%
Central Telephone Company of Texas	Telephone Utility	5,148,030	0.45%
Crosstowne LTD	Retailer	5,130,784	0.45%
HEB Grocery Store	Retailer	4,159,370	0.37%
Judy Lane Properties	Developer	3,712,170	0.33%
Subtotal		65,250,474	5.73%
All other taxpayers		1,073,286,397	94.27%
<b>Total</b>		<b>\$ 1,138,536,871</b>	<b>100.00%</b>

Source: Coryell County Appraisal District, Gatesville, Texas

2009 CAFR City of Copperas Cove

**City of Copperas Cove, Texas**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Table 9**

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		
2018	2017	\$ 10,407,352	\$ 10,228,191	98.3%	\$ -	\$ 10,288,609	98.9%	\$ 179,161	1.7%
2017	2016	10,199,277	10,070,044	98.7%	-	10,117,280	99.2%	129,233	1.3%
2016	2015	9,969,371	9,813,412	98.4%	157,773	9,971,185	100.0%	(1,814)	0.0%
2015	2014	9,853,284	9,727,297	98.7%	110,251	9,837,548	99.8%	15,736	0.2%
2014	2013	9,356,141	9,288,597	99.3%	56,841	9,345,438	99.9%	10,703	0.1%
2013	2012	8,945,954	8,873,218	99.2%	59,050	8,932,268	99.8%	13,686	0.2%
2012	2011	8,825,688	8,737,130	99.0%	75,796	8,812,926	99.9%	12,762	0.1%
2011	2010	8,582,640	8,496,718	99.0%	76,255	8,572,973	99.9%	9,667	0.1%
2010	2009	8,525,125	8,388,219	98.4%	127,632	8,515,851	99.9%	9,274	0.1%
2009	2008	8,425,173	8,323,643	98.8%	90,813	8,414,456	99.9%	10,717	0.1%

Source: City of Copperas Cove Finance Department

# City of Copperas Cove, Texas

## Adopted Tax Rates

### Last Ten Fiscal Years

Table 10

Fiscal Year	Tax Year	Total Assessed Valuation	Assessment Rate	Gross Tax Rate
2018	2017	\$ 1,201,444,307	100.00%	0.79791
2017	2016	1,184,912,086	100.00%	0.79791
2016	2015	1,155,050,460	100.00%	0.79791
2015	2014	1,154,743,980	100.00%	0.79000
2014	2013	1,130,792,202	100.00%	0.77400
2013	2012	1,100,135,239	100.00%	0.76000
2012	2011	1,084,647,856	100.00%	0.76390
2011	2010	1,067,456,541	100.00%	0.76000
2010	2009	1,136,914,737	100.00%	0.76000
2009	2008	1,138,536,871	100.00%	0.74000

Source: City of Copperas Cove Budget Department

**City of Copperas Cove, Texas**  
 Property Value, Construction, and Bank Deposits  
 Last Ten Fiscal Years

**Table 11**

Fiscal Year	Tax Year	Estimated Actual Property Value <sup>1</sup>	Value of Construction Permits Issued <sup>2</sup>	Bank Deposits <sup>3</sup>
2018	2017	\$ 1,201,444,307	\$ 34,275,122	\$ 260,706,000
2017	2016	1,184,912,086	32,677,112	243,224,000
2016	2015	1,155,050,460	29,584,530	237,087,000
2015	2014	1,154,743,980	35,008,392	244,306,000
2014	2013	1,130,792,202	18,119,157	222,756,000
2013	2012	1,100,135,239	15,619,747	207,494,000
2012	2011	1,084,647,856	24,524,972	204,219,000
2011	2010	1,067,456,541	24,524,972	203,718,000
2010	2009	1,136,914,737	95,144,178	223,399,000
2009	2008	1,138,536,871	29,127,185	211,349,000

Sources:

<sup>1</sup> Coryell County Appraisal District

<sup>2</sup> Building Department, City of Copperas Cove, Texas

<sup>3</sup> Financial Institutions, Copperas Cove, Texas Only

<http://www2.fdic.gov/sod>

# City of Copperas Cove, Texas

# Table 12

## Water Rates

Effective October 1, 2015

### Waterworks System

The City owns and operates its water distribution and supply systems and purchases its water supply from Bell County Water Control and Improvement District No. 1. The water supply is received in ground storage tanks located throughout the system on hilltops which surround the City, which function as elevated tanks because of the static head differential with the developed areas of the City. The City's waterworks system is comprised of 12 storage/pump facilities with a present combined permitted capacity of 13.8 MGD. The system consists of approximately 230 miles of water mains.

