

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2001



**MAYOR
ED HEATHCOTT**

CITY COUNCIL
RUSTY PREECE GREG HOLDEN FRANCES WUBBENHORST
RUSSELL HAMLEY JOYCE BERUBE



**Comprehensive
Annual Financial Report**

of the

City of Jersey Village, Texas

**Fiscal Year Ended
September 30, 2001**

Officials Issuing Report

**R. Dale Brown
City Manager**

**Louis Q. Rodriguez, CPA
Director of Finance**



CITY OF JERSEY VILLAGE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2001

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INTRODUCTORY SECTION



City of Jersey Village

Incorporated 1956

A Texas Star Community

January 28, 2002

To the Honorable Mayor and
Members of the City Council
City of Jersey Village, Texas

The comprehensive annual financial report of the City of Jersey Village, Texas (the "City") for the fiscal year ended September 30, 2001, is hereby submitted. The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. We believe the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The financial section includes the general-purpose financial statements, the combining and individual fund and account group financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City provides a full range of municipal services, including public safety (police and fire protection); residential solid waste sanitation services; water and wastewater services; public improvements; repair and maintenance of infrastructure; recreational and community activities and general administrative services. In addition, the City owns and operates a public golf course. As an independent political subdivision of the State of Texas governed by an elected Mayor and Council, the City is considered a primary government. In accordance with standards established by the Governmental Accounting Standards Board, the City reports all funds and account groups for which the City, as the primary government, is accountable. The Jersey Village Crime Control and Prevention District ("JVCC&PD") is considered to meet the criteria of a component unit, and therefore, has been included in the report as a discretely component unit. The JVCC&PD was created by the City under Chapter 363 of the Texas Local Government Code for the purpose of providing additional crime control and prevention to the City.

FORM OF GOVERNMENT

The City of Jersey Village has adopted a Council-Manager form of government. The Council is comprised of a Mayor and five Council members. The Mayor and Council members are all elected at large. The Mayor and two Council members are elected one year and three Council members are elected the next year. All elected officials serve two-year terms. The City Manager

is appointed by the Council and is responsible for implementation of council policy and all day-to-day operations of the City.

The Council appoints many residents, who have volunteered their expertise, experience, and time, to serve on various boards and commissions. These standing boards and commissions make recommendations relative to special projects, issues, ongoing operations, and planning for the future. Standing boards and commissions, which meet on a regular basis, include: Planning and Zoning Commission, Board of Adjustments and Appeals, Recreation and Events, Golf Course Advisory Committee and Parks and Landscaping. Specialized boards are convened for specific projects and meet only until a recommendation is formulated and presented to the City Council. This community spirit and team work of our residents is what sets Jersey Village apart from other cities.

MISSION STATEMENT

The mission of the City of Jersey Village as adopted by the Council, staff, and employees, is to work with its citizens to preserve a sense of community and enhance the quality of life by providing friendly, personalized services for the safety and well-being of the City, its natural resources and environment, in a fiscally responsible manner.

GEOGRAPHIC DESCRIPTION

The City is located 15 miles northwest of downtown Houston. Estimated total population has increased since 1990 to just over 6,800. Residents have access to the large and diverse employment base in the Houston Metropolitan Area. Per capita income is 158% of state and 147% of national averages. Property market value increased by a moderate 3.52% average annual rate from 1991 through 2001. Most of the growth is attributed to steady development of residential property, which constitutes over 37% of the City's 3.5 square miles of land area. Much of the undeveloped land is zoned for commercial uses. The City has limited opportunities to annex adjacent areas, but there is currently no planned annexation in place. The largest taxpayer is a computer manufacturer, which constitutes 20.7% of the total tax base. Overall concentration is fairly low, with the top 10 taxpayers representing 44.5% of the base. Financial position is strong, with the City holding a total general fund balance of about \$3,150,000, or 67% of total operating expenditures, as of September 30, 2001. Property taxes account for over 39% of operating revenues, while a 2.0% sales tax makes up about 34%. The 2002 fiscal year budget projects a small decrease in the fund balance. Property value growth in 2001 also has been faster than anticipated. With a current total tax rate of \$.67500 per \$100.00 of assessed value, only 27% of the levy limit is being used. In a prior fiscal year designed to reduce property taxes, taxpayers passed a referendum for a 0.5% increase in the sales tax amounting to over \$500,000 annually in additional annual revenues. The increase went into effect October 1, 1995. Overall net debt is high, at about \$1,100 per capita. Debt service accounts for 19% of operating expenditures. The City expects to issue \$4 million - \$5 million of additional debt around the year 2002 for a new fire station and street reconstruction.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed

