



City of Copperas Cove, Texas Comprehensive Annual Financial Report

For the Year Ended September 30, 2019

City of Copperas Cove, Texas

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2019

City of Copperas Cove, Texas

Vision Statement

The Vision of the City of Copperas Cove is to be the premier family oriented community in the Fort Hood/Central Texas region.

Mission Statement

The City of Copperas Cove strives to be a community valuing opportunity and partnerships, promoting family values, a healthy environment, and enhancing the quality of life in a fiscally responsible manner.

Adopted by the City Council on March 21, 2017



"The City Built for Family Living"

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Introductory Section

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“The City Built for Family Living”

March 12, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the City of Copperas Cove, Texas, for the fiscal year ended September 30, 2019, 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 detailed 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, 2019, 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, 2019, 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 ⅜ cent sales tax. The purpose of this change was to use the ⅛ 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 34,787, in accordance with resolution 2019-4, 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 35,968, per the Fort Hood Fast Facts published on September 6, 2019. 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 8,100 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 the funding. Tax collections totaled \$10.6 million for fiscal year 2019, an increase of 2.8% 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 and 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 4.2 percent in comparison to fiscal year 2018.

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 composed of a staffing requirement plan, a capital improvement, and a capital outlay plan. 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 forecasts the operating and debt service funds 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 2019 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 the completion of ongoing projects that will provide infrastructure improvements to the City's water/wastewater systems, 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.

ACCOMPLISHMENTS

During fiscal year 2019, 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.
- ◆ Provided eight Citizens Response to Active Shooter Events (CRASE) training to various civilian organizations and churches.
- ◆ Developed Police Department Focus Group to improve on quality of employee services.
- ◆ Successfully completed the first official physical readiness testing event with a Department pass rate of 96%.

Fire

- ◆ Met all local, state, and federally-mandated training requirements related to fire protection and emergency medical response.
- ◆ Maintained a 95% or better Citizen Satisfaction rate for overall Services Delivery for Department.
- ◆ Earned America Heart Association Mission Lifeline Gold Plus Award.

Community Services

- ◆ Completed Phase I of the Park Improvement Plan.
- ◆ Started a Breakfast and Business Books Program.
- ◆ Library maintained accreditation by the Texas State Library & Archives Commission.
- ◆ The Library upgraded the internet bandwidth.
- ◆ Conducted Youth Basketball with 408 participants.
- ◆ Conducted Swimming lesson for 5 levels of ability with 433 participants registered.
- ◆ Conducted two Youth Soccer leagues with 952 participants.
- ◆ Conducted Youth Baseball / Softball program with over 784 participants.

Public Works

- ◆ Continued to ensure all Federal, State and Local requirements were met.
- ◆ Completed Oak Hill Drive Water Improvements.
- ◆ Completed South 19th Street Drainage Project.
- ◆ Completed South WWTP Skimmer Pipe Replacement Project.
- ◆ All personnel continued training for license/certification requirements.
- ◆ Began design phase of the Northeast Wastewater Treatment U.V.
- ◆ Updated the Drought Contingency and MS4 Program Plan.

Solid Waste

- ◆ Won the GCAA of Sustained Excellence Award for the consecutive 12th years.
- ◆ 940 tons of recyclables were collected and kept away from the landfill resulting in savings for our City and helping the environment.
- ◆ Hosted two City-Wide clean-up events.
- ◆ Successfully submitted quarterly and semiannual report for groundwater monitoring.

OTHER INFORMATION

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

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

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

Budgetary Control: Each year, on or before September 30, the City Council adopts an annual operating budget for the ensuing fiscal year. The operating budget includes anticipated revenues and expenditures for the General Fund, Special Revenue Funds, the Debt Service Fund, and Proprietary Funds. The budget is a planning device that defines the type, quality, and quantity of City goods and services that will be provided to our citizens. The budget is also a control device that serves as a system of "checks and balances" between levels of City government. The budgetary system ensures that individual departments contain their expenditures within limitations set by the City management, and that City management contains expenditures for the entire City within limitations set by the City Council.

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

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

Other Financial Policies: Other financial policies the City has adopted include the calculation of Indirect Cost Recovery for the General Fund from the Utility funds for the General and Administrative cost incurred in conducting business, such as payroll, financial reporting, accounts payable, purchasing, and budgeting. Other policies adopted include procedures for Budget Amendments, Budget transfers, 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 (CAFR) for the fiscal year ended September 30, 2018. This was the 27th 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 (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. 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.

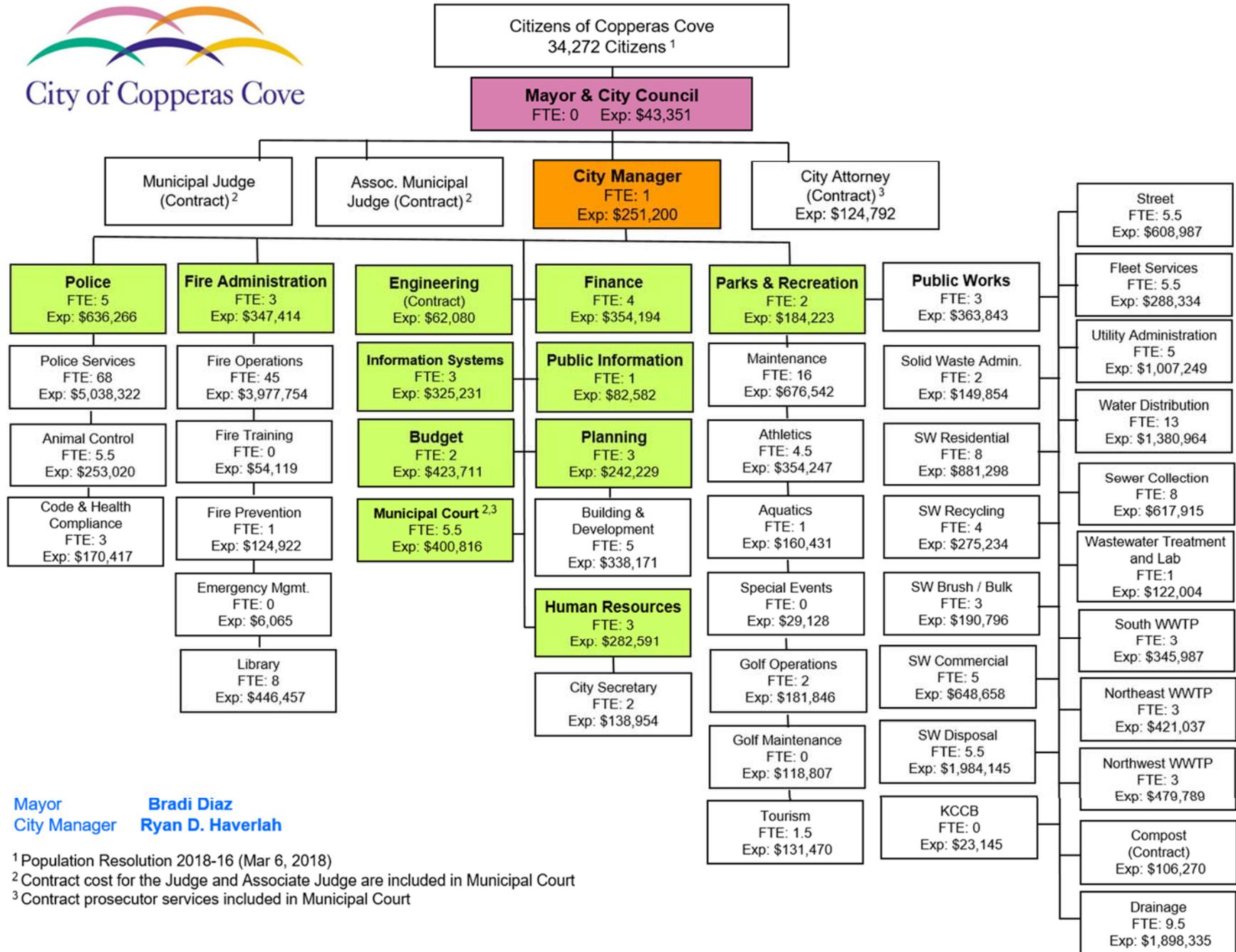
Acknowledgments: The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department, and all directors and department heads. We would like to express our appreciation to all members of the departments who assisted 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
City Manager

Velia Key
Director of Financial Services



Mayor **Bradi Diaz**
 City Manager **Ryan D. Haverlah**

¹ Population Resolution 2018-16 (Mar 6, 2018)
² Contract cost for the Judge and Associate Judge are included in Municipal Court
³ Contract prosecutor services included in Municipal Court

City of Copperas Cove, Texas

List of Principal Officials

City Council

Bradi Diaz – Mayor

Joann Courtland – Council Member Jay Manning – Council Member
Fred Chavez – Council Member Dianne Campbell – Council Member
Dan Yancey – Council Member Marc Payne – Council Member
Jack Smith – Council Member

City Staff

Reporting to City Council

Ryan D. Haverlah, 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

Ariana Beckman, Director of Budget
Velia Key, Director of Financial Services
Eddie Wilson, Police Chief
Michael Neujahr, Fire Chief
Jeff Davis, Human Resources Director
Bobby Lewis, Director of Development Services
Lisa Wilson, City Secretary
Kevin Keller, Public Information Officer
Scott Osborn, Public Works Director
Robert Browning, Information Systems Supervisor
Jeff Stoddard, Director of Parks & Recreation



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, 2018

Christopher P. Morill

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, 2019, 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, 2019, 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 12, 2020 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 12, 2020

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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, 2019. 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 vii – xiii 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 \$58.6 million from the prior year's \$53.5 million.
- As of September 30, 2019, the City's governmental funds reported combined ending fund balances of \$24 million, an increase of \$4.8 million in comparison with prior year.
- As of September 30, 2019, unassigned fund balance for the General Fund was \$8.1 million, or 49% of total General Fund expenditures. Unassigned fund balance, when compared to prior year, increased 5.4%.

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 94 – 103.

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, 2019.

Net Position

The following table reflects the Condensed Statement of Net Position as of September 30, 2019 and the previous year.

	Condensed Statement of Net Position					
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 25,749,037	\$ 20,828,035	\$ 29,628,214	\$ 27,666,215	\$ 55,377,251	\$ 48,494,250
Capital assets	40,056,323	40,182,195	57,485,416	57,634,657	97,541,739	97,816,852
Total assets	65,805,360	61,010,230	87,113,630	85,300,872	152,918,990	146,311,102
Deferred outflows of resources	3,233,692	1,148,666	1,112,431	533,826	4,346,123	1,682,492
Other liabilities	1,573,369	1,465,830	2,261,224	2,091,666	3,834,593	3,557,496
Long-term liabilities	47,309,080	41,136,453	46,993,893	46,997,557	94,302,973	88,134,010
Total liabilities	48,882,449	42,602,283	49,255,117	49,089,223	98,137,566	91,691,506
Deferred inflows of resources	401,712	2,187,644	106,638	648,861	508,350	2,836,505
Net position						
Net investment in capital assets	14,587,776	13,518,030	23,105,717	13,200,778	37,693,493	26,718,808
Restricted	4,417,258	3,751,269	150,812	641,398	4,568,070	4,392,667
Unrestricted	749,857	99,670	15,607,777	22,254,438	16,357,634	22,354,108
Total net position	\$ 19,754,891	\$ 17,368,969	\$ 38,864,306	\$ 36,096,614	\$ 58,619,197	\$ 53,465,583

The City's combined net position was \$58.6 million as of September 30, 2019. Of the \$58.6 million, \$19.8 million was in the governmental activities and \$38.9 million was in the business-type activities. The City's total net position increased when compared to the prior year by \$5.1 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 (\$38 million or 64%) reflects the City's investment in capital assets, less any related debt used to acquire or construct the assets that are still outstanding. Compared to last year, the City's net investment in capital assets increased \$11 million or 41%. 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 \$4.3 million at September 30, 2019, or 7% 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 decreased \$133 thousand or 3% compared to September 30, 2018.

The third portion consists of unrestricted net position totaling \$16.7 million or 28.5% of total net position. Unrestricted net position may be used to meet the City's ongoing obligation to citizens and creditors. Unrestricted net position decreased \$5.7 million or 25% compared to September 30, 2018.

Changes in Net Position

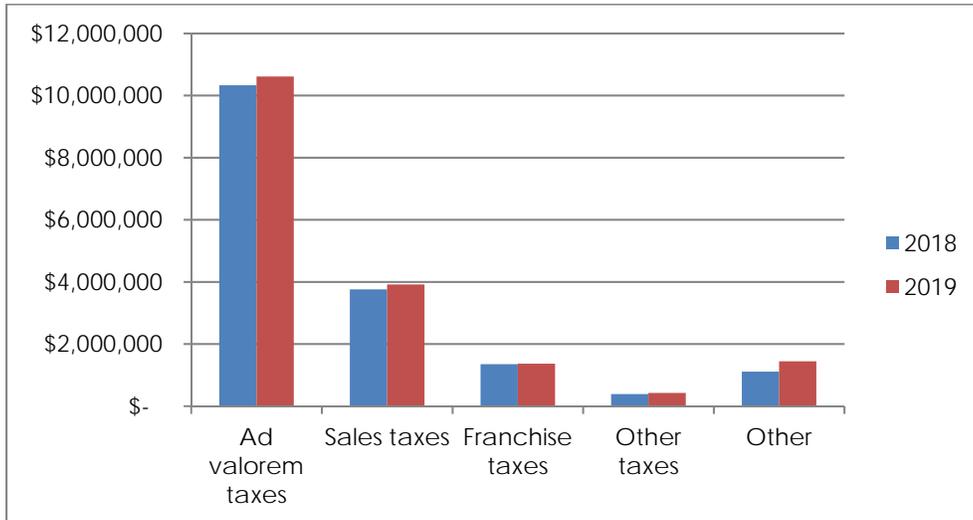
The City's total revenues for the fiscal year ended September 30, 2019, were \$40.2 million. Total revenues increased when compared to the prior year by \$2 million or 5%. The City's total costs of all programs and services decreased to \$35 million, a decrease of 4% from the previous year.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Charges for services	\$ 3,918,458	\$ 3,536,980	\$ 17,354,004	\$ 17,126,727	\$ 21,272,462	\$ 20,663,707
Operating grants and contributions	-	190,466	-	-	-	190,466
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Ad valorem taxes	10,612,611	10,329,477	-	-	10,612,611	10,329,477
Sales taxes	3,918,847	3,760,150	-	-	3,918,847	3,760,150
Franchise taxes	1,366,766	1,351,657	-	-	1,366,766	1,351,657
Other taxes	422,274	386,141	-	-	422,274	386,141
Interest and investment earnings	420,199	225,708	635,516	218,873	1,055,715	444,581
Miscellaneous	1,019,390	882,585	528,199	226,311	1,547,589	1,108,896
Total revenues	21,678,545	20,663,164	18,517,719	17,571,911	40,196,264	38,235,075
Expenses						
General government	3,498,370	3,696,432	-	-	3,498,370	3,696,432
Community services	2,093,206	2,434,554	-	-	2,093,206	2,434,554
Fleet and facility maintenance	274,359	334,857	-	-	274,359	334,857
Highways and streets	1,530,288	1,552,336	-	-	1,530,288	1,552,336
Public safety	12,032,251	12,855,222	-	-	12,032,251	12,855,222
Interest and fiscal charges	1,314,120	1,270,127	-	-	1,314,120	1,270,127
Water and sewer	-	-	9,975,419	10,590,491	9,975,419	10,590,491
Solid waste	-	-	3,616,568	3,570,483	3,616,568	3,570,483
Golf course	-	-	708,069	280,153	708,069	280,153
Total expenses	20,742,594	22,143,528	14,300,056	14,441,127	35,042,650	36,584,655
Increase (decrease) in net position before transfers	935,951	(1,480,364)	4,217,663	3,130,784	5,153,614	1,650,420
Transfers	1,449,971	1,393,811	(1,449,971)	(1,393,811)	-	-
Change in net position	2,385,922	(86,553)	2,767,692	1,736,973	5,153,614	1,650,420
Net position, beginning	17,368,969	17,455,522	36,096,614	34,359,641	53,465,583	51,815,163
Net position, ending	\$ 19,754,891	\$ 17,368,969	\$ 38,864,306	\$ 36,096,614	\$ 58,619,197	\$ 53,465,583

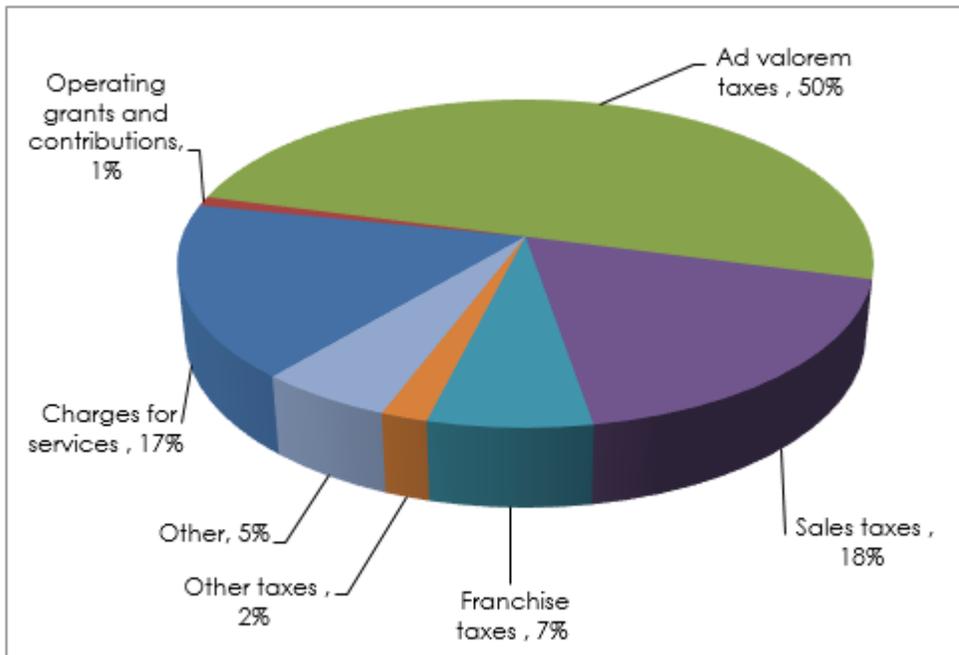
General Revenues – Governmental Activities

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 \$10.6 million, which is an increase of 3% compared to the previous year. Sales tax increased to \$3.9 million, which is an increase of 4% compared to the previous year.