### Inside the City Limits

Meter Size	Monthly Flow		Customer Type	Rate/1,000gal
	Minimum Fee			
3/4" meter	\$ 11.00		Residential	\$ 4.05
1" meter	15.50		Commercial	4.96
1 1/2" meter	23.00		Sprinkler	4.15
2" meter	34.00		Bulk Water	7.26
3" meter	90.00		Contractor	6.05
4" meter	141.00			
6" meter	239.00			
Contractor	11.00			
Bulk	11.00			

### Outside the City Limits

Meter Size	Monthly Flow		Customer Type	Rate/1,000gal
	Minimum Fee			
3/4" meter	\$ 16.00		Residential	\$ 5.26
1" meter	22.00		Commercial	6.17
1 1/2" meter	34.00		Sprinkler	5.36
2" meter	50.00		Bulk Water	8.47
3" meter	120.00		Contractor	7.26
4" meter	200.00			
6" meter	350.00			

Source: Finance Department, City of Copperas Cove

**City of Copperas Cove, Texas**  
**Top Ten Water Customers**  
**Current Year and Nine Years Ago**

**Table 13**

Customer	2018 Gallons Billed
Central Texas College	\$ 49,152,255
CCISD	31,868,197
Topsey Water District	31,256,675
Willow Creek Apartments	9,113,335
HEB	5,533,377
Housing Authority- Copperas Cove	4,218,183
Wells Laundry	4,067,775
Hill Country Rehab & Nursing	3,685,500
Five Hills Apartments	3,643,500
Copperas Cove LTC Partners Inc.	3,094,355
<b>Total</b>	<b>\$ 145,633,152</b>

Customer	2009 Gallons Billed
Central Texas College	\$ 51,756,900
Topsey Water District	12,470,000
Topsey Water District	8,997,600
Cedar Grove Mobile Home Park	5,946,000
Cedar Grove Mobile Home Park	5,704,000
CCISD / High School	4,689,200
CCISD / High School	4,542,800
CCISD / S.C. Lee Jr. High	4,350,700
Hill Country Rehab & Nursing	4,078,000
Cedar Creek Meadow Apartments	3,999,100
<b>Total</b>	<b>\$ 106,534,300</b>

Source: Fathom Water Management Inc.

# City of Copperas Cove, Texas

## Sewer Rates

Effective October 1, 2017

Table 14

### Wastewater System

The City currently owns and operates three wastewater treatment facilities with a present combined permitted capacity of 9.0 MGD. The system consists of approximately 375 miles of collection lines with 15 lift stations.

Storm water is collected in an entirely separate gravity fed storm sewer system and is completely segregated from the wastewater system. The storm sewer system is operated and maintained by the City's Department of Public Works.

Maintenance and inspection of the City's wastewater system is accomplished by maintenance personnel employed by the City's Wastewater Treatment Department.

Sewer Calculations	Rate
Sewer minimum rate (all customers)	\$ 11.00
Rate per 1,000 Gallons of Water	5.67
6" Sewer Tap	750.00
Sewer Tap larger than 6"	6" tap fee + additional time and materials

**City of Copperas Cove, Texas**  
 Top Ten Sewer Customers  
 Current Year and Nine Years Ago

**Table 15**

Customer	2018 Gallons Billed
CCISD	\$ 14,323,280
Willow Creek Apartments	9,113,335
HEB	5,533,377
C Cove Ninety Partners LTD	4,893,231
Housing Authority-Copperas Cove	4,218,183
Wells Laundry	4,067,775
Constitution Court LTD	3,837,395
Hill Country Rehab & Nursing	3,685,500
Five Hills Apartments	3,643,500
Copperas Cove LTC Partners INC	3,094,355
<b>Total</b>	<b>\$ 56,409,931</b>