the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting controls are established by the City's adopted Budget Policy and Procedure. The objective of this policy is to ensure compliance with legal provisions of the annual budget, City charter, code, and state statutes. Activities of the General, Special Revenue and Debt Service Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Project Funds, and financial operating plans are established for the Enterprise Fund. Budgetary control, the level at which expenditures cannot legally exceed the appropriated amount, is established at the department level within an individual fund. The City also utilizes an encumbrance accounting system to aid in accomplishing budgetary control. Unencumbered amounts lapse at year end. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

The total financial program of the City of Jersey Village for the 2002 fiscal year consists of an operational budget of \$8,291,606. This budget is \$223,140 more than that of the 2000-2001 fiscal year. The Capital Improvements Fund expenditures are budgeted in the amount of \$5,335,187.

General Governmental Functions

Revenues and Other Financing Sources

The following schedule presents a summary of Governmental fund type (General, Special Revenue, Debt Service, Capital Projects Fund and Component Unit) revenues for the fiscal year ended September 30, 2001, and the amount of increases and decreases in relation to prior year revenues (in thousands).

<u>Revenue Source</u>	<u>Amount (1000's)</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2000</u>
Property taxes	\$ 3,934	45.82 %	\$ 959
Other taxes	3,367	39.22	811
Licenses and permits	110	1.28	(13)
Fines and forfeitures	469	5.46	(4)
Charges for services	156	1.82	(9)
Other revenue	156	1.82	(66)
Interest revenue	393	4.58	7
Total	<u>\$ 8,585</u>	<u>100.00 %</u>	<u>\$ 1,685</u>

Property Tax

Property tax revenues for the year totaled \$3,934,213, an increase of approximately 32 percent from last year. The following table presents a comparison of valuations, tax rates, and tax levies.

	<u>2000-2001</u>	<u>1999-2000</u>	<u>Change</u>
Net Assessed Valuations	<u>\$ 564,579,920</u>	<u>\$ 429,510,881</u>	<u>\$ 135,069,039</u>
Tax Rate per \$100			
General Fund	0.41856	0.40535	0.01321
Debt Service Fund	0.25644	0.27873	(0.02229)
Total	<u>\$ 0.67500</u>	<u>\$ 0.68408</u>	<u>\$ (0.00908)</u>
Tax Levy	<u>\$ 3,810,914</u>	<u>\$ 2,938,198</u>	<u>\$ 872,716</u>

The net assessed property valuation on which the City levied taxes for 2000 was \$564,579,920, an increase of 31.4 percent over the previous tax year. Residential valuations increased 8.0 percent while commercial valuations increased 64.0 percent for a net increase of 31.4 percent. The increase was primarily due to one taxpayer property site and is expected to decrease in the future.

The combined tax rate for 2001 was \$0.67500 per \$100 of valuation. The allocation between the Debt Service and General Fund components was \$.25644 per \$100 valuation and \$.41856 per \$100 valuation, respectively. The total levy for the 2001 fiscal year (2000 tax year) was \$3,810,914, an increase from the previous year of \$872,716. For the 2002 fiscal year, Council has approved a homestead exemption of 4% of the appraisal value with a minimum exemption of \$5,000.

Current property tax collections represent 97.5 percent of the current levy. The ratio of total collections (current and delinquent) to the current tax levy was 98.1 percent. Collections are comparable to collections for the past year and continue to remain at a higher level than in surrounding areas.