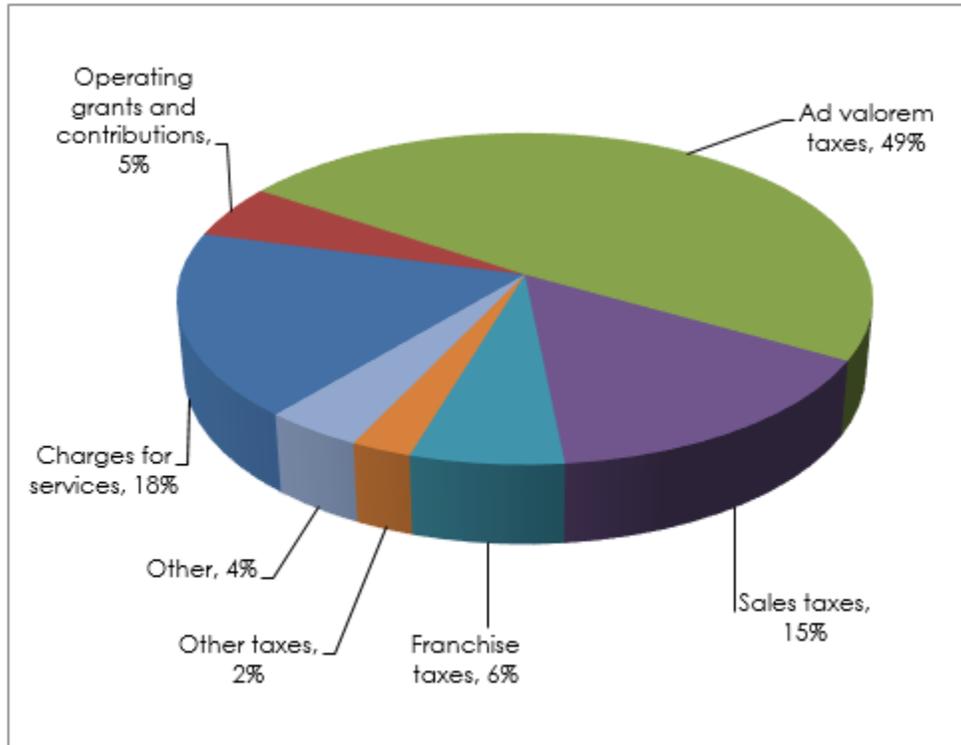
General Revenues – Governmental Activities



Revenues by Source – Governmental Activities – FY 2019



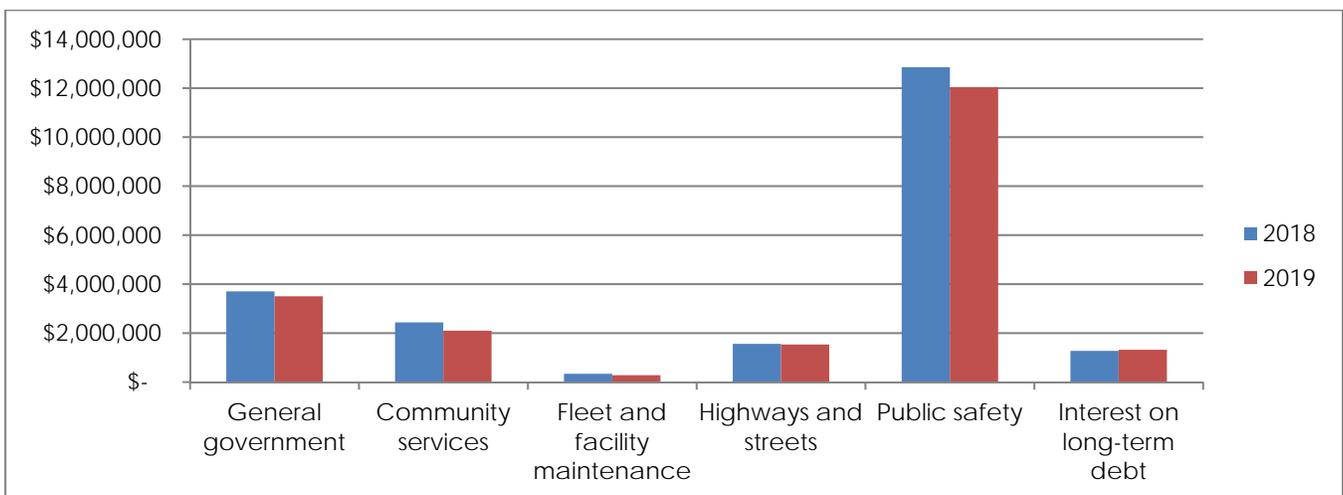
Revenues by Source – Governmental Activities – FY 2018



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 million, or 58% of total expenses compared to the prior year's \$12.9 million, or 58%, followed by General Government at \$3.5 million, or 17% compared to prior year's \$3.7 million, or 17%. Community Services recorded \$2 million, or 10% compared to prior year's \$2.4 million, or 11%. Highways and Streets recorded \$1.5 million, or 7% compared to prior year's \$1.6 million, or 7%. Interest on long-term debt recorded \$1.5 million, or 7% compared to prior year's \$1.6 million, or 7%.

Expenses – Governmental Activities

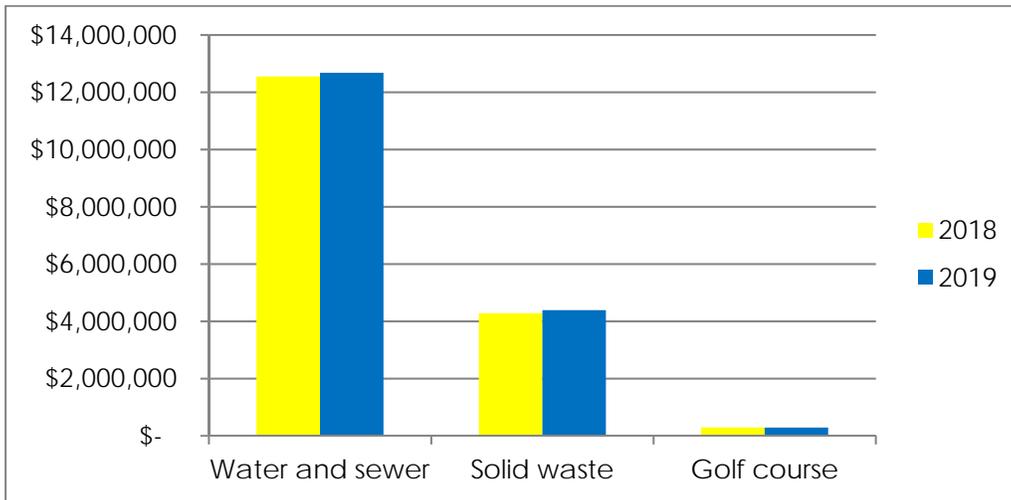


Business-type Activities – Revenues

Business-type activities increased the City’s net position by \$2.8 million. Charges for services provided the largest share of revenues at 94%.

Water and sewer fees are the major revenue source for the business-type activities of the City, which recorded \$12.7 million in revenue. Compared to the prior year, water and sewer revenues increased by \$130 thousand or 1%. Solid Waste revenues recorded \$4.4 million, an increase of \$105 thousand, and the Golf Course Fund revenues recorded \$285 thousand a decrease of \$8 thousand.

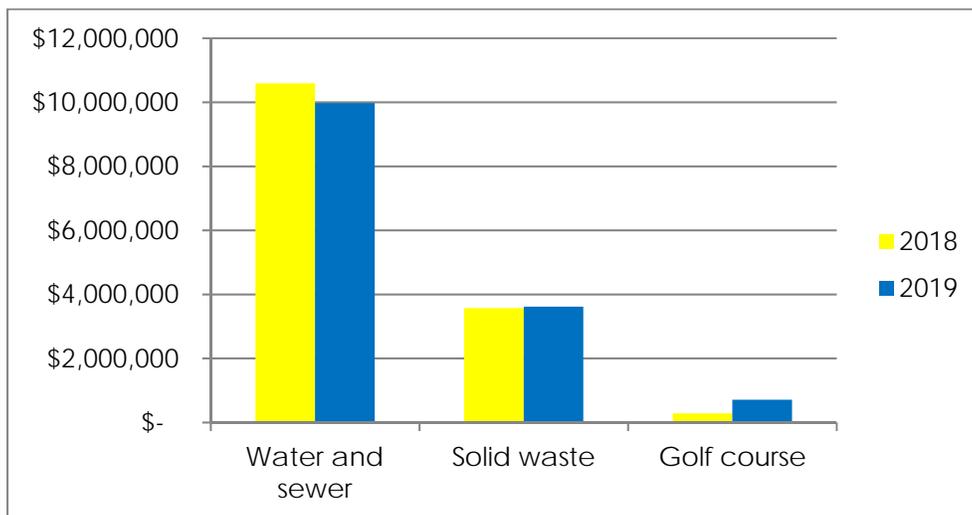
Program Revenues – Business-type Activities



Business-type Activities – Expenses

Total expenses for business-type activities were \$14.3 million, a decrease of \$141 thousand, or 1% compared to the prior year. Water and Sewer recorded \$10 million in expenses, a decrease of \$615 thousand or 6% compared to the prior year. Solid Waste expenses increased \$46 thousand or 1.3%. Golf Course expenses increased from \$280 thousand in 2018 to \$708 thousand in 2019, an increase of \$428 thousand or 153%.

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 \$24 million, an increase of \$4.8 million in comparison with the prior year.

The General Fund is the chief operating fund of the City. At September 30, 2019, unassigned fund balance of the General Fund was \$8.1 million, while total fund balance was \$8.4 million. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 49% of total General Fund expenditures.

The Debt Service Fund has a total fund balance of \$484 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 \$13.7 million, a decrease of \$4.8 million or 26%. The Solid Waste Fund unrestricted net position was \$3.5 million, a decrease of \$1.4 million or 28.7%. Unrestricted net position for the Golf Course Fund decreased by \$433 thousand in 2019.

The total increase in net position for the three funds was \$2.8 million, \$3.1 million, \$18 thousand, and a decrease of \$371 thousand, respectively. Total operating revenues in the 2019 fiscal year were \$17.9 million, an increase of 3% from the 2018 fiscal year. Total operating expenses totaled \$12.7 million, a decrease of 1.5%. Total operating income was \$5.1 million, an increase of \$729 thousand or 16.5%.

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, 2019, the City has \$97.5 million invested in various capital assets, net of accumulated depreciation. Of the \$97.5 million, \$40.1 million is invested in governmental activities and \$57.5 million is invested in business-type activities. Compared to last year, total capital assets decreased \$275 thousand. Capital assets in governmental activities decreased \$126 thousand from the prior year. Capital assets in business-type activities decreased \$149 thousand from the prior year.

The following table provides a breakdown of the capital asset balances net of accumulated depreciation at September 30, 2019. Additional information on the City's capital assets may be found in Note 2-E to the financial statements.

	Capital Assets					
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,331,355	\$ 1,278,035	\$ 917,921	\$ 917,921	\$ 2,249,276	\$ 2,195,956
Buildings and improvements	6,912,319	7,299,223	13,625	15,751	6,925,944	7,314,974
Furniture and fixtures	57	57	-	-	57	57
Vehicles	1,008,428	1,448,974	2,546,482	1,617,210	3,554,910	3,066,184
Equipment	794,922	867,485	538,975	239,475	1,333,897	1,106,960
Facilities/infrastructure	27,413,350	27,204,870	48,986,778	51,235,608	76,400,128	78,440,478
Construction in progress	2,595,892	2,083,551	4,481,635	3,608,692	7,077,527	5,692,243
Total capital assets	\$ 40,056,323	\$ 40,182,195	\$ 57,485,416	\$ 57,634,657	\$ 97,541,739	\$ 97,816,852

Long-term Debt

The City's total debt increased by \$1.08 million during the current fiscal year. During the 2019 fiscal year, the City had the following debt issuances:

- Combination Tax and Revenue Certificates of Obligation, Series 2019, in the amount of \$7.69 million.

The following schedule shows the outstanding bonds and notes of the City (both current and long-term) as of September 30, 2019 and 2018.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligations	\$ 15,451,500	\$ 16,763,920	\$ 10,758,500	\$ 12,761,080	\$ 26,210,000	\$ 29,525,000
Tax/revenue certificates of obligation	20,821,842	17,070,921	31,083,158	29,954,079	51,905,000	47,025,000
Tax notes	-	235,000	-	250,000	-	485,000
Total debt	\$ 36,273,342	\$ 34,069,841	\$ 41,841,658	\$ 42,965,159	\$ 78,115,000	\$ 77,035,000

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, 2019		
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 Outlook

The tax rate has an overall decrease of 1.4%; the Maintenance and Operations (General Fund) tax rate allocation will decrease by 3.52%, and the Interest & Sinking Fund (Debt Service) tax rate allocation will increase by 2.1% to cover all debt service payments. They both have an inverse relationship. Therefore, if one portion requires to increase to pay all debt obligations per the debt covenants, then the General Fund allocation must decrease.

The Sales tax revenue source is critical to the City to reduce the General Fund dependency on property tax revenue. The Five Hills Shopping Area continues to thrive, and 20.6% of the \$3.5 million budgeted comes from that area alone. This source of revenue is impacted by the economic cycles and discretionary purchasing power from the consumers. The budget includes a 1% increase in comparison from the previous year. We will evaluate the amount during the preparation of the next budget cycle and propose an increase if deemed necessary.

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 2,400 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.

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 23,456,881	\$ 13,521,741	\$ 36,978,622	\$ 6,208,711
Restricted cash and investments	-	8,578,219	8,578,219	-
Receivables (net of allowance)				
Taxes	1,222,628	-	1,222,628	222,113
Accounts	577,290	4,503,169	5,080,459	-
Fines	80,444	-	80,444	-
Ambulance fees	57,552	-	57,552	-
Grants	91,340	-	91,340	-
Inventories	73,481	15,938	89,419	-
Prepaid items	132,112	9,147	141,259	843
Notes receivable	57,309	3,000,000	3,057,309	-
Capital assets				
Nondepreciable	3,927,247	5,399,556	9,326,803	612,460
Depreciable (net)	36,129,076	52,085,860	88,214,936	31,259
Total assets	65,805,360	87,113,630	152,918,990	7,075,386
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - pension	2,932,584	914,940	3,847,524	70,672
Deferred outflow - OPEB	28,547	-	28,547	-
Deferred outflow - refunding	272,561	197,491	470,052	-
Total deferred outflows of resources	3,233,692	1,112,431	4,346,123	70,672
Total assets and deferred outflows of resources	69,039,052	88,226,061	157,265,113	7,146,058

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Accounts payable	\$ 440,796	\$ 604,746	\$ 1,045,542	\$ 60,042
Retainage payable	112,267	43	112,310	-
Accrued liabilities	416,116	327,278	743,394	7,455
Due to other governments	150,499	-	150,499	-
Unearned revenue	109,705	1,001	110,706	-
Other liabilities	180,626	-	180,626	-
Accrued interest payable	163,360	187,111	350,471	6,137
Customer deposits	-	1,141,045	1,141,045	-
Noncurrent liabilities				
Due within one year	3,174,159	3,662,886	6,837,045	100,000
Due in more than one year	44,134,921	43,331,007	87,465,928	1,556,954
Total liabilities	48,882,449	49,255,117	98,137,566	1,730,588
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - pension	369,782	106,638	476,420	12,319
Deferred inflow - OPEB	31,930	-	31,930	-
Total deferred inflows of resources	401,712	106,638	508,350	12,319
NET POSITION				
Net investment in capital assets	14,587,776	23,105,717	37,693,493	643,719
Restricted for				
Debt service	483,873	150,812	634,685	-
Community services	177,468	-	177,468	-
Highways and streets	3,252,920	-	3,252,920	-
Public safety	179,363	-	179,363	-
Economic development	323,634	-	323,634	4,759,432
Unrestricted	749,857	15,607,777	16,357,634	-
TOTAL NET POSITION	\$ 19,754,891	\$ 38,864,306	\$ 58,619,197	\$ 5,403,151