Customer	2009 Gallons Billed
Cedar Grove Mobile Home Park	\$ 5,946,000
Cedar Grove Mobile Home Park	5,704,000
Hill Country Rehab & Nursing	4,078,000
Willow Creek Apartments	3,953,100
Five Hills Apartments	3,893,000
Wells Laundry	3,413,700
Willow Creek Apartments	2,672,900
Housing Authority- Copperas Cove	2,642,500
Housing Authority- Copperas Cove	2,236,100
Mickey's Grocery #16	2,222,000
<b>Total</b>	<b>\$ 36,761,300</b>

Source: Finance Department, City of Copperas Cove

**City of Copperas Cove, Texas**  
**Waterworks and Sewer System Condensed Statement**  
**Of Operations**  
**Last Five Fiscal Years**

**Table 16**

Fiscal Year	Waterworks and Sewer Revenue Bonds						Coverage
	Gross Revenue	Less: Operating Expenses*	Net Revenue Available for Debt Service	Debt Service		Total	
				Principal	Interest		
2018	\$ 12,714,380	\$ 7,105,563	\$ 5,608,817	\$ 3,233,580	\$ 1,309,007	\$ 4,542,587	1.29
2017	11,147,706	6,664,476	4,483,230	2,260,102	1,082,917	3,343,019	1.34
2016	10,823,154	5,960,408	4,862,746	2,693,256	1,104,934	3,798,190	1.28
2015	11,095,431	6,343,966	4,751,465	2,809,153	786,922	3,596,075	1.32
2014	10,421,191	5,977,076	4,444,115	2,222,888	1,096,455	3,319,343	1.34
2013	10,708,566	6,157,552	4,551,014	2,702,176	893,614	3,595,790	1.27
2012	9,714,990	5,556,574	4,158,416	2,369,092	985,823	3,354,915	1.24
2011	9,945,917	6,229,349	3,716,568	1,906,068	1,227,189	3,133,257	1.19
2010	9,228,873	6,712,050	2,516,823	1,778,964	1,004,189	2,783,153	0.90
2009	8,782,371	5,814,507	2,967,864	1,624,048	1,051,425	2,675,473	1.11

\* Total operating expense less depreciation

Source: Finance Department, City of Copperas Cove



## Debt Capacity Information

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**City of Copperas Cove, Texas**

**Table 17**

Direct Overlapping and Governmental Activities Debt  
As of September 30, 2018

Taxing Entity	Net General Obligation Debt	Percentage Applicable to the City of Copperas Cove	Amount Applicable to the City of Copperas Cove
Copperas Cove Independent School District	\$ 10,814,995 *	80.39%	\$ 8,694,174
Lampasas County	19,230,000 *	3.98%	765,354
Lampasas Independent School District	33,424,982 *	2.81%	939,242
Subtotal overlapping debt			10,398,770
City direct debt			34,069,841
<b>Total direct and overlapping debt</b>			<b>\$ 44,468,611</b>
Total direct and overlapping debt % of A.V.			3.70%
Total direct and overlapping debt % of capital			\$ 2,551

\*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				
	2018	2017	2016	2015	2014
Assessed value, tax roll	\$ 1,201,444,307	\$ 1,184,912,086	\$ 1,155,050,460	\$ 1,154,743,980	\$ 1,130,792,202
\$2.50 tax rate levy <sup>(1)</sup>	30,036,108	29,622,802	28,876,262	28,868,600	28,269,805
Actual City debt tax rate	0.292	0.249	0.319	0.286	0.255
Actual City debt tax levy	3,508,217	2,950,431	3,684,611	3,300,247	2,877,866
Legal annual debt service margin	26,527,890	26,672,371	25,191,651	25,568,353	25,391,939
Legal debt capacity <sup>(2)</sup>	330,596,149	332,396,698	313,943,648	318,638,190	316,439,684