City of Copperas Cove, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 3,557,845	\$ 1,272,650	\$ -	\$ -
Community services	2,093,206	511,092	-	-
Fleet and facility services	274,359	-	-	-
Highways and streets	1,530,288	52,075	-	-
Public safety	12,032,251	1,800,469	149,047	-
Interest and fiscal charges	1,313,592	-	-	-
Total governmental activities	20,801,541	3,636,286	149,047	-
Business-type activities				
Water and sewer	9,975,419	12,679,351	-	-
Solid waste	3,616,568	4,389,524	-	-
Golf course	708,069	285,129	-	-
Total business-type activities	14,300,056	17,354,004	-	-
Total primary government	\$ 35,101,597	\$ 20,990,290	\$ 149,047	\$ -
COMPONENT UNIT				
Economic development	\$ 627,090	\$ -	\$ -	\$ -
Interest on long-term debt	52,575	-	-	-
Total component unit	\$ 679,665	\$ -	\$ -	\$ -
General revenues				
Taxes				
Ad valorem taxes				
Sales taxes				
Franchise taxes				
Other taxes				
Miscellaneous				
Investment earnings				
Loss on disposal of asset				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (2,285,195)	\$ -	\$ (2,285,195)	
(1,582,114)	-	(1,582,114)	
(274,359)	-	(274,359)	
(1,478,213)	-	(1,478,213)	
(10,082,735)	-	(10,082,735)	
(1,313,592)	-	(1,313,592)	
(17,016,208)	-	(17,016,208)	
-	2,703,932	2,703,932	
-	772,956	772,956	
-	(422,940)	(422,940)	
-	3,053,948	3,053,948	
(17,016,208)	3,053,948	(13,962,260)	
			\$ (627,090)
			(52,575)
			(679,665)
10,612,083	-	10,612,083	-
3,918,847	-	3,918,847	1,300,905
1,366,766	-	1,366,766	-
422,274	-	422,274	-
1,152,515	528,199	1,680,714	-
479,674	635,516	1,115,190	130,226
-	-	-	(331,308)
1,449,971	(1,449,971)	-	-
19,402,130	(286,256)	19,115,874	1,099,823
2,385,922	2,767,692	5,153,614	420,158
17,368,969	36,096,614	53,465,583	4,982,993
<u>\$ 19,754,891</u>	<u>\$ 38,864,306</u>	<u>\$ 58,619,197</u>	<u>\$ 5,403,151</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, 2019

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 8,231,033	\$ 487,406	\$ 14,738,442	\$ 23,456,881
Receivables (net of allowance)				
Taxes	1,016,154	91,881	114,593	1,222,628
Ambulance fees	57,552	-	-	57,552
Accounts	104,076	-	473,214	577,290
Fines	74,840	-	5,604	80,444
Grants	3,119	-	88,221	91,340
Due from other funds	-	-	73,925	73,925
Inventory	73,481	-	-	73,481
Prepaid items	131,809	-	303	132,112
Notes receivable	-	-	57,309	57,309
TOTAL ASSETS	\$ 9,692,064	\$ 579,287	\$ 15,551,611	\$ 25,822,962
LIABILITIES				
Accounts payable	\$ 221,749	\$ 4,010	\$ 215,037	\$ 440,796
Retainage payable	-	-	112,267	112,267
Due to other funds	40	-	73,885	73,925
Due to other governments	150,499	-	-	150,499
Unearned revenue	87,027	-	22,678	109,705
Accrued liabilities	407,371	-	8,745	416,116
Other liabilities	180,626	-	-	180,626
Total liabilities	1,047,312	4,010	432,612	1,483,934
DEFERRED INFLOWS OF RESOURCES				
Unavailable				
Property taxes	156,639	91,404	-	248,043
Municipal court fines	74,841	-	5,606	80,447
Ambulance fees	24,601	-	-	24,601
Total deferred inflows of resources	256,081	91,404	5,606	353,091
FUND BALANCES				
Nonspendable	205,290	-	303	205,593
Restricted	44,867	483,873	15,113,090	15,641,830
Assigned	50,626	-	-	50,626
Unassigned	8,087,888	-	-	8,087,888
Total fund balances	8,388,671	483,873	15,113,393	23,985,937
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 9,692,064	\$ 579,287	\$ 15,551,611	\$ 25,822,962

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, 2019

Total fund balances - governmental funds balance sheet \$ 23,985,937

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. These items include:

Capital assets	71,064,889
Accumulated depreciation	(31,008,566)

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

Long-term debt	(36,273,342)
Unamortized (premium) discount	(1,204,368)
Deferred charges on refunding	272,561
Accrued interest	(163,360)

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 include:

Net pension liability	(7,780,718)
Deferred outflow - pension	2,932,584
Deferred inflow - pension	(369,782)
Other postemployment benefits	(1,279,214)
Deferred outflow - OPEB	28,547
Deferred inflow - OPEB	(31,930)
Compensated absences	(771,438)

Revenues earned but not available at year end are not recognized on the fund statements. These items include:

Property taxes	248,043
Ambulance fees	24,601
Municipal court fines	80,447

Net position of governmental activities - statement of net position \$ 19,754,891

City of Copperas Cove, Texas
 Governmental Funds
 Statement of Revenues, Expenditures,
 and Changes In Fund Balances
 For the Fiscal Year Ended September 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 11,799,420	\$ 3,902,660	\$ 602,557	\$ 16,304,637
Charges for services	1,559,327	-	989,558	2,548,885
Intergovernmental	4,863	133,125	144,184	282,172
Fines	558,437	-	40,954	599,391
Licenses	210,584	-	-	210,584
Permits	275,040	-	-	275,040
Investment income	160,618	49,942	269,114	479,674
Miscellaneous	665,375	249,509	9,528	924,412
Total revenues	<u>15,233,664</u>	<u>4,335,236</u>	<u>2,055,895</u>	<u>21,624,795</u>
EXPENDITURES				
Current				
General government	3,058,502	-	-	3,058,502
Community services	1,883,668	-	84,653	1,968,321
Fleet and facility services	273,531	-	-	273,531
Highways and streets	545,434	-	378,922	924,356
Public safety	10,559,127	-	223,608	10,782,735
Capital outlay	75,191	-	2,519,804	2,594,995
Debt service				
Principal retirement	-	2,728,419	18,080	2,746,499
Interest and fiscal charges	-	1,224,917	110,263	1,335,180
Total expenditures	<u>16,395,453</u>	<u>3,953,336</u>	<u>3,335,330</u>	<u>23,684,119</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,161,789)	381,900	(1,279,435)	(2,059,324)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	4,950,000	4,950,000
Premium on bonds	-	-	372,741	372,741
Sale of capital assets	33,784	-	9,400	43,184
Insurance recoveries	51,794	-	-	51,794
Transfers in	1,654,742	45	21,696	1,676,483
Transfers out	(23,316)	(30,921)	(172,275)	(226,512)
Total other financing sources (uses)	<u>1,717,004</u>	<u>(30,876)</u>	<u>5,181,562</u>	<u>6,867,690</u>
NET CHANGE IN FUND BALANCES	555,215	351,024	3,902,127	4,808,366
Fund balances, beginning of year	<u>7,833,456</u>	<u>132,849</u>	<u>11,211,266</u>	<u>19,177,571</u>
FUND BALANCES, end of year	<u><u>\$ 8,388,671</u></u>	<u><u>\$ 483,873</u></u>	<u><u>\$ 15,113,393</u></u>	<u><u>\$ 23,985,937</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 of
Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended September 30, 2019

Net change in fund balances - total governmental funds \$ 4,808,366

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, net of disposals	2,388,619
Depreciation expense	(2,514,491)

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	(4,950,000)
Current year payments on debt	2,746,499
New premiums on current year issuance	(372,741)
Amortization of existing premiums	77,182
Amortization of deferred charges	(42,972)
Change in accrued interest	(12,622)

Compensated absences, pension liability, and other post employment 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	(3,818,327)
Deferred outflow - pension	2,199,446
Deferred inflow - pension	1,815,268
Other postemployment benefits	81,628
Deferred outflow - OPEB	(71,448)
Deferred inflow - OPEB	(29,336)
Compensated absences	63,132

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

The change in these items include:

Property taxes	15,333
Municipal court fines	2,386

Change in net position of governmental activities - statement of activities \$ 2,385,922

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City of Copperas Cove, Texas

Enterprise Funds

Water and Sewer Fund – This fund is used 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, related debt service, billing and collections.

Solid Waste Fund – This fund is used 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 – This fund is used 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, 2019

	Business-type Activities			Total
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
ASSETS				
Current assets				
Cash and investments	\$ 11,080,692	\$ 2,208,452	\$ 232,597	\$ 13,521,741
Restricted cash and investments	8,338,673	205,600	33,946	8,578,219
Accounts receivable, net	1,571,977	2,929,220	1,972	4,503,169
Due from other funds	1,505,091	-	-	1,505,091
Inventory	-	-	15,938	15,938
Prepaid expenses	8,800	347	-	9,147
Notes receivable	3,000,000	-	-	3,000,000
	<hr/>			<hr/>
Total current assets	25,505,233	5,343,619	284,453	31,133,305
Noncurrent assets				
Property and equipment				
Land	413,469	204,452	300,000	917,921
Buildings	189,590	-	132,722	322,312
Vehicles	1,480,771	4,373,352	61,267	5,915,390
Equipment	1,671,492	846,586	580,208	3,098,286
Facilities	32,064,184	3,784,765	1,600,245	37,449,194
Infrastructure	56,445,135	-	-	56,445,135
Construction in progress	4,048,238	35,170	398,227	4,481,635
Less accumulated depreciation	(44,568,894)	(4,958,183)	(1,617,380)	(51,144,457)
	<hr/>			<hr/>
Net property and equipment	51,743,985	4,286,142	1,455,289	57,485,416
	<hr/>			<hr/>
Total noncurrent assets	51,743,985	4,286,142	1,455,289	57,485,416
	<hr/>			<hr/>
Total assets	77,249,218	9,629,761	1,739,742	88,618,721
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	519,393	329,185	66,362	914,940
Deferred charge on refunding	179,186	18,305	-	197,491
	<hr/>			<hr/>
Total deferred outflows of resources	698,579	347,490	66,362	1,112,431

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, 2019

	Business-type Activities			Total
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
LIABILITIES AND NET POSITION				
Current liabilities				
Accounts payable	\$ 433,215	\$ 167,652	\$ 3,879	\$ 604,746
Accrued liabilities	63,039	262,426	1,813	327,278
Due to other funds	-	-	1,505,091	1,505,091
Unearned revenue	-	236	765	1,001
Customer deposits	1,141,045	-	-	1,141,045
Retainage payable	43	-	-	43
Accrued interest	175,322	8,471	3,318	187,111
Noncurrent liabilities, current portion	3,238,168	356,718	68,000	3,662,886
Total current liabilities	5,050,832	795,503	1,582,866	7,429,201
Noncurrent liabilities				
Compensated absences	54,252	17,578	875	72,705
Bonds payable	37,474,869	1,782,716	783,672	40,041,257
Pension	1,321,934	777,306	154,418	2,253,658
Other postemployment benefits	219,381	157,021	17,395	393,797
Estimated landfill postclosure care costs	-	569,590	-	569,590
Total noncurrent liabilities	39,070,436	3,304,211	956,360	43,331,007
Total liabilities	44,121,268	4,099,714	2,539,226	50,760,208
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	63,986	33,678	8,974	106,638
Total deferred inflows of resources	63,986	33,678	8,974	106,638
NET POSITION				
Net investment in capital assets	20,038,529	2,230,390	836,798	23,105,717
Restricted for				
Debt service	41,082	109,730	-	150,812
Unrestricted	13,682,932	3,503,739	(1,578,894)	15,607,777
TOTAL NET POSITION	\$ 33,762,543	\$ 5,843,859	\$ (742,096)	\$ 38,864,306

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, 2019

	Business-type Activities			Total
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
OPERATING REVENUES				
Charges for services	\$ 12,679,351	\$ 4,389,524	\$ 285,129	\$ 17,354,004
Miscellaneous	450,816	65,114	12,269	528,199
Total operating revenues	13,130,167	4,454,638	297,398	17,882,203
OPERATING EXPENSES				
Personnel services	1,705,519	963,650	62,990	2,732,159
Supplies and materials	2,437,394	240,019	67,169	2,744,582
Services and charges	1,969,581	1,567,807	85,398	3,622,786
Maintenance and repairs	402,945	234,073	40,267	677,285
Depreciation	1,968,563	548,648	440,776	2,957,987
Total operating expenses	8,484,002	3,554,197	696,600	12,734,799
OPERATING INCOME (LOSS)	4,646,165	900,441	(399,202)	5,147,404
NONOPERATING REVENUES (EXPENSES)				
Investment income	566,865	61,118	7,533	635,516
Interest and fiscal charges	(1,491,417)	(62,371)	(11,469)	(1,565,257)
Total nonoperating revenues (expenses)	(924,552)	(1,253)	(3,936)	(929,741)
NET INCOME (LOSS) BEFORE TRANSFERS	3,721,613	899,188	(403,138)	4,217,663
TRANSFERS				
Transfers in	535,859	-	32,541	568,400
Transfers out	(1,136,899)	(881,472)	-	(2,018,371)
CHANGE IN NET POSITION	3,120,573	17,716	(370,597)	2,767,692
Net position, beginning of year	30,641,970	5,826,143	(371,499)	36,096,614
NET POSITION, end of year	\$ 33,762,543	\$ 5,843,859	\$ (742,096)	\$ 38,864,306

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, 2019

	Business-type Activities			Total
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$13,324,095	\$4,341,404	\$ 297,356	\$17,962,855
Payments to suppliers	(5,029,437)	(2,065,797)	57,932	(7,037,302)
Payments to employees	(1,692,407)	(955,156)	(61,213)	(2,708,776)
Net cash provided by operating activities	6,602,251	1,320,451	294,075	8,216,777
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	566,865	61,118	7,533	635,516
Net cash provided by investing activities	566,865	61,118	7,533	635,516
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuance of long-term debt	2,540,000	-	200,000	2,740,000
Principal paid on long-term debt	(3,542,580)	(280,000)	(40,921)	(3,863,501)
Interest and fiscal charges paid	(1,269,244)	(238,336)	(12,640)	(1,520,220)
Acquisition of property and equipment	(909,270)	(1,468,519)	(430,957)	(2,808,746)
Net cash used in noncapital financing activities	(3,181,094)	(1,986,855)	(284,518)	(5,452,467)
FINANCING ACTIVITIES				
Cash received from other funds	535,859	-	32,541	568,400
Cash paid to other funds	(1,136,899)	(881,472)	-	(2,018,371)
Net cash flows provided by (used in) noncapital financing activities	(601,040)	(881,472)	32,541	(1,449,971)
NET CHANGE IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents, beginning of year	16,032,383	3,900,810	216,912	20,150,105
CASH AND CASH EQUIVALENTS, end of year	\$19,419,365	\$2,414,052	\$ 266,543	\$22,099,960
RECONCILIATION TO THE STATEMENT OF NET POSITION				
Unrestricted cash and investments	\$11,080,692	\$2,208,452	\$ 232,597	\$13,521,741
Restricted cash and investments	8,338,673	205,600	33,946	8,578,219
TOTAL CASH AND INVESTMENTS	\$19,419,365	\$2,414,052	\$ 266,543	\$22,099,960

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, 2019

	Business-type Activities			Total
	Water and Sewer	Solid Waste	Nonmajor Golf Course	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 4,646,165	\$ 900,441	\$ (399,202)	\$ 5,147,404
Adjustments to reconcile operating income (loss) to net cash provided by (used in) by operating activities				
Depreciation	1,968,563	548,648	440,776	2,957,987
Changes in operating assets and liabilities				
Accounts receivable	99,335	(113,234)	(42)	(13,941)
Inventory	-	-	1,666	1,666
Prepaid expenses	-	103	28	131
Accounts payable	33,194	(7,830)	(3,639)	21,725
Accrued liabilities	10,932	46,016	406	57,354
Due to other funds	(252,711)	-	252,711	-
Landfill closure costs	-	(16,171)	-	(16,171)
Accrued compensated absences	(27,919)	(2,499)	1,119	(29,299)
Net pension liability	43,456	(24,740)	995	19,711
Net OPEB obligation	(13,357)	(10,283)	(743)	(24,383)
Customer deposits	94,593	-	-	94,593
Total adjustments	<u>1,956,086</u>	<u>420,010</u>	<u>693,277</u>	<u>3,069,373</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 6,602,251</u></u>	<u><u>\$1,320,451</u></u>	<u><u>\$ 294,075</u></u>	<u><u>\$ 8,216,777</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, November 6, 2012, November 4, 2014, November 8, 2016, and November 6, 2018. 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; 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 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, 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, 2019, 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, 2019 are shown below:

	Cost	Weighted Average Maturity (Days)
	<u> </u>	<u> </u>
TexPool - amortized cost	\$ 35,822,419	45
TexStar - amortized cost	<u>2,919,370</u>	32
Total	<u><u>\$ 38,741,789</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, 2019, the City utilized the following external investment pools.

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.

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, 2019, 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	\$ 1,016,154	\$ 91,881	\$ -	\$ -	\$ 114,593	\$ 1,222,628
Ambulance	57,552	-	-	-	-	57,552
Fines	1,496,810	-	-	-	112,113	1,608,923
Utilities	-	-	1,571,977	2,929,220	-	4,501,197
Accounts	104,076	-	-	-	475,186	579,262
Grants	3,119	-	-	-	88,221	91,340
Notes	-	-	3,000,000	-	57,309	3,057,309
Gross receivables	2,677,711	91,881	4,571,977	2,929,220	847,422	11,118,211
Less allowance for uncollectible	1,421,970	-	-	-	106,509	1,528,479
Net total receivables	\$ 1,255,741	\$ 91,881	\$ 4,571,977	\$ 2,929,220	\$ 740,913	\$ 9,589,732

D. Fund Balance

Fund Balance Classification	General	Debt Service	Non-major
Nonspendable			
Inventories	\$ 73,481	\$ -	\$ -
Prepaid items	131,809	-	303
Restricted			
Tourism	-	-	129,819
Drainage	-	-	2,318,402
Municipal court	-	-	48,921
Economic development	-	-	206,955
Homeland security	-	-	623
Emergency management	-	-	3,906
Grants	44,867	-	40
City services	-	-	981,544
Debt service	-	483,873	-
Capital projects	-	-	11,422,880
Assigned			
Capital projects	50,626	-	-
Unassigned	8,087,888	-	-
Total	\$ 8,388,671	\$ 483,873	\$ 15,113,393

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

E. Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	Balance September 30, 2018	Additions	Deletions	Balance September 30, 2019
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,278,035	\$ 53,320	\$ -	\$ 1,331,355
Construction in progress	2,083,551	1,831,931	1,319,590	2,595,892
Total capital assets not being depreciated	3,361,586	1,885,251	1,319,590	3,927,247
Capital assets, being depreciated				
Buildings	14,261,356	-	-	14,261,356
Furniture and fixtures	307,297	-	-	307,297
Vehicles	6,609,231	263,957	153,014	6,720,174
Equipment	5,116,458	224,259	11,976	5,328,741
Infrastructure	19,757,259	812,271		20,569,530
Facilities	19,428,073	522,471	-	19,950,544
Total capital assets being depreciated	65,479,674	1,822,958	164,990	67,137,642
Less accumulated depreciation				
Buildings	6,962,133	386,904	-	7,349,037
Furniture and fixtures	307,240	-	-	307,240
Vehicles	5,160,257	704,503	153,014	5,711,746
Equipment	4,248,973	296,822	11,976	4,533,819
Infrastructure	5,209,543	494,877	-	5,704,420
Facilities	6,770,919	631,385	-	7,402,304
Total accumulated depreciation	28,659,065	2,514,491	164,990	31,008,566
Total capital assets being depreciated, net	36,820,609	(691,533)	-	36,129,076
Governmental activities capital assets, net	\$ 40,182,195	\$ 1,193,718	\$ 1,319,590	\$ 40,056,323

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

	Balance September 30, 2018	Additions	Deletions	Balance September 30, 2019
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 917,921	\$ -	\$ -	\$ 917,921
Construction in progress	3,608,692	872,943		4,481,635
Total capital assets not being depreciated	4,526,613	872,943	-	5,399,556
Capital assets, being depreciated				
Buildings	322,312	-	-	322,312
Vehicles	4,595,756	1,514,548	194,914	5,915,390
Equipment	2,723,431	421,255	46,400	3,098,286
Infrastructure	56,445,135		-	56,445,135
Facilities	37,449,194		-	37,449,194
Total capital assets being depreciated	101,535,828	1,935,803	241,314	103,230,317
Less accumulated depreciation				
Buildings	306,561	2,126	-	308,687
Vehicles	2,978,546	585,276	194,914	3,368,908
Equipment	2,483,956	121,755	46,400	2,559,311
Infrastructure	27,330,337	945,879	-	28,276,216
Facilities	15,328,384	1,302,951	-	16,631,335
Total accumulated depreciation	48,427,784	2,957,987	241,314	51,144,457
Total capital assets being depreciated, net	53,108,044	(1,022,184)	-	52,085,860
Business-type activities capital assets, net	\$ 57,634,657	\$ (149,241)	\$ -	\$ 57,485,416

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	\$ 329,248
Public safety	1,410,592
Community service	154,773
Highways and streets	612,114
Fleet maintenance	7,764
	<hr/>
Total depreciation expense - government activities	\$ 2,514,491
	<hr/>
Business-type activities	
Water and sewer	\$ 1,968,563
Solid waste	548,648
Golf course	440,776
	<hr/>
Total depreciation expense - business-type activities	\$ 2,957,987
	<hr/>

Discretely Presented Component Unit

Activity for the Copperas Cove Economic Development Corporation (CCEDC) for the year ended September 30, 2019 was as follows:

	Balance September 30, 2018	Additions	Deletions	Balance September 30, 2019
	<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	-	508,189	309,566
	<hr/>	<hr/>	<hr/>	<hr/>
Less accumulated depreciation				
Buildings	198,581	-	198,581	-
Equipment	51,271	5,096	-	56,367
Improvements other than buildings	197,280	24,660	-	221,940
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	447,132	29,756	198,581	278,307
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated, net	370,623	(29,756)	309,608	31,259
	<hr/>	<hr/>	<hr/>	<hr/>
Discretely presented component unit	\$ 983,083	\$ (29,756)	\$ 309,608	\$ 643,719
	<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, 2019, is as follows:

	Interfund Receivables	Interfund Payables
General fund		
Nonmajor governmental funds	\$ -	\$ 40
Total general fund	-	40
Nonmajor governmental funds		
General fund	73,925	-
Nonmajor governmental funds	-	73,885
Total nonmajor governmental funds	73,925	73,885
Water and sewer enterprise funds		
Nonmajor fund enterprise fund	1,505,091	-
Total water and sewer enterprise funds	1,505,091	-
Nonmajor fund enterprise fund		
Water and sewer enterprise funds	-	1,505,091
Total nonmajor enterprise funds	-	1,505,091
Total	\$ 1,579,016	\$ 1,579,016

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, 2019, were:

	Transfers In	Transfers Out
Governmental funds		
General fund	\$ 1,654,742	\$ 23,316
Debt service fund	45	30,921
Nonmajor governmental funds	21,696	172,275
Total governmental funds	1,676,483	226,512
Enterprise funds		
Water and sewer fund	535,859	1,136,899
Solid waste fund	-	881,472
Nonmajor golf course fund	32,541	-
Total enterprise funds	568,400	2,018,371
Total transfers	\$ 2,244,883	\$ 2,244,883

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, 2019, is as follows:

	Balance September 30, 2018	Additions	Deletions	Balance September 30, 2019	Due Within One Year
Governmental activities					
General obligation bonds	\$ 16,763,920	\$ -	\$ 1,312,420	\$ 15,451,500	\$1,353,000
Certificates of obligation	17,070,921	4,950,000	1,199,079	20,821,842	1,512,584
Limited tax notes	235,000	-	235,000	-	-
Unamortized bond premium	908,809	372,741	77,182	1,204,368	-
Total bonds payable	34,978,650	5,322,741	2,823,681	37,477,710	2,865,584
Compensated absences	834,570	390,126	453,258	771,438	308,575
Pension	3,962,392	4,410,912	592,586	7,780,718	-
OPEB	1,360,841	-	81,627	1,279,214	-
Governmental activities long-term debt	\$ 41,136,453	\$10,123,779	\$ 3,951,152	\$ 47,309,080	\$3,174,159
Business-type activities					
General obligation bonds	\$ 12,761,080	\$ -	\$ 2,002,580	\$ 10,758,500	\$1,797,000
Certificates of obligation	29,954,079	2,740,000	1,610,921	31,083,158	1,817,416
Limited tax notes	250,000	-	250,000	-	-
Unamortized bond premium	1,769,549	202,474	134,358	1,837,665	-
Unamortized bond discount	(24,964)	-	(1,314)	(23,650)	-
Total bonds payable	44,709,744	2,942,474	3,996,545	43,655,673	3,614,416
Estimated landfill postclosure care costs	585,761	-	16,171	\$ 569,590	-
Compensated absences	170,753	35,192	84,770	121,175	48,470
Pension	1,113,119	1,317,545	177,006	2,253,658	-
OPEB	418,180	-	24,383	393,797	-
Business-type activities long-term debt	\$ 46,997,557	\$ 4,295,211	\$ 4,298,875	\$ 46,993,893	\$3,662,886
Discretely presented component unit					
Revenue bonds	\$ 1,560,000	\$ -	\$ 95,000	\$ 1,465,000	\$ 100,000
Compensated absences	2,159	-	-	2,159	-
Pension	187,067	-	-	187,067	-
OPEB	2,728	-	-	2,728	-
Discretely presented component unit	\$ 1,751,954	\$ -	\$ 95,000	\$ 1,656,954	\$ 100,000

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

For the liability for the net pension liability and OPEB, 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, 2019, include 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	\$ 244,000
2007 refunding	3.94	05/31/07	09/30/23	1,408,500	1,132,500
2010 various purposes	4.00-4.50	05/25/10	08/15/35	1,425,000	1,110,000
2011 various purposes	3.50-5.00	02/01/11	08/15/28	5,490,000	4,950,000
2012 refunding	.25-3.00	04/15/12	08/15/23	972,000	345,000
2013 various purposes	.35-2.625	01/15/13	08/15/33	4,685,000	3,645,000
2015 refunding	1.97	12/15/15	08/15/25	775,000	590,000
2016 refunding	2.00-4.00	08/15/16	08/15/34	3,655,000	3,435,000
Tax/revenue certificates of obligation					
2007 various purposes	3.94	05/31/07	09/30/27	5,300,000	3,270,000
2013 PPFCO	2.00	12/12/13	09/30/25	630,000	335,000
2014 various purposes	2.00	02/15/14	09/30/39	2,321,036	1,505,000
2015 various purposes	3.00	08/01/15	08/15/40	3,055,000	2,780,000
2016 various purposes	2.00-4.00	08/15/16	08/15/23	360,000	271,105
2016 various purposes	2.00-4.00	08/15/16	08/15/36	240,000	180,737
2017 various purposes	3.00	07/17/17	08/15/37	5,210,000	4,650,000
2018 various purposes	4.00-5.00	07/17/18	08/15/38	3,055,000	2,880,000
2019 various purposes	2.00-5.00	07/16/19	08/15/39	4,950,000	4,950,000
Total				\$ 44,527,536	\$ 36,273,342

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					
2006 refunding	3.78	03/09/06	08/15/21	3,984,000	976,000
2007 refunding	3.94	05/31/07	09/30/23	3,286,500	2,642,500
2010 various purposes	2.375-3.00	05/25/10	08/30/35	3,260,000	2,580,000
2012 refunding	0.25-3.00	04/15/12	08/15/23	4,973,000	2,285,000
2015 refunding	1.97	12/15/15	08/15/25	400,000	310,000
2016 refunding	2.00-4.00	08/15/16	08/15/27	2,680,000	1,965,000
Tax/revenue certificates of obligation					
2005 various purposes	3.63	11/10/05	08/15/25	3,050,000	1,195,000
2014 various purposes	2.0-3.5	02/15/14	09/30/39	7,178,964	5,905,000
2015 various purposes	3.00	08/01/15	08/15/40	5,045,000	4,535,000
2016 various purposes	3.00-4.00	08/15/16	08/15/36	7,825,000	6,578,158
2017 various purposes	3.00	07/17/17	08/15/37	4,420,000	3,915,000
2018 various purposes	4.00-5.00	07/17/18	08/15/38	6,490,000	6,215,000
2019 various purposes	2.00 -5.00	07/16/19	08/15/39	2,740,000	2,740,000
Total				\$ 55,332,464	\$ 41,841,658

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
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	1,025,000	394,809	540,000	174,479
2025-2029	5,930,000	1,241,888	1,855,000	595,671
2030-2034	3,015,000	327,558	1,435,000	302,061
2035	95,000	4,274	540,000	35,725
Total	\$ 15,451,500	\$ 4,007,715	\$ 10,758,500	\$ 2,347,435

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
2020	\$ 1,512,584	\$ 729,972	\$ 1,817,416	\$ 1,089,009
2021	1,581,836	672,210	1,873,164	1,022,184
2022	1,496,836	612,661	1,878,164	953,771
2023	1,551,838	555,622	1,923,162	893,855
2024	1,541,042	494,291	1,878,958	821,040
2025-2029	5,334,273	1,682,083	8,010,727	3,162,564
2030-2034	3,915,315	981,443	7,274,685	1,810,690
2035-2039	3,703,118	377,335	6,156,882	677,378
2040	185,000	7,400	270,000	10,800
Total	\$ 20,821,842	\$ 6,113,017	\$ 31,083,158	\$ 10,441,291

During the year ended September 30, 2019, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2019, in the amount of \$7,690,000, maturing in 2039 with an interest ranging from 2% to 5%. The proceeds from the bonds will be used to acquire vehicles for City water and sewer, street improvement and maintenance, police, fire, parks and building and development services, acquire communications equipment for emergency services, public works, and parks purposes; acquire and install computer and electronic equipment for administrative and police purposes; acquire, construct and improve City communications facilities and the acquisition of land and rights-of-way in connection therewith; construct and improve parks and recreational facilities, improve the City's water and wastewater facilities, and the acquisition of land and rights-of-way in connection therewith; construct and improve the golf course facilities, construct and improve 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.

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, 2019. Remaining commitments with contractors at September 30, 2019 totaled, \$632,435 and \$686,966 for governmental and water and sewer funds, respectively.

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.

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.

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

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
Annuity increase to retirees	70% of CPI, repeating

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	224
Inactive employees entitled to but not yet receiving benefits	240
Active employees	244
	708
	708

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 12.16% and 12.52% in calendar years 2019 and 2018, respectively. The City’s contributions to TMRS for the year ended September 30, 2019 were \$1,466,586 and equal to the required contributions.

City of Copperas Cove, Texas

Notes to the Basic Financial Statements

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2018, 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, 2018, 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.

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.

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

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%
Total	100.0%	

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, 2017	\$60,485,820	\$55,223,252	\$5,262,568
Charges for the year			
Service cost	1,643,247	-	1,643,247
Interest	4,051,570	-	4,051,570
Difference between expected and actual experience	(306,882)	-	(306,882)
Changes in assumptions	-	-	-
Contributions, employer	-	1,423,101	(1,423,101)
Contributions, employee	-	693,280	(693,280)
Net investment income	-	(1,653,672)	1,653,672
Benefit payments, including refunds of employee contributions	(2,568,367)	(2,568,367)	-
Administrative expense	-	(31,970)	31,970
Other changes	-	(1,670)	1,670
Balance at December 31, 2018	\$ 63,305,388	\$ 53,083,954	\$ 10,221,434

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	\$19,664,857	\$ 10,221,434	\$ 2,570,949

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.

Pension Expense and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2019, the City recognized pension expense of \$2,030,500.

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

At September 30, 2019, 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	\$ -	\$ (488,739)
Difference between projected and actual investment earnings	2,850,205	-
Differences in assumptions	-	-
Contributions subsequent to the measurement date	<u>1,067,990</u>	<u>-</u>
Total	<u><u>\$ 3,918,195</u></u>	<u><u>\$ (488,739)</u></u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,067,990 will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2020. 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>	
2020	\$ 719,059
2021	219,426
2022	346,733
2023	<u>1,076,248</u>
Total	<u><u>\$ 2,361,466</u></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, 2018.

Retirees or beneficiaries	7
Inactive employees, nonretired members	-
Active members	241
	<hr/>
	248
	<hr/> <hr/>

Total OPEB Liability

The City's total OPEB healthcare liability of \$679,338 was measured as of December 31, 2018, 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, 2018 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	3.71%
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 7.2% declining to an ultimate rate of 4.25% after 15 years.

Changes in the OPEB Liability

Balance at September 30, 2018	\$ 759,705
Changes for the year	
Service cost	29,054
Interest	25,093
Change of benefit terms	-
Difference between expected and actual experience	(105,580)
Changes of assumptions	3,357
Benefit payments	(32,291)
	<hr/>
Net changes	(80,367)
	<hr/>
Balance on September 30, 2019	\$ 679,338
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Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate for each period. In fiscal year 2019, amounts reflect an increase in the discount rate from the beginning of the year from 3.31% to 3.71%.

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

As of September 30, 2019, 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	\$ -	\$ (12,352)
Changes in actuarial assumptions	28,548	-
Difference in projects and actual investment earnings	-	-
Contributions subsequent to the measurement date	-	-
	<u> </u>	<u> </u>
Total	\$ 28,548	\$ (12,352)
	<u> </u>	<u> </u>

Contributions subsequent to the measurement date totaling \$24,218 will be expensed in the City's year ending September 30, 2020. 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>	
2020	\$ 1,782
2021	1,782
2022	1,782
2023	1,782
2024	1,782
Thereafter	7,286
	<u> </u>
	\$ 16,196
	<u> </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	180
Inactive employees entitled to but not yet receiving benefits	56
Active employees	244
	<u> </u>
	480
	<u> </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, 2019 were \$8,078 which equated the required contributions.

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The City's total OPEB liability in the December 31, 2018 valuation was determined using the following actuarial assumptions:

Actuarial cost method	Individual entry age
Discount rate	3.71%
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 7.2% 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, 2018.

The actuarial assumptions used in the December 31, 2018 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
Balance at December 31, 2017	\$ 1,022,044
Changes for the year	
Service cost	33,465
Interest	34,250
Change of benefit terms	-
Difference between expected and actuarial experience	(14,170)
Changes of assumptions	(71,110)
Benefit payments	(8,078)
Net changes	(25,643)
Balance of December 31, 2018	\$ 996,401

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 3.71%, 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 (2.71%) or one percentage point higher (4.71%) than the current rate:

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
Total OPEB liability	\$ 1,189,204	\$ 996,401	\$ 847,083

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, 2019, the City recognized expense of \$67,004.

At September 30, 2019, the City reported deferred inflows 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	\$ -	\$ (11,254)
Changes in actuarial assumptions	-	(8,325)
Difference in projects and actual investment earnings	-	-
Contributions subsequent to the measurement date	-	-
	<u> </u>	<u> </u>
Total	<u>\$ -</u>	<u>\$ (19,579)</u>

The City reported \$7,026 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, 2020. 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>	
2020	\$ (711)
2021	(711)
2022	(3,069)
2023	(15,088)
	<u> </u>
	<u>\$ (19,579)</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 post closure 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, 2019 are \$569,590. It is estimated that the landfill requires 10 years of postclosure care as of September 30, 2019.

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.