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

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

Fiscal Year				
2013	2012	2011	2010	2009
\$ 1,100,135,239	\$ 1,084,647,856	\$ 1,067,456,541	\$ 1,136,914,737	\$ 1,138,536,871
27,503,381	27,116,196	26,686,414	28,422,868	28,463,422
0.191	0.219	0.177	0.147	0.141
2,103,459	2,376,463	1,884,061	1,672,947	1,601,921
25,399,922	24,739,733	24,802,353	26,749,921	26,861,500
316,539,176	308,311,756	309,092,137	333,363,144	334,753,668

**City of Copperas Cove, Texas**  
**Legal Debt Margin Information – Continued**  
**Last Ten Fiscal Years**

Attorney General Basis	Fiscal Year				
	2018	2017	2016	2015	2014
Assessed value, tax roll	\$ 1,201,444,307	\$ 1,184,912,086	\$ 1,155,050,460	\$ 1,154,743,980	\$ 1,130,792,202
\$1.50 tax rate levy <sup>(1)</sup>	18,021,665	17,773,681	17,325,757	17,321,160	16,961,883
Actual City debt tax rate	0.292	0.249	0.319	0.286	0.255
Actual City debt tax levy	3,508,217	2,950,431	3,684,611	3,300,247	2,877,866
Legal annual debt service margin	14,513,447	14,823,250	13,641,146	14,020,913	14,084,017
Legal debt capacity <sup>(2)</sup>	180,869,632	184,730,462	169,998,830	174,731,566	175,517,981

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

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

Fiscal Year				
2013	2012	2011	2010	2009
\$ 1,100,135,239	\$ 1,084,647,856	\$ 1,067,456,541	\$ 1,136,914,737	\$ 1,138,536,871
16,502,029	16,269,718	16,011,848	17,053,721	17,078,053
0.191	0.219	0.177	0.147	0.141
2,103,459	2,376,463	1,884,061	1,672,947	1,601,921
14,398,570	13,893,254	14,127,787	15,380,774	15,476,132
179,438,008	173,140,659	176,063,457	191,678,438	192,866,808

# City of Copperas Cove, Texas

## Table 19

### Ratios of Outstanding Debt by Type

#### Last Ten Fiscal Years

(Amounts Expressed in Thousands, Except Per Capita Amount)

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Capital Leases	Note Payable	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Tax Notes	Capital Leases			
2018	\$ 16,764	\$ 17,071	\$ 235	\$ -	\$ -	\$ 12,761	\$ 29,954	\$ -	\$ 250	\$ -	\$ 77,035	3.13%	\$ 2,341
2017	18,816	15,288	735	-	-	15,227	25,980	-	520	-	76,566	3.17%	\$ 2,257
2016	20,513	10,830	1,305	-	-	17,129	22,561	-	845	-	73,183	3.00%	2,285
2015	20,088	10,670	2,975	-	-	15,717	13,725	-	4,940	-	68,115	2.76%	2,126
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

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**

**Table 20**

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
2018	\$ 76,550	\$ 133	\$ 76,417	6.31%	\$ 2,230
2017	75,311	599	74,712	6.26%	2,203
2016	71,033	599	70,434	6.04%	2,129
2015	60,200	301	59,899	5.18%	1,818
2014	78,501	590	77,911	6.74%	2,352
2013	76,400	456	75,944	6.86%	2,276
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

Source: Finance Department, City of Copperas Cove

**City of Copperas Cove, Texas**  
**Revenue Bond Coverage – Water and Sewer Fund**  
**Last Six Fiscal Years**

**Table 21**

	Fiscal Year					
	2018	2017	2016	2015	2014	2013
Revenues:						
Waterworks and sewer system <sup>(1)</sup>	\$ 12,549,438	\$ 11,060,226	\$ 10,701,269	\$ 11,033,764	\$ 10,344,806	\$ 10,635,793
Miscellaneous	14,755	24,545	53,887	61,667	76,385	70,638
<b>Total</b>	<b>12,564,193</b>	<b>11,084,771</b>	<b>10,755,156</b>	<b>11,095,431</b>	<b>10,421,191</b>	<b>10,706,431</b>
Expenses:						
Waterworks and sewer system <sup>(2)</sup>	6,884,744	9,587,200	5,960,408	6,343,966	5,977,076	6,069,310
<b>Net available for debt service</b>	<b>\$ 5,679,449</b>	<b>\$ 1,497,571</b>	<b>\$ 4,794,748</b>	<b>\$ 4,751,465</b>	<b>\$ 4,444,115</b>	<b>\$ 4,637,121</b>
Water customers	14,186	13,864	13,550	13,474	13,261	13,216
Sewer customers	13,175	12,936	11,091	10,941	10,740	10,715