Year of Term	City's Performance Requirements
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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes	\$ 11,851,099	\$ 11,871,248	\$ 11,799,420	\$ (71,828)
Charges for services	1,616,159	1,505,718	1,559,327	53,609
Intergovernmental	-	5,544	4,863	(681)
Fines	511,142	513,767	558,437	44,670
Licenses	197,290	194,143	210,584	16,441
Permits	199,000	215,663	275,040	59,377
Investment income	72,204	109,900	160,618	50,718
Miscellaneous	643,240	769,976	665,375	(104,601)
Total revenues	<u>15,090,134</u>	<u>15,185,959</u>	<u>15,233,664</u>	<u>47,705</u>
EXPENDITURES				
Current				
General government	2,879,715	2,881,615	3,055,909	(174,294)
Community services	2,000,245	2,000,245	1,883,668	116,577
Fleet and facility services	288,334	288,334	273,531	14,803
Highways and streets	608,987	608,987	545,434	63,553
Public safety	11,155,231	11,155,231	10,559,127	596,104
Total expenditures	<u>16,932,512</u>	<u>16,934,412</u>	<u>16,317,669</u>	<u>616,743</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,842,378)	(1,748,453)	(1,084,005)	664,448
OTHER FINANCING SOURCES (USES)				
Transfers in	1,523,091	1,523,189	1,654,742	131,553
Transfers out	-	-	(23,316)	(23,316)
Sale of capital assets	20,000	52,913	33,784	(19,129)
Insurance recoveries	17,000	17,000	51,794	34,794
Total other financing sources (uses)	<u>1,560,091</u>	<u>1,593,102</u>	<u>1,717,004</u>	<u>123,902</u>
NET CHANGE IN FUND BALANCE	<u>\$ (282,287)</u>	<u>\$ (155,351)</u>	<u>632,999</u>	<u>\$ 788,350</u>
Fund balance, beginning of year			7,833,456	
Current year encumbrances			283,579	
Prior year encumbrances			(361,363)	
FUND BALANCE, end of year			<u>\$ 8,388,671</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 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
Total pension liability					
Service cost	\$ 1,643,247	\$ 1,634,469	\$ 1,622,451	\$ 1,495,238	\$ 1,410,662
Interest (on the total pension liability)	4,051,570	3,879,541	3,689,620	3,637,340	3,470,336
Difference between expected and actual experience	(306,882)	(523,669)	(298,002)	(622,765)	(578,465)
Changes of assumptions	-	-	-	121,574	-
Benefit payments, including refunds of employee contributions	(2,568,367)	(2,323,947)	(2,088,899)	(1,903,036)	(2,015,046)
Net change in total pension liability	2,819,568	2,666,394	2,925,170	2,728,351	2,287,487
Total pension liability, beginning of year	60,485,820	57,819,426	54,894,256	52,165,905	49,878,418
Total pension liability, end of year (a)	\$ 63,305,388	\$ 60,485,820	\$ 57,819,426	\$ 54,894,256	\$ 52,165,905
Plan fiduciary net position					
Contributions, employer	\$ 1,423,101	\$ 1,411,274	\$ 1,407,493	\$ 1,351,607	\$ 1,352,470
Contributions, employee	693,280	686,752	686,026	643,113	640,477
Net investment income	(1,653,672)	6,752,596	3,086,727	67,231	2,468,151
Benefit payments, including refunds of employee contributions	(2,568,367)	(2,323,947)	(2,088,899)	(1,903,036)	(2,015,046)
Administrative expense	(31,970)	(35,004)	(34,864)	(40,950)	(25,768)
Other	(1,670)	(1,774)	(1,878)	(2,023)	(2,119)
Net change in plan fiduciary net position	(2,139,298)	6,489,897	3,054,605	115,942	2,418,165
Plan fiduciary net position, beginning of year	55,223,252	48,733,355	45,678,750	45,562,808	43,144,643
Plan fiduciary net position, end of year (b)	\$ 53,083,954	\$ 55,223,252	\$ 48,733,355	\$ 45,678,750	\$ 45,562,808
Net pension liability, end of year (a) - (b)	\$ 10,221,434	\$ 5,262,568	\$ 9,086,071	\$ 9,215,506	\$ 6,603,097
Plan fiduciary net position as a percentage of total pension liability	83.85%	91.30%	84.29%	83.21%	87.34%
Covered payroll	\$ 11,539,659	\$ 11,445,864	\$ 11,433,764	\$ 10,718,552	\$ 10,674,610
Net pension liability as a percentage of covered payroll	88.58%	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	2019	2018	2017	2016	2015
Actuarial determined contribution	\$ 1,466,586	\$ 1,441,457	\$ 1,413,827	\$ 1,360,243	\$ 1,306,426
Contributions in relation to the actuarially determined contribution	1,466,586	1,441,457	1,413,827	1,360,243	1,306,426
Contribution deficiency (excess)	\$ -				
Covered payroll	\$ 11,966,485	\$ 11,606,767	\$ 11,433,764	\$ 10,718,552	\$ 10,456,668
Contributions as a percentage of covered payroll	12.26%	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	27
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 2018	Measurement Year 2017
Total OPEB liability		
Service cost	\$ 29,054	\$ 25,855
Interest	25,093	26,792
Changes of benefit terms	-	-
Difference between expected and actual experience	(105,580)	(2,913)
Changes of assumptions	3,357	32,750
Benefit payments	(32,291)	(26,129)
Net changes in total OPEB liability	(80,367)	56,355
Total OPEB liability - beginning	759,705	703,350
Total OPEB liability - ending	\$ 679,338	\$ 759,705
Covered payroll	\$ 11,563,143	\$ 11,448,852
Total OPEB liability as a percentage of covered payroll	5.88%	6.64%

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

	Measurement Year 2018	Measurement Year 2017
Total OPEB liability		
Service cost	\$ 33,465	\$ 28,615
Interest	34,250	33,891
Changes of benefit terms	-	-
Difference between expected and actual experience	(14,170)	-
Changes of assumptions	(71,110)	81,827
Benefit payments	(8,078)	(9,157)
Net changes in total OPEB liability	(25,643)	135,176
Total OPEB liability - beginning	1,022,044	886,868
Total OPEB liability - ending	\$ 996,401	\$ 1,022,044
Covered payroll	\$ 11,539,659	\$ 11,445,864
Total OPEB liability as a percentage of covered payroll	8.63%	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, 2019

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, 2019

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 3,001,840	\$ 11,736,602	\$ 14,738,442
Receivables (net of allowance)			
Taxes	114,593	-	114,593
Accounts	473,214	-	473,214
Fines	5,604	-	5,604
Grants	88,221	-	88,221
Due from other funds	73,925	-	73,925
Prepaid items	303	-	303
Notes receivable	57,309	-	57,309
TOTAL ASSETS	\$ 3,815,009	\$ 11,736,602	\$ 15,551,611
LIABILITIES			
Accounts payable	\$ 13,582	\$ 201,455	\$ 215,037
Retainage payable	-	112,267	112,267
Due to other funds	73,885	-	73,885
Accrued liabilities	8,745	-	8,745
Unearned revenue	22,678	-	22,678
Total liabilities	118,890	313,722	432,612
DEFERRED INFLOWS OF RESOURCES			
Municipal court fines	5,606	-	5,606
Total deferred inflows of resources	5,606	-	5,606
FUND BALANCES			
Nonspendable	303	-	303
Restricted	3,690,210	11,422,880	15,113,090
Total fund balances	3,690,513	11,422,880	15,113,393
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,815,009	\$ 11,736,602	\$ 15,551,611

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, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Taxes	\$ 602,557	\$ -	\$ 602,557
Charges for services	989,558	-	989,558
Intergovernmental	144,184	-	144,184
Fines	40,954	-	40,954
Investment income	43,878	225,236	269,114
Miscellaneous income	9,528	-	9,528
	<hr/>	<hr/>	<hr/>
Total revenues	1,830,659	225,236	2,055,895
EXPENDITURES			
Current			
Community services	84,653	-	84,653
Highways and streets	378,922	-	378,922
Public safety	223,608	-	223,608
Capital outlay	820,258	1,699,546	2,519,804
Debt service			
Principal retirement	18,080	-	18,080
Interest and fiscal charges	1,338	108,925	110,263
	<hr/>	<hr/>	<hr/>
Total expenditures	1,526,859	1,808,471	3,335,330
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	303,800	(1,583,235)	(1,279,435)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	9,400	-	9,400
Issuance of bonds	-	4,950,000	4,950,000
Premium on bonds	-	372,741	372,741
Transfers in	21,696	-	21,696
Transfers out	(172,230)	(45)	(172,275)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(141,134)	5,322,696	5,181,562
NET CHANGE IN FUND BALANCES			
	162,666	3,739,461	3,902,127
Fund balances, beginning of year	3,527,847	7,683,419	11,211,266
	<hr/>	<hr/>	<hr/>
FUND BALANCES, end of year	<u>\$ 3,690,513</u>	<u>\$ 11,422,880</u>	<u>\$ 15,113,393</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, 2019

	Hotel/Motel Tax	Drainage Utility	Municipal Court	Texas Community Development Loan
ASSETS				
Cash and investments	\$ 91,163	\$ 1,783,041	\$ 49,595	\$ 149,646
Receivables (net of allowance)				
Taxes	40,852	-	-	-
Accounts	-	473,214	-	-
Fines	-	-	5,604	-
Grants	-	-	-	-
Due from other funds	-	73,885	-	-
Prepaid items	-	-	-	-
Notes receivable	-	-	-	57,309
TOTAL ASSETS	\$ 132,015	\$ 2,330,140	\$ 55,199	\$ 206,955
LIABILITIES				
Accounts payable	\$ 549	\$ 7,766	\$ 218	\$ -
Due to other funds	-	-	-	-
Accrued liabilities	1,647	3,669	454	-
Unearned revenue	-	-	-	-
Total liabilities	2,196	11,435	672	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable				
Municipal Court fines	-	-	5,606	-
Total deferred inflows of resources	-	-	5,606	-
FUND BALANCES				
Nonspendable	-	303	-	-
Restricted	129,819	2,318,402	48,921	206,955
Total fund balances	129,819	2,318,705	48,921	206,955
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 132,015	\$ 2,330,140	\$ 55,199	\$ 206,955

Tobacco Grant	Homeland Security Grants	FEMA Grant	City-Wide Grants	Parks Improvements	Street Maintenance	Employee Benefits Trust	Total Nonmajor Special Revenue Funds
\$ 13,389	\$ -	\$ 3,906	\$ -	47,275	\$ 863,825	\$ -	\$ 3,001,840
-	-	-	-	-	73,741	-	114,593
-	-	-	-	-	-	-	473,214
-	-	-	-	-	-	-	5,604
1,900	86,321	-	-	-	-	-	88,221
-	-	-	40	-	-	-	73,925
-	-	-	-	303	-	-	303
-	-	-	-	-	-	-	57,309
<u>\$ 15,289</u>	<u>\$ 86,321</u>	<u>\$ 3,906</u>	<u>\$ 40</u>	<u>\$ 47,578</u>	<u>\$ 937,566</u>	<u>\$ -</u>	<u>\$ 3,815,009</u>
\$ -	\$ 4,669	\$ -	\$ -	\$ 307	\$ 73	\$ -	\$ 13,582
-	73,885	-	-	-	-	-	73,885
-	-	-	-	-	2,975	-	8,745
15,289	7,144	-	-	245	-	-	22,678
15,289	85,698	-	-	552	3,048	-	118,890
-	-	-	-	-	-	-	5,606
-	-	-	-	-	-	-	5,606
-	-	-	-	-	-	-	303
-	623	3,906	40	47,026	934,518	-	3,690,210
-	623	3,906	40	47,026	934,518	-	3,690,513
<u>\$ 15,289</u>	<u>\$ 86,321</u>	<u>\$ 3,906</u>	<u>\$ 40</u>	<u>\$ 47,578</u>	<u>\$ 937,566</u>	<u>\$ -</u>	<u>\$ 3,815,009</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, 2019

	Hotel/Motel Tax	Drainage Utility	Municipal Court	Texas Community Development Loan
REVENUES				
Taxes	\$ 170,431	\$ -	\$ -	\$ -
Charges for services	-	952,025	-	-
Intergovernmental	-	-	-	-
Fines	-	-	40,954	-
Investment income	253	38,112	403	3,174
Miscellaneous	-	9,528	-	-
Total revenues	170,684	999,665	41,357	3,174
EXPENDITURES				
Current				
Community services	53,657	-	-	-
Highways and streets	-	366,256	-	-
Public safety	107,061	-	25,729	-
Capital outlay	-	769,085	-	-
Debt service				
Principal retirement	-	14,080	4,000	-
Interest and fiscal charges	-	386	952	-
Total expenditures	160,718	1,149,807	30,681	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,966	(150,142)	10,676	3,174
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	9,400	-	-
Transfers in	-	-	-	-
Transfers out	-	(168,225)	-	-
Total other financing sources (uses)	-	(158,825)	-	-
NET CHANGE IN FUND BALANCES	9,966	(308,967)	10,676	3,174
Fund balances, beginning of year	119,853	2,627,672	38,245	203,781
FUND BALANCES, end of year	<u>\$ 129,819</u>	<u>\$ 2,318,705</u>	<u>\$ 48,921</u>	<u>\$ 206,955</u>

<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>
\$ -	\$ -	\$ -	\$ -	\$ -	432,126	\$ -	\$ 602,557
-	-	-	-	37,533	-	-	989,558
3,661	140,523	-	-	-	-	-	144,184
-	-	-	-	-	-	-	40,954
-	-	-	-	48	1,888	-	43,878
-	-	-	-	-	-	-	9,528
<u>3,661</u>	<u>140,523</u>	<u>-</u>	<u>-</u>	<u>37,581</u>	<u>434,014</u>	<u>-</u>	<u>1,830,659</u>
-	2,669	-	-	28,327	-	-	84,653
-	-	-	-	-	12,666	-	378,922
3,661	87,157	-	-	-	-	-	223,608
-	51,173	-	-	-	-	-	820,258
-	-	-	-	-	-	-	18,080
-	-	-	-	-	-	-	1,338
<u>3,661</u>	<u>140,999</u>	<u>-</u>	<u>-</u>	<u>28,327</u>	<u>12,666</u>	<u>-</u>	<u>1,526,859</u>
-	(476)	-	-	9,254	421,348	-	303,800
-	-	-	-	-	-	-	9,400
-	-	-	-	21,696	-	-	21,696
-	-	-	-	-	-	(4,005)	(172,230)
-	-	-	-	21,696	-	(4,005)	(141,134)
-	(476)	-	-	30,950	421,348	(4,005)	162,666
-	1,099	3,906	40	16,076	513,170	4,005	3,527,847
<u>\$ -</u>	<u>\$ 623</u>	<u>\$ 3,906</u>	<u>\$ 40</u>	<u>\$ 47,026</u>	<u>\$ 934,518</u>	<u>\$ -</u>	<u>\$ 3,690,513</u>

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City of Copperas Cove, Texas

Nonmajor Capital Projects Funds

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.

2019 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.

Other Capital Projects Fund – To account for the remaining proceeds and use of projects.

City of Copperas Cove, Texas
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 September 30, 2019

	2014 Tax Supported Certificates of Obligation	2015 Tax Supported Certificates of Obligation	2017 Tax Supported Texpool and Texstar	2018 Tax Supported Certificates of Obligation
ASSETS				
Cash and investments	\$ 673,144	\$ 1,001,713	\$ 2,592,698	\$ 2,082,959
TOTAL ASSETS	\$ 673,144	\$ 1,001,713	\$ 2,592,698	\$ 2,082,959
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	85,510	\$ 110,325
Retainage payable	-	-	112,267	-
Total liabilities	-	-	197,777	110,325
Fund balances				
Restricted	673,144	1,001,713	2,394,921	1,972,634
Total fund balances	673,144	1,001,713	2,394,921	1,972,634
TOTAL LIABILITIES AND FUND BALANCES	\$ 673,144	\$ 1,001,713	\$ 2,592,698	\$ 2,082,959

2019 Tax Supported Certificates of Obligation	Other Capital Projects	Total Nonmajor Capital Projects Funds
\$ 5,284,075	\$ 102,013	\$ 11,736,602
<u>\$ 5,284,075</u>	<u>\$ 102,013</u>	<u>\$ 11,736,602</u>
\$ 5,620	\$ -	\$ 201,455
-	-	112,267
<u>5,620</u>	<u>-</u>	<u>313,722</u>
<u>5,278,455</u>	<u>102,013</u>	<u>11,422,880</u>
<u>5,278,455</u>	<u>102,013</u>	<u>11,422,880</u>
<u>\$ 5,284,075</u>	<u>\$ 102,013</u>	<u>\$ 11,736,602</u>

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, 2019

	2014	2015	2017	2018
	Tax Supported Certificates of Obligation	Tax Supported Certificates of Obligation	Tax Supported Certificates of Obligation	Tax Supported Certificates of Obligation
REVENUES				
Investment income	\$ 15,384	\$ 23,024	\$ 54,961	\$ 57,675
Total revenues	15,384	23,024	54,961	57,675
EXPENDITURES				
Capital outlay	-	6,943	755,210	817,403
Debt service				
Bond issuance costs	-	-	-	-
Total expenditures	-	6,943	755,210	817,403
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	15,384	16,081	(700,249)	(759,728)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	-	-
Premium on bonds	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES				
	15,384	16,081	(700,249)	(759,728)
Fund balances, beginning of year	657,760	985,632	3,095,170	2,732,362
FUND BALANCES, end of year	\$ 673,144	\$ 1,001,713	\$ 2,394,921	\$ 1,972,634

2019		
Tax Supported Certificates of Obligation	Other Capital Projects	Total Nonmajor Capital Projects Funds
\$ 70,259	\$ 3,933	\$ 225,236
70,259	3,933	225,236
5,620	114,370	1,699,546
108,925	-	108,925
114,545	114,370	1,808,471
(44,286)	(110,437)	(1,583,235)
4,950,000	-	4,950,000
372,741	-	372,741
-	(45)	(45)
5,322,741	(45)	5,322,696
5,278,455	(110,482)	3,739,461
-	212,495	7,683,419
\$ 5,278,455	\$ 102,013	\$ 11,422,880

City of Copperas Cove, Texas
 General Fund
 Schedule of Revenues
 Budget and Actual (Budgetary Basis)
 For the Fiscal Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
TAXES				
Current ad valorem	\$ 6,646,434	\$ 6,646,434	\$ 6,614,268	\$ (32,166)
Delinquent ad valorem	31,000	41,931	38,637	(3,294)
Penalty and interest	36,000	39,695	41,185	1,490
Franchise	1,410,709	1,416,232	1,428,855	12,623
Sales	3,559,756	3,559,756	3,486,721	(73,035)
Mixed drink	19,200	19,200	27,894	8,694
Bingo	148,000	148,000	161,860	13,860
Total taxes	11,851,099	11,871,248	11,799,420	(71,828)
LICENSES				
Bicycle	10	7	2	(5)
Contractors	30,000	24,000	36,360	12,360
Animal	7,000	5,000	7,288	2,288
Taxi cab	180	180	180	-
Vicious/dangerous animal	600	800	900	100
Wrecker	595	680	850	170
Food handlers	3,100	4,000	3,813	(187)
Food establishment	155,805	159,476	161,191	1,715
Total licenses	197,290	194,143	210,584	16,441
PERMITS				
Building	85,000	90,000	117,974	27,974
Street cuts	8,000	11,000	14,282	3,282
Electrical	23,000	25,000	36,118	11,118
Solicitors	2,000	1,100	1,575	475
Natural gas lines	3,000	2,500	1,450	(1,050)
Garage sale	8,000	5,000	4,520	(480)
Plumbing	35,000	46,000	52,920	6,920
Mechanical	18,000	18,000	28,258	10,258
Car wash	500	350	315	(35)
Signs	2,000	1,650	1,100	(550)
Swimming pools	400	500	590	90
Ambulance license	3,000	3,000	3,000	-
Certificate of occupancy	2,400	2,400	4,080	1,680
Alarms	4,500	2,700	2,960	260
Alcohol license	3,500	4,273	4,273	-
Food workers	200	120	90	(30)
Burn Permits	400	1,200	700	(500)
Conditional Use	0	660	660	-
Land disturbance	100	210	175	(35)
Total permits	199,000	215,663	275,040	59,377

City of Copperas Cove, Texas
 General Fund
 Schedule of Revenues
 Budget and Actual (Budgetary Basis) – Continued
 For the Fiscal Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
CHARGES FOR SERVICES				
Cemetery plot sales	15,000	15,000	11,856	(3,144)
Football fees	18,892	18,892	68	(18,824)
Basketball fees	27,675	27,450	27,450	-
Volleyball entry fees	6,265	6,265	6,020	(245)
Youth baseball fees	43,498	33,700	34,438	738
Youth softball fees	12,586	14,332	14,234	(98)
Soccer Registration Fees	44,346	44,346	59,855	15,509
Special events	42,929	28,975	20,676	(8,299)
Adult softball fees	7,200	14,402	-	(14,402)
Concession sales	4,000	1,500	-	(1,500)
Flag football Fees	8,559	8,559	190	(8,369)
Adult dodgeball fees	900	-	-	-
Recreational classes	2,500	2,500	1,315	(1,185)
Swimming lessons	16,555	16,555	26,369	9,814
Swimming pool	46,144	46,144	61,754	15,610
Community building rental	25,389	10,659	14,124	3,465
Library meeting room rental	5,500	6,050	5,275	(775)
Library miscellaneous	14,000	12,986	14,306	1,320
Animal shelter fees	29,000	31,000	30,125	(875)
Ambulance fees	1,145,990	1,053,840	1,100,484	46,644
Notary fees	500	400	395	(5)
Print/copy fees	200	100	28	(72)
Mowing/mowing liens revenue	15,000	18,000	10,193	(7,807)
Sale of city maps	100	100	-	(100)
NSF charge fees	-	60	90	30
Plat filing fees	7,500	13,879	18,198	4,319
RV park fees	-	-	-	-
Police overtime reimbursement	7,515	4,300	7,515	3,215
Police restitution	788	500	788	288
Festival reimbursements	23,416	10,000	23,416	13,416
Senior program fees	2,484	2,718	2,484	(234)
Open records	300	300	291	(9)
Pool rental	4,648	4,648	5,350	702
Animal identification	7,500	8,320	11,180	2,860
Re-inspection fees	8,000	11,850	15,600	3,750
Fire related response revenue	-	22,448	19,118	(3,330)
Animal tranquilization fees	50	50	20	(30)
Street sign	250	300	225	(75)
Fire inspection fees	4,699	4,735	4,699	(36)
Fire testing fees	-	-	-	-
Food manager class	1,941	1,919	1,941	22
Rezoning request fees	6,800	1,919	2,350	431
Variance request fees	2,000	2,090	2,980	890
Other charges for services	5,540	3,927	3,927	-
Total charges for services	1,616,159	1,505,718	1,559,327	53,609

City of Copperas Cove, Texas
 General Fund
 Schedule of Revenues
 Budget and Actual (Budgetary Basis) – Continued
 For the Fiscal Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
FINES				
Municipal court fines	259,200	242,077	260,665	18,588
Traffic violations	109,300	132,111	150,943	18,832
Library fines	10,000	5,134	4,630	(504)
Arrest warrants	27,500	21,641	23,444	1,803
Child safety fund	11,900	12,364	13,115	751
State court fees	40,500	40,500	42,265	1,765
HB 70 fees	11,000	11,800	13,061	1,261
Arresting officer fees	24,450	25,500	27,552	2,052
Civil justice fee	40	40	41	1
Juvenile	252	300	181	(119)
Admin fee - defensive driving	15,500	17,300	17,940	640
Admin Fee - Truancy	-	-	50	50
Penalties - false alarm	1,500	5,000	4,550	(450)
Total fines	511,142	513,767	558,437	44,670
INVESTMENT INCOME				
Investment income	72,204	109,900	160,618	50,718
Total investment income	72,204	109,900	160,618	50,718
MISCELLANEOUS				
Rental	27,470	29,310	27,795	(1,515)
Miscellaneous	615,770	740,666	637,580	(103,086)
Total miscellaneous	643,240	769,976	665,375	(104,601)
INTERGOVERNMENTAL				
Grants	-	5,544	4,863	(681)
Total intergovernmental	-	5,544	4,863	(681)
TOTALS	\$ 15,090,134	\$ 15,185,959	\$ 15,233,664	\$ 47,705

City of Copperas Cove, Texas
 General Fund
 Schedule of Expenditures
 Budget and Actual (Budgetary Basis)
 For the Fiscal Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
GENERAL GOVERNMENT				
City council	\$ 43,351	\$ 43,351	\$ 18,886	\$ 24,465
City manager	251,200	251,200	221,290	29,910
Financial services and accounting	777,905	777,905	643,989	133,916
Information systems	325,231	325,231	306,980	18,251
City secretary	138,954	138,954	141,694	(2,740)
City attorney	124,792	124,792	117,936	6,856
Public Information	82,582	82,582	77,660	4,922
Personnel	281,091	282,591	259,037	23,554
Planning	241,829	242,229	235,223	7,006
Nondepartmental	550,700	550,700	990,690	(439,990)
Engineering	62,080	62,080	42,524	19,556
Total general government	2,879,715	2,881,615	3,055,909	(174,294)
COMMUNITY SERVICES				
Parks and recreation	1,400,571	1,404,571	1,304,101	100,470
Library	419,457	425,257	445,244	(19,987)
Code and health	170,417	170,417	134,323	36,094
Total community services	1,990,445	2,000,245	1,883,668	116,577
FLEET AND FACILITY SERVICES				
Fleet maintenance	288,334	288,334	273,531	14,803
Total fleet and facility services	288,334	288,334	273,531	14,803
HIGHWAYS AND STREETS				
Highways and streets	605,907	608,987	545,434	63,553
Total highways and streets	605,907	608,987	545,434	63,553
PUBLIC SAFETY				
Building inspections	337,271	338,171	244,063	94,108
Municipal court	400,816	400,816	393,315	7,501
Animal control	253,020	253,020	249,998	3,022
Police department	5,620,436	5,652,950	5,290,839	362,111
Fire/EMS department	4,496,845	4,504,209	4,374,603	129,606
Emergency management	6,065	6,065	6,309	(244)
Total public safety	11,114,453	11,155,231	10,559,127	596,104
TOTAL EXPENDITURES	\$ 16,878,854	\$ 16,934,412	\$ 16,317,669	\$ 616,743

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes	\$ 165,355	\$ 165,355	\$ 170,431	\$ 5,076
Investment income	132	136	253	117
Total revenues	<u>165,487</u>	<u>165,491</u>	<u>170,684</u>	<u>5,193</u>
EXPENDITURES				
Current				
Community services				
Services and charges	43,122	54,377	53,657	720
Public safety	<u>131,470</u>	<u>125,829</u>	<u>107,061</u>	<u>18,768</u>
Total expenditures	<u>174,592</u>	<u>180,206</u>	<u>160,718</u>	<u>19,488</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (9,105)</u></u>	<u><u>\$ (14,715)</u></u>	<u><u>\$ 9,966</u></u>	<u><u>\$ 24,681</u></u>

City of Copperas Cove, Texas

Drainage Utility Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 957,480	\$ 962,307	\$ 952,025	\$ (10,282)
Investment income	16,200	27,094	38,112	11,018
Miscellaneous	-	10	9,528	9,518
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	973,680	989,411	999,665	10,254
EXPENDITURES				
Current				
Highways and streets				
Personnel services	427,896	317,581	265,914	51,667
Supplies and materials	27,391	31,676	18,659	13,017
Maintenance and repairs	26,543	26,578	18,422	8,156
Services and charges	86,439	87,693	63,261	24,432
Capital outlay				
Capital drainage projects	1,059,725	1,094,725	769,085	325,640
Debt service				
Principal	14,080	14,080	14,080	-
Interest and fiscal charges	387	387	386	1
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,642,461	1,572,720	1,149,807	422,913
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(668,781)	(583,309)	(150,142)	433,167
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	-	-	9,400	9,400
Transfers out	-	-	(168,225)	(168,225)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	(158,825)	(158,825)
NET CHANGE IN FUND BALANCE				
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ (668,781)	\$ (583,309)	\$ (308,967)	\$ 274,342

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fines	\$ 39,840	\$ 39,840	\$ 40,954	\$ 1,114
Investment income	343	343	403	60
Total revenues	40,183	40,183	41,357	1,174
EXPENDITURES				
Current				
Public safety				
Personnel	13,998	13,988	11,805	2,183
Supplies and materials	4,545	6,419	6,164	255
Maintenance and repairs	2,860	6,428	7,760	(1,332)
Services and charges	-	-	-	-
Debt service				
Principal retirement	-	-	4,000	(4,000)
Interest and fiscal charges	200	200	952	(752)
Total expenditures	21,603	27,035	30,681	(3,646)
NET CHANGE IN FUND BALANCE	\$ 18,580	\$ 13,148	\$ 10,676	\$ (2,472)

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 3,661	\$ 3,661
Total revenues	-	-	3,661	3,661
EXPENDITURES				
Current				
Public safety				
Personnel services	-	-	3,462	(3,462)
Supplies and materials	-	-	199	(199)
Total expenditures	-	-	3,661	(3,661)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			-	
FUND BALANCE, end of year			<u>\$ -</u>	

City of Copperas Cove, Texas

Homeland Security Grants

Schedule of Revenues, Expenditures and Changes

in Fund Balance – Budget and Actual (Budgetary Basis)

For the Fiscal Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 116,970	\$ 182,865	\$ 140,523	\$ (42,342)
Total revenues	116,970	182,865	140,523	(42,342)
EXPENDITURES				
Current				
Public safety				
Personnel	43,558	61,981	33,533	28,448
Supplies and materials	12,004	42,946	31,463	11,483
Maintenance and repairs	-	182	182	-
Services and charges	4,127	4,127	24,648	(20,521)
Capital outlay				
Public safety	73,342	73,342	51,173	22,169
Total expenditures	133,031	182,578	140,999	41,579
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (16,061)	\$ 287	\$ (476)	\$ (763)

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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 3,908,620	\$ 3,921,520	\$ 3,902,660	\$ (18,860)
Intergovernmental	133,125	133,125	133,125	-
Investment income	25,104	29,730	49,942	20,212
Miscellaneous	-	-	249,509	249,509
Total revenues	<u>4,066,849</u>	<u>4,084,375</u>	<u>4,335,236</u>	<u>250,861</u>
EXPENDITURES				
Debt service				
Principal retirement	2,783,340	2,763,340	2,728,419	34,921
Interest and fiscal charges	<u>1,229,406</u>	<u>1,249,253</u>	<u>1,224,917</u>	<u>24,336</u>
Total expenditures	<u>4,012,746</u>	<u>4,012,593</u>	<u>3,953,336</u>	<u>59,257</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>54,103</u>	<u>71,782</u>	<u>381,900</u>	<u>310,118</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	45	45
Transfers out	<u>2,019</u>	<u>-</u>	<u>(30,921)</u>	<u>(30,921)</u>
Total other financing sources (uses)	<u>2,019</u>	<u>-</u>	<u>(30,876)</u>	<u>(30,876)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 56,122</u>	<u>\$ 71,782</u>	<u>\$ 351,024</u>	<u>\$ 279,242</u>

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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				
	2019	2018	2017	2016	2015
Governmental activities:					
Invested in capital assets, net of related debt	\$ 14,587,776	\$ 13,518,030	\$ 12,730,095	\$ 11,295,015	\$ 11,141,316
Restricted					
Debt service	483,873	217,905	337,912	693,078	301,339
Community services	501,102	343,755	310,804	310,804	354,908
Highways and streets	3,252,920	3,140,842	1,879,846	1,897,846	1,867,333
Public safety	179,363	48,767	34,741	34,741	71,530
Unrestricted	749,857	99,670	2,162,124	1,155,070	668,665
Total governmental activities net assets	\$ 19,754,891	\$ 17,368,969	\$ 17,455,522	\$ 15,386,554	\$ 14,405,091
Business-type activities:					
Invested in capital assets, net of related debt	\$ 23,105,717	\$ 13,200,778	\$ 20,954,140	\$ 23,926,500	\$ 25,997,032
Restricted					
Debt service	150,812	641,398	641,398	641,398	504,099
Unrestricted	15,607,777	22,254,438	12,846,151	8,122,697	5,119,417
Total business-type activities net assets	\$ 38,864,306	\$ 36,096,614	\$ 34,441,689	\$ 32,690,595	\$ 31,620,548
Primary government:					
Invested in capital assets, net of related debt	\$ 37,693,493	\$ 26,718,808	\$ 33,684,235	\$ 35,221,515	\$ 37,138,348
Restricted					
Debt service	634,685	859,303	979,310	1,334,476	805,438
Community services	501,102	343,755	310,804	310,804	354,908
Highways and streets	3,252,920	3,140,842	1,879,846	1,879,846	1,867,333
Public safety	179,363	48,767	34,741	34,741	71,530
Unrestricted	16,357,634	22,354,108	15,008,275	9,277,767	5,788,082
Total primary government net assets	\$ 58,619,197	\$ 53,465,583	\$ 51,897,211	\$ 48,059,149	\$ 46,025,639

Table 1

Fiscal Year				
2014	2013	2012	2011	2010
\$ 10,205,332	\$ 9,578,570	\$ 8,858,742	\$ 8,931,762	\$ 18,043,868
590,327	370,920	2,052,717	2,241,325	478,387
336,826	352,417	328,857	339,794	311,224
1,505,937	1,338,433	1,336,771	1,296,342	1,086,970
100,402	96,842	82,251	82,854	135,760
4,647,338	7,007,547	7,020,001	7,861,051	5,517,904
<u>\$ 17,386,162</u>	<u>\$ 18,744,729</u>	<u>\$ 19,679,339</u>	<u>\$ 20,753,128</u>	<u>\$ 25,574,113</u>
\$ 20,327,650	\$ 22,994,554	\$ 22,080,586	\$ 22,369,970	\$ 22,596,745
511,264	531,573	522,756	512,401	772,228
10,171,273	6,415,903	6,091,602	5,109,801	4,743,078
<u>\$ 31,010,187</u>	<u>\$ 29,942,030</u>	<u>\$ 28,694,944</u>	<u>\$ 27,992,172</u>	<u>\$ 28,112,051</u>
\$ 30,532,982	\$ 32,573,124	\$ 30,939,328	\$ 31,301,732	\$ 40,640,613
1,101,591	902,493	2,575,473	2,753,726	1,250,615
336,826	352,417	328,857	339,794	311,224
1,505,937	1,338,433	1,336,771	1,296,342	1,086,970
100,402	96,842	82,251	82,854	135,760
14,818,611	13,423,450	13,111,603	12,970,852	10,260,982
<u>\$ 48,396,349</u>	<u>\$ 48,686,759</u>	<u>\$ 48,374,283</u>	<u>\$ 48,745,300</u>	<u>\$ 53,686,164</u>

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

	Fiscal Year				
	2019	2018	2017	2016	2015
EXPENSES					
Governmental activities:					
General government	\$ 3,557,845	\$ 3,696,432	\$ 3,433,034	\$ 3,140,253	\$ 3,535,829
Community services	2,093,206	2,434,554	2,275,747	2,154,671	3,214,351
Fleet and facility maintenance	274,359	334,857	312,799	295,982	456,308
Highways and streets	1,530,288	1,552,336	1,671,135	1,669,455	1,434,484
Public safety	12,032,251	12,855,222	11,662,529	11,075,796	9,162,709
Interest on long-term debt	1,313,592	1,270,127	620,377	628,810	1,054,111
Total governmental activities expenses	20,801,541	22,143,528	19,975,621	18,964,967	18,857,792
Business-type activities:					
Water and sewer	9,975,419	10,590,491	9,400,345	8,811,109	9,221,685
Solid waste	3,616,568	3,570,483	3,141,524	3,470,827	3,041,437
Golf course	708,069	280,153	359,491	611,534	565,774
Total business-type activities expenses	14,300,056	14,441,127	12,901,360	12,893,470	12,828,896
Total primary government expenses	\$ 35,101,597	\$ 36,584,655	\$ 32,876,981	\$ 31,858,437	\$ 31,686,688
PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
General government	\$ 1,272,650	\$ 1,273,656	\$ 1,628,374	\$ 300,308	\$ 354,870
Community services	511,092	402,634	44,458	367,740	1,136,980
Highways and streets	52,075	49,884	1,040,597	886,844	930,020
Public safety	1,800,469	1,810,806	1,028,910	1,467,624	809,487
Operating grants and contributions	149,047	190,466	1,094,061	289,597	571,277
Capital grants and contributions	-	-	-	-	3,500
Total governmental activities program revenues	3,785,333	3,727,446	4,836,400	3,312,113	3,806,134
Business-type activities:					
Charges for services:					
Water and sewer	12,679,351	12,549,442	11,170,415	10,701,271	11,095,431
Solid waste	4,389,524	4,283,886	4,311,325	4,127,047	3,993,003
Golf course	285,129	293,399	294,604	284,718	323,330
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	17,354,004	17,126,727	15,776,344	15,113,036	15,411,764
Total primary government program revenues	\$ 21,139,337	\$ 20,854,173	\$ 20,612,744	\$ 18,425,149	\$ 19,217,898