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

<sup>(2)</sup> Excludes depreciation expense

Source: Finance Department, City of Copperas Cove



## Demographic and Economic Information

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**City of Copperas Cove, Texas**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

**Table 22**

Fiscal Year	Population <sup>1</sup>	Personal Income (millions of dollars) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Median Age <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
2018	34,272	\$ 2,465	\$ 32,904	32.4	8,173	3.8%
2017	33,919	2,418	32,376	32.2	11,599	3.8%
2016	33,081	2,441	32,334	31.5	8,200	4.2%
2015	32,943	2,469	32,678	31.3	8,355	4.3%
2014	33,122	2,812	36,900	31.2	8,266	5.5%
2013	33,374	2,790	36,129	29.0	8,370	6.5%
2012	32,300	3,018	36,932	29.1	8,324	6.8%
2011	32,032	2,826	49,013	29.7	8,324	6.9%
2010	29,988	2,646	43,501	29.4	8,234	6.7%
2009	29,988	2,651	38,609	30.5	7,932	6.5%

Source:

<sup>1</sup> Approved by annual City Council resolution

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

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

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

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

Updated data 2017-2018 Student Enrollment

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

**City of Copperas Cove, Texas**  
Principal Employers  
Current Year and Nine Years Ago

**Table 23**

2018			
Employer	Employees	Percentage of Total City Taxable Assessed Value	Rank
Fort Hood - Military	35,433	69.3%	1
Fort Hood - Civilian	12,168	23.7%	2
Copperas Cove ISD	1,300	2.5%	3
GC Services	1,250	2.4%	4
H.E.B. Grocery Store	306	0.6%	5
Wal-Mart Supercenter	279	0.5%	6
City of Copperas Cove	279	0.5%	7
Hill Country Rehab. & Nursing Ctr.	95	0.2%	8
WindCrest Nursing Center	87	0.2%	9
McAlister's Deli	55	0.1%	10
<b>Total</b>	<b>51,252</b>	<b>100.0%</b>	

2009			
Taxpayer	Employees	Percentage of Total City Taxable Assessed Value	Rank
Fort Hood - Military	53,416	69.6%	1
Fort Hood - Civilian	17,098	22.3%	2
Central Texas College	1,798	2.3%	3
Copperas Cove ISD	1,300	1.7%	4
GC Services	1,200	1.6%	5
Metroplex Hospital	1,000	1.3%	6
Wal-Mart	400	0.5%	7
City of Copperas Cove	307	0.4%	8
H.E.B. Grocery Store	145	0.2%	9
WindCrest Nursing Center	101	0.1%	10
<b>Total</b>	<b>76,765</b>	<b>100.0%</b>	