Table 2
Page 1 of 2

Fiscal Year				
2014	2013	2012	2011	2010
\$ 3,293,107	\$ 2,763,344	\$ 2,546,927	\$ 2,875,722	\$ 2,623,640
2,074,947	1,991,851	2,244,461	2,438,256	2,373,405
266,975	260,234	221,682	279,016	364,763
1,592,976	1,493,706	1,271,079	46,924,619	1,404,332
10,177,406	10,215,865	10,124,360	10,026,320	9,586,380
1,972,914	2,345,029	2,464,443	2,070,699	948,569
<u>19,378,325</u>	<u>19,070,029</u>	<u>18,872,952</u>	<u>64,614,632</u>	<u>17,301,089</u>
8,708,517	8,675,269	8,435,752	9,409,881	8,867,419
2,905,397	3,149,394	2,776,066	2,608,915	2,397,273
546,309	609,842	580,689	573,612	579,846
<u>12,160,223</u>	<u>12,434,505</u>	<u>11,792,507</u>	<u>12,592,408</u>	<u>11,844,538</u>
<u>\$ 31,538,548</u>	<u>\$ 31,504,534</u>	<u>\$ 30,665,459</u>	<u>\$ 77,207,040</u>	<u>\$ 29,145,627</u>
\$ 334,382	\$ 283,509	\$ 327,064	\$ 352,865	\$ 254,356
1,112,802	1,119,533	1,175,746	1,016,328	970,855
931,748	900,308	891,366	832,234	865,236
692,758	669,343	926,953	574,554	928,159
376,813	460,352	289,311	42,807,297	314,701
2,776	863	139,528	169,298	709,919
<u>3,451,279</u>	<u>3,433,908</u>	<u>3,749,968</u>	<u>45,752,576</u>	<u>4,043,226</u>
10,421,191	10,706,431	9,756,792	9,933,243	9,057,365
3,874,212	3,561,759	2,983,601	3,099,602	3,094,402
331,204	370,934	421,911	385,799	439,810
-	19,145	3,422	-	-
<u>14,626,607</u>	<u>14,658,269</u>	<u>13,165,726</u>	<u>13,418,644</u>	<u>12,591,577</u>
<u>\$ 18,077,886</u>	<u>\$ 18,092,177</u>	<u>\$ 16,915,694</u>	<u>\$ 59,171,220</u>	<u>\$ 16,634,803</u>

City of Copperas Cove, Texas

Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016	2015
NET (EXPENSE) REVENUES					
Governmental activities	\$(17,016,208)	\$(18,416,082)	\$(15,139,221)	\$(15,652,854)	\$(15,927,046)
Business-type activities	3,053,948	2,685,600	2,874,984	2,219,566	2,466,384
Total primary government net expense	(13,962,260)	(15,730,482)	(12,264,237)	(13,433,288)	(13,460,662)
GENERAL REVENUES AND OTHER					
CHANGES IN NET POSITION					
Governmental activities:					
Ad valorem taxes	10,612,083	10,329,477	10,117,814	9,967,981	9,742,586
Sales taxes	3,918,847	3,760,150	3,150,848	2,842,678	2,848,964
Franchise taxes	1,366,766	1,351,657	1,292,338	1,258,920	1,375,791
Other taxes	422,274	386,141	511,161	443,966	406,468
Investment earnings	479,674	225,708	36,107	37,671	101,631
Miscellaneous	1,152,515	882,585	794,219	792,655	267,602
Transfers	1,449,971	1,393,811	1,323,702	1,272,446	1,157,733
Total governmental activities	19,402,130	18,329,529	17,226,189	16,616,317	15,900,775
Business-type activities:					
Investment earnings	635,516	218,873	79,591	57,383	37,684
Transfers	(1,449,971)	(1,393,811)	(1,321,858)	(1,272,446)	(1,157,733)
Miscellaneous	528,199	226,311	118,377	65,543	128,586
Total business-type activities	(286,256)	(948,627)	(1,123,890)	(1,149,520)	(991,463)
Total primary government	19,115,874	17,380,902	16,102,299	15,466,797	14,909,312
CHANGE IN NET POSITION					
Governmental activities	2,385,922	(86,553)	2,086,968	963,463	849,117
Business-type activities	2,767,692	1,736,973	1,751,094	1,070,046	1,591,405
Total primary government	\$ 5,153,614	\$ 1,650,420	\$ 3,838,062	\$ 2,033,509	\$ 2,440,522

Fiscal Year				
2014	2013	2012	2011	2010
\$ (15,927,046)	\$ (15,636,121)	\$ (15,122,984)	\$ (18,862,056)	\$ (13,257,863)
2,466,384	2,223,764	1,373,219	826,236	747,039
(13,460,662)	(13,412,357)	(13,749,765)	(18,035,820)	(12,510,824)
9,430,398	8,994,705	8,873,472	8,590,003	8,570,742
2,771,359	2,712,277	2,585,231	2,427,417	2,479,925
1,359,461	1,361,973	1,361,161	1,315,430	1,318,570
410,158	357,225	352,523	410,235	428,840
42,537	67,321	17,072	16,923	48,967
177,552	162,006	176,736	319,754	245,860
1,137,835	1,046,004	683,000	961,309	1,275,776
15,329,300	14,701,511	14,049,195	14,041,071	14,368,680
33,707	19,806	12,553	15,194	16,420
(1,137,835)	(1,046,004)	(683,000)	(961,309)	(1,275,776)
22,764	49,520	-	-	-
(1,081,364)	(976,678)	(670,447)	(946,115)	(1,259,356)
14,247,936	13,724,833	13,378,748	13,094,956	13,109,324
(597,746)	(934,610)	(1,073,789)	(4,820,985)	1,110,817
1,385,020	1,247,086	702,772	(119,879)	(512,317)
\$ 787,274	\$ 312,476	\$ (371,017)	\$ (4,940,864)	\$ 598,500

City of Copperas Cove, Texas

Tax Revenues by Source

Last Ten Calendar Years

Table 3

Calendar Year	Property	Sales	Franchise	Bingo	Mixed Beverage	Totals
2019	\$ 10,596,749	\$ 3,486,721	\$ 1,326,499	\$ 161,860	\$ 27,894	15,599,723
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

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				
	2019	2018	2017	2016	2015
General fund					
Reserved					
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory and prepaid items	-	-	-	-	-
Unreserved					
Designated for contingencies	-	-	-	-	-
Unreserved, undesignated	-	-	-	-	-
Nonspendable	205,290	84,054	83,943	90,108	160,707
Restricted	44,867	26,101	26,094	26,084	9,457
Assigned	50,626	50,488	50,393	50,362	50,326
Unassigned	8,087,888	7,672,813	7,223,706	6,318,661	6,152,451
Total general fund	\$ 8,388,671	\$ 7,833,456	\$ 7,384,136	\$ 6,485,215	\$ 6,372,941
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	303	2,162	2,749	1,689	2,970
Restricted	15,596,963	11,341,953	9,987,513	6,106,861	7,775,142
Unassigned	-	-	-	-	-
Total all other governmental funds	\$ 15,597,266	\$ 11,344,115	\$ 9,990,262	\$ 6,108,550	\$ 7,778,112

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

Table 4

Fiscal Year				
2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ 97,009
-	-	-	-	75,642
-	-	-	-	-
-	-	-	-	5,389,639
198,696	80,932	88,819	71,983	-
9,452	9,446	9,430	22,680	-
50,293	50,260	78,208	136,710	-
5,582,265	6,116,257	5,684,953	5,362,117	-
<u>\$ 5,840,706</u>	<u>\$ 6,256,895</u>	<u>\$ 5,861,410</u>	<u>\$ 5,593,490</u>	<u>\$ 5,562,290</u>
\$ -	\$ -	\$ -	\$ -	\$ 438,056
-	-	-	-	-
-	-	-	-	543,181
-	-	-	-	-
-	-	-	-	115,499
-	-	-	-	1,538,631
-	-	-	-	2,214,095
-	-	110,535	123,779	-
21,665,093	24,548,350	15,918,697	5,188,837	-
-	(3,072)	(1,228)	-	-
<u>\$ 21,665,093</u>	<u>\$ 24,545,278</u>	<u>\$ 16,028,004</u>	<u>\$ 5,312,616</u>	<u>\$ 4,849,462</u>

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

	Fiscal Year				
	2019	2018	2017	2016	2015
REVENUES					
Taxes	\$ 16,304,637	\$ 15,849,872	\$ 15,072,161	\$ 14,494,115	\$ 14,453,638
Charges for services	2,548,885	2,574,430	2,627,172	2,291,612	2,124,167
Intergovernmental	282,172	322,616	1,094,061	289,598	554,192
Fines	599,391	669,605	617,865	24,686	576,127
Licenses	210,584	56,975	57,584	563,503	54,318
Permits	275,040	235,970	314,747	220,944	226,239
Investment income	479,674	225,708	52,280	37,671	101,631
Miscellaneous	924,412	732,149	757,453	791,825	387,802
Total revenues	21,624,795	20,667,325	20,593,323	18,713,954	18,478,114
EXPENDITURES					
General government	3,058,502	2,788,126	2,883,816	2,688,783	2,579,037
Community services	1,968,321	2,044,730	2,043,861	1,925,123	1,806,197
Fleet and facility services	273,531	283,538	291,882	276,534	272,903
Highways and streets	924,356	899,407	1,057,535	1,087,396	892,160
Public safety	10,782,735	10,497,520	9,948,933	9,482,135	9,099,534
Capital outlay	2,594,995	2,821,114	2,618,476	2,736,891	4,942,783
Debt service					
Principal retirement	2,746,499	2,990,499	2,587,301	2,909,440	15,025,105
Interest and fiscal charges	1,335,180	1,246,016	1,150,382	1,092,372	1,637,462
Bond issuance costs	-	-	-	62,513	34,395
Total expenditures	23,684,119	23,570,950	22,582,186	22,261,187	36,289,576
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	(2,059,324)	(2,903,625)	(1,988,863)	(3,547,233)	(17,811,462)

Fiscal Year				
2014	2013	2012	2011	2010
\$ 13,971,324	\$ 13,435,777	\$ 13,164,642	\$ 12,762,118	\$ 12,756,287
2,121,414	2,148,310	2,168,844	1,920,904	1,935,879
13,058,288	17,367,931	13,089,316	635,435	991,057
599,894	672,774	730,528	617,983	851,855
57,227	46,463	50,262	48,403	50,438
191,939	151,749	186,774	161,296	209,272
42,537	67,321	17,072	16,923	48,967
294,332	259,712	333,849	522,760	367,572
30,336,955	34,150,037	29,741,287	16,685,822	17,211,327
2,717,470	2,410,130	2,295,603	2,571,032	2,340,206
1,909,766	1,793,492	2,035,401	2,207,167	2,193,410
267,510	255,839	216,223	269,820	360,257
1,203,029	1,082,538	813,253	46,453,663	959,247
9,224,214	9,150,282	9,102,313	8,933,461	8,962,367
1,985,294	2,980,169	1,734,555	1,976,709	5,610,024
17,640,925	13,230,808	2,826,748	1,595,508	1,428,939
2,425,620	2,835,690	2,837,194	1,783,514	915,609
71,713	122,253	32,328	670,233	-
37,445,541	33,861,201	21,893,618	66,461,107	22,770,059
(7,108,586)	288,836	7,847,669	(49,775,285)	(5,558,732)

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

Table 5

	Fiscal Year				
	2019	2018	2017	2016	2015
OTHER FINANCING SOURCES (USES)					
Issuance of capital leases	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of bonds	4,950,000	3,055,000	5,210,000	5,030,000	3,055,000
Premium on bonds	372,741	163,065	149,652	489,595	109,694
Payment to refunded bond escrow agent	-	-	-	(4,802,926)	-
Sale of capital assets	43,184	76,391	17,654	8,914	57,990
Insurance recoveries	51,794	18,531	68,488	21,916	26,299
Transfers in	1,676,483	1,547,285	1,533,384	1,475,000	1,404,000
Transfers out	(226,512)	(153,474)	(209,682)	(202,554)	(196,267)
Total other financing sources (uses)	<u>6,867,690</u>	<u>4,706,798</u>	<u>6,769,496</u>	<u>2,019,945</u>	<u>4,456,716</u>
NET CHANGE IN FUND BALANCES	<u>\$ 4,808,366</u>	<u>\$ 1,803,173</u>	<u>\$ 4,780,633</u>	<u>\$ (1,527,288)</u>	<u>\$(13,354,746)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>19.4%</u>	<u>20.4%</u>	<u>18.7%</u>	<u>20.8%</u>	<u>53.3%</u>

Fiscal Year				
2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -
2,951,036	7,545,000	1,962,000	48,360,540	1,590,000
51,928	10,781	52,821	3,401,878	
-	-	-	(2,454,088)	
64,111	8,741	14,104	-	-
18,338	13,397	8,714	-	
1,358,000	1,260,978	1,374,156	1,538,349	1,938,505
(220,165)	(214,974)	(276,156)	(577,040)	(662,729)
<u>4,223,248</u>	<u>8,623,923</u>	<u>3,135,639</u>	<u>50,269,639</u>	<u>2,865,776</u>
<u>\$ (2,885,338)</u>	<u>\$ 8,912,759</u>	<u>\$ 10,983,308</u>	<u>\$ 494,354</u>	<u>\$ (2,692,956)</u>
<u>56.8%</u>	<u>52.4%</u>	<u>28.3%</u>	<u>6.3%</u>	<u>13.7%</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					
2019	2018	\$ 804,286,639	\$ 755,053,083	\$ 82,180,260	\$ 178,471	\$ 288,056,710	\$ 122,162,592	1,231,479,151	0.7979	\$ 1,231,479,151
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

*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					
2019	2018	\$ 0.504	\$ 0.294	\$ 0.798	\$ 0.545	\$ 1.220	\$ 0.139	\$ 0.010	2.712
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

* 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

		2019	
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	1.13%
C-Cove 90 Partners LTD	Developer	12,500,000	1.02%
Wal-Mart Real Estate	Developer	11,670,602	0.96%
HEB Grocery CO	Retailer	10,664,236	0.87%
Yerby Five Hills I LLC ETAL	Developer	7,292,140	0.60%
Colonial Plaza PTNSHIP	Retailer	6,798,320	0.56%
Wal-Mart Properties	Developer	6,316,640	0.52%
H E Butt Grocery CO	Retailer	5,628,100	0.46%
Cove Terrace Associates I LTD	Developer	5,549,560	0.45%
Cinergy Cinemas LP	Movie Theater	5,419,570	0.44%
Subtotal		85,621,388	7.01%
All other taxpayers		1,135,097,253	92.99%
Total		\$ 1,220,718,641	100.00%

		2010	
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 Stores East	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%
Total		\$ 1,138,536,871	100.00%

Source: Coryell County Appraisal District, Gatesville, Texas

2010 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		
2019	2018	\$ 10,638,471	\$ 10,472,368	98.4%	-	\$ 10,532,300	99.0%	166,103	1.6%
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%

Source: City of Copperas Cove Finance Department

City of Copperas Cove, Texas

Adopted Tax Rates
Last Ten Fiscal Years

Table 10

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Gross Tax Rate</u>
2019	2018	\$ 1,220,718,641	100.00%	0.79791
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

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 ¹	Value of Construction Permits Issued ^{2**}	Bank Deposits ³
2019	2018	\$ 1,220,718,641	\$ 19,706,577	\$ 272,020,000
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

Sources:

1 Coryell County Appraisal District

2 Building Department, City of Copperas Cove, Texas

3 Financial Institutions, Copperas Cove, Texas Only

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

** State House Bill 852 adopted on June 18, 2019, removed the ability of the City to request valuations for residential building permits.

City of Copperas Cove, Texas

Table 12

Water Rates

Effective October 1, 2018

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	\$	12.00	Residential	\$	4.75
1" meter		16.91	Commercial		5.82
1 1/2" meter		25.09	Sprinkler		4.75
2" meter		37.09	Bulk Water		8.52
3" meter		98.18	Contractor		7.10
4" meter		153.81			
6" meter		260.72			
Contractor		12.00			
Bulk		12.00			

Outside the City Limits

Meter Size	Monthly Flow		Customer Type	Rate/1,000gal	
	Minimum Fee				
3/4" meter	\$	17.45	Residential	\$	6.17
1" meter		24.00	Commercial		7.24
1 1/2" meter		37.09	Sprinkler		6.14
2" meter		54.54	Bulk Water		9.94
3" meter		130.90	Contractor		8.52
4" meter		218.17			
6" meter		381.80			

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	2019 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
Total	145,633,152

Customer	2010 Gallons Billed
Central Texas College	41,556,400
Topsey Water District	14,230,000
Cedar Grove Mobile Home Park	11,776,000
Topsey Water District	9,685,500
Hill Country Rehab & Nursing	4,253,300
Willow Creek Apartments	3,765,600
CCISD / High School	3,532,300
Wells Laundry	3,516,400
CCISD	3,359,000
Five Hills Apartments	3,295,600
Total	98,970,100

Source: Fathom Water Management Inc.