Source: 2017-2018 Budget Book  
2008-2009 Budget Book



## Operating Information

**City of Copperas Cove, Texas**

**Table 24**

**Full-time Equivalent City Government Employees by Function  
Last Ten Fiscal Years**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Fund</b>										
City Manager	1	1	2	2	2	2	2	2	3	4
City Secretary	2	2	2	2	2	2	2	2	2	2
City Attorney (Contract)	1	1	1	1	1	1	1	1	1	1
Budget	2	2	2	1	2	2	4	4	-	-
Finance	4	4	4	4	5	5	7	7	7	7
Grants Administration	-	-	-	-	-	-	-	-	-	-
Human Resources	3	3	3	2	3	3	3	3	5	4
Information Systems	3	3	3	3	3	3	3	3	3	3
Municipal Court	5.5	6	6	6	7	7	7	7	7	7
City Judge (Contract)	1	1	1	1	1	1	1	1	1	1
Associate Judge (Contract)	1	1	1	1	1	1	1	1	1	1
Police	73	73	74	74	74	73	73	73	74	74
Public Information Office	1	2	1	-	-	-	-	-	1	1
Animal Control	5.5	6	6	6	5	5	5	5	5	5
Fire/EMS	49	49	49	49	52	51	51	51	53	53
Emergency Management	-	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	2	2
Building & Development	5	5	5	4	4	4	4	4	4	4
Street	5.5	6	6	6	6	6	6	6	8	8
Public Works	-	-	-	-	-	4	-	-	-	-
Parks & Recreation	23	23	18	18	18	18	18	18	18	18
Fleet Services	5.5	6	6	6	6	6	6	5	5	5
Facility Maintenance	-	-	-	-	-	-	-	-	2	2
Planning	3	2	2	1	1	-	-	-	1	2
Library	8	8	7	7	7	7	7	9	10	10
Code & Health	3	4	4	4	4	3	3	3	4	4
<b>Total General Fund</b>	<b>205</b>	<b>205</b>	<b>201</b>	<b>195</b>	<b>200</b>	<b>202</b>	<b>202</b>	<b>203</b>	<b>216</b>	<b>217</b>
<b>Water &amp; Sewer Fund</b>										
Water & Sewer Admin	3	4	3	3	3	4	4	3	2	2
Utility Administration	4	2	11	11	11	11	11	11	11	11
Water Distribution	12	12	11	11	11	11	11	11	11	11
Sewer Collection	8	8	8	8	8	8	8	8	9	9
Wastewater Treatment	9	9	10	10	10	11	11	11	11	11
Composting	-	-	-	-	-	-	-	-	3	3
<b>Total Water &amp; Sewer Fund</b>	<b>36</b>	<b>35</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>45</b>	<b>45</b>	<b>44</b>	<b>47</b>	<b>47</b>
<b>Solid Waste Fund</b>										
Administration	6	5	5	5	5	5	5	5	4	4
Residential	6	6	6	6	6	5	5	4	4	4
Recycling	3	3	3	3	2	2	2	2	2	2
Brush	3	3	3	3	3	3	3	2	2	2
Commercial	3	3	3	3	3	3	3	3	4	4
Composting	-	-	-	-	-	3	3	3	-	-
Disposal	6.5	7	6	6	6	6	6	5	5	5
<b>Total Solid Waste Fund</b>	<b>27.5</b>	<b>27</b>	<b>26</b>	<b>26</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>24</b>	<b>21</b>	<b>21</b>

**City of Copperas Cove, Texas**

**Table 24**

Full-time Equivalent City Government Employees by Function – Continued  
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Recreational Activities Fund</b>										
Recreational Activities Fund	-	-	-	-	-	-	-	2	2	2
<b>Total Recreational Activities Fund</b>	-	-	-	-	-	-	-	2	2	2
<b>Cemetery Fund</b>										
Cemetery Fund	-	-	-	-	-	-	-	1	1	1
<b>Total Cemetery Fund</b>	-	-	-	-	-	-	-	1	1	1
<b>Drainage Fund</b>										
Drainage Utility	6.5	7	6	6	6	6	6	6	7	7
<b>Total Drainage Fund</b>	6.5	7	6	6	6	6	6	6	7	7
<b>Golf Course Fund</b>										
Golf Course	1.5	2	6	6	7	7	7	7	10	15
<b>Total Golf Course Fund</b>	1.5	2	6	6	7	7	7	7	10	15
<b>Hotel Occupancy Tax Fund</b>										
Hotel Occupancy Tax Activities	1.5	1	-	-	-	-	-	-	-	-
<b>Total Hotel Occupancy Tax Fund</b>	1.5	1	-	-	-	-	-	-	-	-
<b>Court Security Fund</b>										
Municipal Court	-	1	1	1	-	-	-	-	-	-
<b>Total Court Security Fund</b>	-	1	1	1	-	-	-	-	-	-
<b>Total all funds</b>	<b>278</b>	<b>276</b>	<b>281</b>	<b>276</b>	<b>280</b>	<b>286</b>	<b>286</b>	<b>286</b>	<b>303</b>	<b>309</b>

Source:

Finance Department, City of Copperas Cove, Texas  
Personnel Improvement Plan 2017-2018 Budget Book

**City of Copperas Cove, Texas**  
**Capital Assets Statistics and Operating Indicators by Function**  
**Last Ten Fiscal Years**

**Table 25**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Building and Development</b>										
Use or Nature: Development Services										
Building permits issued	3,123	4,110	4,327	3,444	3,000	3,000	3,100	3,237	3,092	2,455
Inspections performed	6,456	7,404	6,656	6,125	6,374	6,374	5,541	6,032	7,367	5,505
<b>Fire Protection</b>										
Use or Nature: Public Safety										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of hydrants (approx.)	1,200	1,200	1,072	1,072	1,072	1,043	1,049	1,042	1,042	1,105
Number of volunteer firemen	-	-	-	-	2	4	4	5	4	12
Number of paid firemen	48	48	48	48	50	50	46	46	51	51
Firemen per 1,000 population	1.42	1	1	2	2	2	1	1	2	2
Fire responses	1,054	1,594	924	689	1,436	1,436	1,268	1,302	1,694	1,842
Emergency medical services responses	3,981	3,659	3,277	3,451	3,875	3,875	3,357	2,968	2,694	2,882
<b>Police Protection</b>										
Use or Nature: Public Safety										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of reserve police officers	-	-	-	-	-	-	-	-	-	-
Number of sworn officers	54	54	55	54	54	54	59	55	56	56
Officers per 1,000 population	1.59	2	2	2	2	2	2	2	2	2
Calls for service	19,000	19,000	18,211	19,123	21,000	21,000	19,000	17,731	19,000	19,000
Part I violent crimes reported*	656	1,100	1,941	1,042	1,300	1,300	1,200	1,048	1,300	1,100
*Part I Crimes: Murder, Rape, Aggravated Assault, Burglary, Larceny, and Motor Vehicle Theft										
<b>Animal Control</b>										
Use or Nature: Public Safety										
Number of animals impounded	1,819	1,786	1,323	2,000	2,256	2,256	2,039	1,905	1,834	2,409
Number of euthanized	441	343	363	677	893	893	817	857	869	981
Number of animals adopted	683	683	410	574	421	421	459	660	595	663
Number of animals re-claimed	434	455	287	495	544	544	414	330	461	660
<b>Municipal Court</b>										
Use or Nature: Public Safety										
Number of warrants issued	1,566	1,200	1,370	1,871	1,950	1,950	1,345	2,750	3,243	3,258
Number of warrants cleared	897	3,600	3,600	911	1,948	1,948	3,202	7,500	3,098	2,662
Number of violations processed	8,385	5,400	4,900	5,896	8,331	8,331	9,500	9,575	11,159	9,846
<b>Libraries</b>										
Use or Nature: Community Services										
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	46,732	46,459	46,110	55,309	58,300	70,566	70,566	69,000	66,357	68,972
Circulation of items	9,300	9,300	85,000	92,000	82,000	95,000	71,621	87,000	98,893	120,224
Circulation per capita	2.74	2.74	2.07	2.80	2.54	2.94	2.24	2.72	3.30	4.01