Sewer Rates

Effective October 1, 2018

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 425 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.

<u>Sewer Calculations</u>	<u>Rate</u>
Sewer minimum rate (all customers)	\$ 12.00
Rate per 1,000 Gallons of Water	6.00
6" Sewer Tap	800.00
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	2019 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
Total	56,409,931
Customer	2010 Gallons Billed
Cedar Grove Mobile Home Park	8,703,000
Hill Country Rehab & Nursing	4,253,300
Willow Creek Apartments	3,765,600
Wells Laundry	3,516,400
Five Hills Apartments	3,295,600
Housing Authority- Copperas Cove	2,822,000
Willow Creek Apartments	2,791,700
MYCMAR, LLC Cactus Inn	2,529,100
Cedar Grove Mobile Home Park	2,447,600
Mickey's Grocery #16	2,076,000
Total	36,200,300

Source: Finance Department, City of Copperas Cove

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

Table 16

Fiscal Year	Waterworks and Sewer Revenue Bonds						
	Gross Revenue	Less: Operating Expenses*	Net Revenue Available for Debt Service	Debt Service		Total	Coverage
				Principal	Interest		
2019	\$ 13,099,764	\$ 6,750,510	6,349,254	\$ 3,368,580	\$ 1,436,618	4,805,198	1.32
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

* 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, 2019

<u>Taxing Entity</u>	<u>Net General Obligation Debt</u>	<u>Percentage Applicable to the City of Copperas Cove</u>	<u>Amount Applicable to the City of Copperas Cove</u>
Copperas Cove Independent School District	\$ 9,384,995 *	83.55%	\$ 7,841,163
Lampasas County	18,565,000 *	3.80%	705,470
Lampasas Independent School District	31,549,982 *	1.92%	605,760
Subtotal overlapping debt			9,152,393
City direct debt			36,273,342
Total direct and overlapping debt			\$ 45,425,735
Total direct and overlapping debt % of A.V.			3.72%
Total direct and overlapping debt % of capital			\$ 2,509

*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				
	2019	2018	2017	2016	2015
Assessed value, tax roll	\$ 1,220,718,641	\$ 1,201,444,307	\$ 1,184,912,086	\$ 1,155,050,460	\$ 1,154,743,980
\$2.50 tax rate levy ⁽¹⁾	30,517,966	30,036,108	29,622,802	28,876,262	28,868,600
Actual City debt tax rate	0.294	0.292	0.249	0.319	0.286
Actual City debt tax levy	3,588,913	3,508,217	2,950,431	3,684,611	3,300,247
Legal annual debt service margin	26,929,053	26,527,890	26,672,371	25,191,651	25,568,353
Legal debt capacity ⁽²⁾	335,595,526	330,596,149	332,396,698	313,943,648	318,638,190

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

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

Fiscal Year				
2014	2013	2012	2011	2010
\$ 1,130,792,202	\$ 1,100,135,239	\$ 1,084,647,856	\$ 1,067,456,541	\$ 1,136,914,737
28,269,805	27,503,381	27,116,196	26,686,414	28,422,868
0.255	0.191	0.219	0.177	0.147
2,877,866	2,103,459	2,376,463	1,884,061	1,672,947
25,391,939	25,399,922	24,739,733	24,802,353	26,749,921
316,439,684	316,539,176	308,311,756	309,092,137	333,363,144

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

Attorney General Basis	Fiscal Year				
	2019	2018	2017	2016	2015
Assessed value, tax roll	\$ 1,220,718,641	\$ 1,201,444,307	\$ 1,184,912,086	\$ 1,155,050,460	\$ 1,154,743,980
\$1.50 tax rate levy ⁽¹⁾	18,310,780	18,021,665	17,773,681	17,325,757	17,321,160
Actual City debt tax rate	0.294	0.292	0.249	0.319	0.286
Actual City debt tax levy	3,588,913	3,508,217	2,950,431	3,684,611	3,300,247
Legal annual debt service margin	14,721,867	14,513,447	14,823,250	13,641,146	14,020,913
Legal debt capacity ⁽²⁾	183,467,001	180,869,632	184,730,462	169,998,830	174,731,566

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

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

Fiscal Year				
2014	2013	2012	2011	2010
\$ 1,130,792,202	\$ 1,100,135,239	\$ 1,084,647,856	\$ 1,067,456,541	\$ 1,136,914,737
16,961,883	16,502,029	16,269,718	16,011,848	17,053,721
0.255	0.191	0.219	0.177	0.147
2,877,866	2,103,459	2,376,463	1,884,061	1,672,947
14,084,017	14,398,570	13,893,254	14,127,787	15,380,774
175,517,981	179,438,008	173,140,659	176,063,457	191,678,438

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			
2019	\$ 15,452	\$ 20,822	\$ -	\$ -	\$ -	\$ 10,759	\$ 31,083	\$ -	\$ -	\$ -	78,116	3.07%	2,246
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

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
2019	78,116	\$ 133	77,983	6.33%	2,242
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

Source: Finance Department, City of Copperas Cove

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

Table 21

	Fiscal Year						
	2019	2018	2017	2016	2015	2014	2013
Revenues:							
Waterworks and sewer system ⁽¹⁾	\$ 12,432,482	\$ 12,549,438	\$ 11,060,226	\$ 10,701,269	\$ 11,033,764	\$ 10,344,806	\$ 10,635,793
Miscellaneous	21,301	14,755	24,545	53,887	61,667	76,385	70,638
Total	12,453,783	12,564,193	11,084,771	10,755,156	11,095,431	10,421,191	10,706,431
Expenses:							
Waterworks and sewer system ⁽²⁾	6,752,498	6,884,744	9,587,200	5,960,408	6,343,966	5,977,076	6,069,310
Net available for debt service	\$ 5,701,285	\$ 5,679,449	\$ 1,497,571	\$ 4,794,748	\$ 4,751,465	\$ 4,444,115	\$ 4,637,121
Water customers	14,269	14,186	13,864	13,550	13,474	13,261	13,216
Sewer customers	13,411	13,175	12,936	11,091	10,941	10,740	10,715

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

(2) 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 ¹	Personal Income (millions of dollars) ²	Per Capita Personal Income ²	Median Age ³	School Enrollment ⁴	Unemployment Rate ⁵
2019	34,787	\$ 2,543	\$ 33,996	32.4	8,271	3.4%
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%

Source:

1 Approved by annual City Council resolution

2 <http://www.bea.gov>
 Personal income and per capita personal income are for Coryell County.

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

4 <http://www.tea.state.tx.us/per report/aegis>
 Updated data 2018-2019 Student Enrollment

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

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

Table 23

2019			
Employer	Employees	Percentage of Total City Taxable Assessed Value	Rank
Fort Hood - Military	35,505	67.7%	1
Fort Hood - Civilian	14,284	27.2%	2
Copperas Cove ISD	1,300	2.5%	3
GC Services	250	0.5%	4
H.E.B. Grocery Store	325	0.6%	5
City of Copperas Cove	282	0.5%	6
Wal-Mart Supercenter	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
Total	52,462	100.0%	

2010			
Taxpayer	Employees	Percentage of Total City Taxable Assessed Value	Rank
Fort Hood - Military	44,000	65.4%	1
Fort Hood - Civilian	17,098	25.4%	2
Central Texas College	1,798	2.7%	3
Copperas Cove ISD	1,300	1.9%	4
GC Services	1,200	1.8%	5
Metroplex Hospital	1,000	1.5%	6
Wal-Mart	400	0.6%	7
City of Copperas Cove	300	0.4%	8
H.E.B. Grocery Store	145	0.2%	9
WindCrest Nursing Center	101	0.1%	10
Total	67,342	100.0%	

Source: 2018-2019 Budget Book

2009-2010 Budget Book



Operating Information

City of Copperas Cove, Texas

Table 24

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
City Manager	1	1	1	2	2	2	2	2	2	3
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	2	1	2	2	4	4	-
Finance	4	4	4	4	4	5	5	7	7	7
Grants Administration	-	-	-	-	-	-	-	-	-	-
Human Resources	3	3	3	3	2	3	3	3	3	5
Information Systems	3	3	3	3	3	3	3	3	3	3
Municipal Court	5.5	5.5	6	6	6	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	73	74	74	74	73	73	73	74
Public Information Office	1	1	2	1	-	-	-	-	-	1
Animal Control	5.5	5.5	6	6	6	5	5	5	5	5
Fire/EMS	49	49	49	49	49	52	51	51	51	53
Emergency Management	-	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	-	2
Building & Development	5	5	5	5	4	4	4	4	4	4
Street	5.5	5.5	6	6	6	6	6	6	6	8
Public Works	-	-	-	-	-	-	4	-	-	-
Parks & Recreation	23.5	23	23	18	18	18	18	18	18	18
Fleet Services	5.5	5.5	6	6	6	6	6	6	5	5
Facility Maintenance	-	-	-	-	-	-	-	-	-	2
Planning	3	3	2	2	1	1	-	-	-	1
Library	8	8	8	7	7	7	7	7	9	10
Code & Health	3	3	4	4	4	4	3	3	3	4
Total General Fund	205.5	205	205	201	195	200	202	202	203	216
Water & Sewer Fund										
Water & Sewer Admin	3	3	4	3	3	3	4	4	3	2
Utility Administration	5	4	2	11	11	11	11	11	11	11
Water Distribution	13	12	12	11	11	11	11	11	11	11
Sewer Collection	8	8	8	8	8	8	8	8	8	9
Wastewater Treatment	10	9	9	10	10	10	11	11	11	11
Composting	-	-	-	-	-	-	-	-	-	3
Total Water & Sewer Fund	39	36	35	43	43	43	45	45	44	47
Solid Waste Fund										
Administration	2	6	5	5	5	5	5	5	5	4
Residential	8	6	6	6	6	6	5	5	4	4
Recycling	4	3	3	3	3	2	2	2	2	2
Brush	3	3	3	3	3	3	3	3	2	2
Commercial	5	3	3	3	3	3	3	3	3	4
Composting	-	-	-	-	-	-	3	3	3	-
Support Services	2	-	-	-	-	-	-	-	-	-
Disposal	3.5	6.5	7	6	6	6	6	6	5	5
Total Solid Waste Fund	27.5	27.5	27	26	26	25	26	26	24	21

City of Copperas Cove, Texas

Table 24

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Recreational Activities Fund										
Recreational Activities Fund	-	-	-	-	-	-	-	-	2	2
Total Recreational Activities Fund	-	-	-	-	-	-	-	-	2	2
Cemetery Fund										
Cemetery Fund	-	-	-	-	-	-	-	-	1	1
Total Cemetery Fund	-	-	-	-	-	-	-	-	1	1
Drainage Fund										
Drainage Utility	9.5	6.5	7	6	6	6	6	6	6	7
Total Drainage Fund	9.5	6.5	7	6	6	6	6	6	6	7
Golf Course Fund										
Golf Course	2	1.5	2	6	6	7	7	7	7	10
Total Golf Course Fund	2	1.5	2	6	6	7	7	7	7	10
Hotel Occupancy Tax Fund										
Hotel Occupancy Tax Activities	1.5	1.5	1	-	-	-	-	-	-	-
Total Hotel Occupancy Tax Fund	1.5	1.5	1	-	-	-	-	-	-	-
Court Security Fund										
Municipal Court	-	-	1	1	1	-	-	-	-	-
Total Court Security Fund	-	-	1	1	1	-	-	-	-	-
Total all funds	285	278	276	281	276	280	286	286	286	303

Source:
Finance Department, City of Copperas Cove, Texas
Personnel Improvement Plan 2018-2019 Budget Book

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

Table 25

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Building and Development										
Use or Nature: Development Services										
Building permits issued	3,202	3,123	4,110	4,327	3,444	3,000	3,000	3,100	3,237	3,092
Inspections performed	8,153	6,456	7,404	6,656	6,125	6,374	6,374	5,541	6,032	7,367
Fire Protection										
Use or Nature: Public Safety										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of hydrants (approx.)	1,250	1,200	1,200	1,072	1,072	1,072	1,043	1,049	1,042	1,042
Number of volunteer firemen	-	-	-	-	-	2	4	4	5	4
Number of paid firemen	48	48	48	48	48	50	50	46	46	51
Firemen per 1,000 population	1.38	1.42	1	1	2	2	2	1	1	2
Fire responses	1,737	1,054	1,594	924	689	1,436	1,436	1,268	1,302	1,694
Emergency medical services responses	4,120	3,981	3,659	3,277	3,451	3,875	3,875	3,357	2,968	2,694
Police Protection										
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	54	55	54	54	54	59	55	56
Officers per 1,000 population	1.58	1.59	2	2	2	2	2	2	2	2
Calls for service	24,392	19,000	19,000	18,211	19,123	21,000	21,000	19,000	17,731	19,000
Part I violent crimes reported*	1,180	656	1,100	1,941	1,042	1,300	1,300	1,200	1,048	1,300
*Part I Crimes: Murder, Rape, Aggravated Assault, Burglary, Larceny, and Motor Vehicle Theft										
Animal Control										
Use or Nature: Public Safety										
Number of animals impounded	1,785	1,819	1,786	1,323	2,000	2,256	2,256	2,039	1,905	1,834
Number of euthanized	549	441	343	363	677	893	893	817	857	869
Number of animals adopted	595	683	683	410	574	421	421	459	660	595
Number of animals re-claimed	481	434	455	287	495	544	544	414	330	461
Municipal Court										
Use or Nature: Public Safety										
Number of warrants issued	2,262	1,566	1,200	1,370	1,871	1,950	1,950	1,345	2,750	3,243
Number of warrants cleared	1,737	897	3,600	3,600	911	1,948	1,948	3,202	7,500	3,098
Number of violations processed	9,658	8,385	5,400	4,900	5,896	8,331	8,331	9,500	9,575	11,159
Libraries										
Use or Nature: Community Services										
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	48,837	46,732	46,459	46,110	55,309	58,300	70,566	70,566	69,000	66,357
Circulation of items	93,000	93,000	93,000	85,000	92,000	82,000	95,000	71,621	87,000	98,893
Circulation per capita	2.71	2.74	2.74	2.07	2.80	2.54	2.94	2.24	2.72	3.30

City of Copperas Cove, Texas

Table 25

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Parks and Recreation										
Use or Nature: Community Services										
Park acreage developed	389	389	389	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	7	8	8	7	7
Participants in sports activities	2,719	2,458	2,322	2,315	2,466	2,732	2,213	2,636	2,869	2,683
Coaches certified	430	430	430	430	196	168	427	570	596	625
Street										
Use or Nature: Public Works										
Paved streets	162 miles	162 miles	162 miles	156.5 miles	135.0 miles	135 miles	133.3 miles	133.3 miles	133 miles	132.5 miles
Unpaved streets	0 miles									
Utilities										
Water System										
Use or Nature: Public Works										
Miles of water mains	230	230	230	226	226	226	226	220	226	225
Daily average consumption	3.8 MGD	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
Maximum daily capacity	8.5 MGD	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
Number of service connections	14,269	13,347	13,347	13,550	13,474	13,261	13,216	12,387	13,099	12,072
Source of water	Belton Lake									
Sewage System										
Use or Nature: Public Works										
Miles of sanitary sewers	425	420	420	420	381	381	377	377	375	375
Number of lift stations	15	15	15	14	14	14	16	16	16	16
Daily average treatment	3.0 MGD	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
Maximum capacity of treatment plants	9.0 MGD									
Number of service connections (active)	13,411	12,548	12,548	11,091	10,941	10,740	10,715	11,149	11,400	11,171
Golf Course										
Use or Nature: Community Services										
Rounds of golf played (annually)	12,940	12,760	11,595	14,000	17,210	16,770	16,770	19,300	19,300	22,592
Tournament rounds (annually)	431	407	407	575	451	525	525	626	676	662
Annual dues (memberships)	170	225	225	225	220	220	220	226	264	229
Community Statistics										
Use or Nature: Employee Information										
Manufacturing employees	-	-	-	-	-	-	-	-	-	-
School District employees	1,300	1,300	1,300	1,300	1,300	1,300	1,275	1,275	1,324	1,300
City employees	282	279	272	278	273	278	276	276	298	303
Fort Hood servicemen	35,505	35,433	38,000	39,181	41,400	45,000	45,000	45,000	47,700	44,000
Fort Hood employees (civilians)	14,284	12,168	9,600	19,079	19,250	20,749	21,240	21,240	15,800	17,098

Source:
Various Departments, Budget Book 2018-2019 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, 2019

Table 26

Estimated debt service requirements, fiscal year ending September 30, 2019 ⁽¹⁾		\$ 3,967,042
Interest and Sinking Fund, September 30, 2018	\$ 132,848	
Interest and Sinking Fund Tax Levy at 98% Collection	4,084,375	4,217,223
Estimated balance, September 30, 2019		\$ 250,181

(1) Includes the Certificates and excludes self-supporting debt.

City of Copperas Cove, Texas**Table 27**

Authorized but Unissued General Obligation Bonds

September 30, 2019

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Amount Previously Issued</u>	<u>Amount Being Issued</u>	<u>Unissued Balance</u>
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**Table 28**

Municipal Sales Tax History

Last Seven Fiscal Years

Municipal Sales Tax History

The City adopted the Municipal Sales and Use Tax Act, Chapter 321, Texas Tax Code, which grants the City power to impose and levy a 1.0% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the debt obligations. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts of the State of Texas, which remits the proceeds of the tax, after deduction of a 2% service fee to the City monthly.

Fiscal Years Ended September 30,	Total Collected ⁽¹⁾	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
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
2019	3,486,721	32.90%	0.2856	100

(1) Excludes amounts collected for economic development.