# City of Copperas Cove, Texas

## Table 25

### Capital Assets Statistics and Operating Indicators by Function – Continued Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Parks and Recreation</b>										
Use or Nature: Community Services										
Park acreage developed	389	389	380	380	380	380	380	380	380	380
Park acreage undeveloped	5	5	5	5	5	5	5	5	5	5
Playgrounds	7	7	7	7	7	8	8	7	7	7
Participants in sports activities	2,458	2,322	2,315	2,466	2,732	2,213	2,636	2,869	2,683	2,889
Coaches certified	430	430	430	196	168	427	570	596	625	644
<b>Street</b>										
Use or Nature: Public Works										
Paved streets	162 miles	162 miles	156.5 miles	135.0 miles	135 miles	133.3 miles	133.3 miles	133 miles	132.5 miles	132.0 miles
Unpaved streets	0 miles									
<b>Utilities</b>										
Water System										
Use or Nature: Public Works										
Miles of water mains	230	230	226	226	226	226	220	226	225	225
Daily average consumption	3.8 MGD	3.8 MGD	4.6 MGD	4.1 MGD	4.1 MGD	4.1 MGD	4.1 MGD	3.9 MGD	4.2 MGD	4.2 MGD
Maximum daily capacity	8.5 MGD	8.5 MGD	8.5 MGD	8.1 MGD	8.1 MGD	8.1 MGD	8.1 MGD	7.6 MGD	13.5 MGD	13.5 MGD
Number of service connections	13,347	13,347	13,550	13,474	13,261	13,216	12,387	13,099	12,072	11,936
Source of water	Belton Lake									
Sewage System										
Use or Nature: Public Works										
Miles of sanitary sewers	420	420	420	381	381	377	377	375	375	375
Number of lift stations	15	15	14	14	14	16	16	16	16	16
Daily average treatment	3.4 MGD	3.4 MGD	3.0 MGD	2.5 MGD	2.5 MGD	1.9 MGD	2.631 MGD	1.9 MGD	3.1 MGD	3.1 MGD
Maximum capacity of treatment plants	9.0 MGD									
Number of service connections (active)	12,548	12,548	11,091	10,941	10,740	10,715	11,149	11,400	11,171	10,947
Golf Course										
Use or Nature: Community Services										
Rounds of golf played (annually)	12,760	11,595	14,000	17,210	16,770	16,770	19,300	19,300	22,592	27,911
Tournament rounds (annually)	407	407	575	451	525	525	626	676	662	1,190
Annual dues (memberships)	225	225	225	220	220	220	226	264	229	240
Community Statistics										
Use or Nature: Employee Information										
Manufacturing employees	-	-	-	-	-	-	-	-	-	-
School District employees	1,300	1,300	1,300	1,300	1,300	1,275	1,275	1,324	1,300	1,300
City employees	279	272	278	273	278	276	276	298	303	309
Fort Hood servicemen	35,433	38,000	39,181	41,400	45,000	45,000	45,000	47,700	44,000	44,000
Fort Hood employees (civilians)	12,168	9,600	19,079	19,250	20,749	21,240	21,240	15,800	17,098	17,098

Source:

Various Departments, Budget Book 2017-2018 City of Copperas Cove

\*\* Data not available.

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## **Other Information**

**City of Copperas Cove, Texas**  
 Interest and Sinking Fund Budget Projection  
 September 30, 2018

**Table 26**

Estimated debt service requirements, fiscal year ending September 30, 2018 <sup>(1)</sup>		\$ 4,051,723
Interest and Sinking Fund, September 30, 2017	\$ 599,303	
Interest and Sinking Fund Tax Levy at 98% Collection	3,944,110	4,543,413
<b>Estimated balance, September 30, 2018</b>		<u><u>\$ 491,690</u></u>

<sup>(1)</sup> Includes the Certificates and excludes self-supporting debt.

**City of Copperas Cove, Texas**

**Table 27**

Authorized but Unissued General Obligation Bonds  
September 30, 2018

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Streets	11/4/2008	\$ 8,025,000	\$ 7,995,000	\$ -	\$ 30,000
Fire Station	11/5/2013	6,000,000	-	-	6,000,000
		<u>\$ 14,025,000</u>	<u>\$ 7,995,000</u>	<u>\$ -</u>	<u>\$ 6,030,000</u>

Notes: The City may also incur non-voted debts payable from or secured by its collection of taxes and other sources of revenue, including certificates of obligation, tax notes, public property finance contractual obligations, and leases for various purposes.

**City of Copperas Cove, Texas**  
Municipal Sales Tax History  
Last Six Fiscal Years

**Table 28**

<u>Fiscal Years Ended September 30,</u>	<u>Total Collected <sup>(1)</sup></u>	<u>% of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>	<u>Per Capita</u>
2013	\$ 2,712,277	30.51%	0.2465	81
2014	2,771,359	29.62%	0.2451	83
2015	2,848,964	28.91%	0.2467	86
2016	2,842,678	28.51%	0.2461	85
2017	3,052,800	30.01%	0.2576	90
2018	3,345,548	32.32%	0.2785	98

<sup>(1)</sup> Excludes amounts collected for economic development.