The City retains a delinquent tax attorney to assist in collection of delinquent tax accounts. The City through the delinquent tax attorney, intervenes in suits filed by the Cypress-Fairbanks Independent School District, whose accounts overlap with the City's, for a more efficient collection of taxes. Total delinquent taxes outstanding as of September 30, 2001 were \$175,535, representing 4.6 percent of the current tax levy.

Sales Tax

The total sales tax rate imposed on retail sales for the City of Jersey Village is as follows:

State sales tax	6.25 %
City sales tax	2.00
Total Sales Tax	<u>8.25 %</u>

Sales tax revenue for the City, excluding sales tax revenue for the State, totaled \$2,114,684, an 36 percent increase over the previous year. This increase is primarily attributed to increased new retail business and general growth in retail sales. The monthly average for 2000-2001 was \$176,224, as compared to \$129,374 in the previous year.

Combined sales tax revenues are 34 percent of total General Fund revenues.

Franchise Fees

Franchise fees totaled \$511,970, an increase of \$91,219 from the prior year. Collections are based on gross receipts of electricity, gas, cable, telecommunication and telephone utilities and are contingent upon customers and customer demand.

Investment Income

The City maintained a high investment balance through its cash management program with revenue from interest earnings, which represented approximately 4.6 percent of general government revenue. This is slightly higher than last year due to a slight increase in average cash and temporary investment balances and an increase in interest rates over the prior year. Managing investment income is an ever increasing challenge and responsibility for the investment officer.

Expenditures

Expenditures for general governmental purposes totaled \$7,468,794, an increase of 18 percent from 2000. Changes in levels of expenditures for departments and major functions of the City from the preceding year are shown in the following tabulation (in thousands):

<u>Classification</u>	<u>Amount (1000's)</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2000</u>
Finance & Administration	\$ 977	13.08 %	\$ 27
Public Works	1,577	21.12	165
Public Safety	2,351	31.48	359
Parks and Recreation	259	3.47	3
Debt Service	1,320	17.67	55
Capital Improvements	985	13.19	549
Total	\$ 7,469	100.00 %	\$ 1,158

The total 2001 expenditures for general government functions increased \$1,157,508 from the prior year.

Fund Balances

Fund balances were maintained at adequate levels as indicated by the following:

<u>Fund</u>	<u>2001</u>	<u>2000</u>	<u>Increase (Decrease)</u>
General Fund	\$ 3,148,621	\$ 2,673,068	\$ 475,553
Special Revenue Fund	315,802	234,333	81,469
Debt Service Fund	1,066,580	1,039,866	26,714
Capital Projects Fund	2,649,387	2,111,055	538,332

The policy of the General Fund is to maintain a fund balance equivalent of three months or 25 percent of annual normal recurring expenditures. For the year ended September 30, 2001, the calculated balance required for the General Fund is approximately \$1,170,000. The actual undesignated balance of \$3,054,383 is greater than the policy requirement. Amounts in excess

of the required balance are presented to the City Council for transfer to a Capital Projects Fund or considered for funding of non-recurring operations and maintenance expenditures. As the funds are accumulated, plans are developed for the best and most appropriate use. This plan is adopted by the City Council as part of the overall annual budget process.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. At September 30, 2001, these indicators were as follows:

<u>Description</u>	<u>Amount</u>	<u>Percent of Debt to Assessed Value</u>	<u>Debt per Capita</u>
Net direct bonded debt	\$ 7,297,439	1.29 %	\$ 1,061
Overlapping debt	29,217,473	5.18	4,246
Total Direct and Overlapping Debt	\$ 36,514,912	6.47 %	\$ 5,307

Total outstanding tax supported debt (general obligation bonds and certificates of obligation) at September 30, 2001 totaled \$5,739,991.

Current ratings on debt issues of the City are as follows:

	<u>Moody's Investors Service</u>	<u>Standard & Poor's</u>
General Obligation Bonds	A	AAA
Certificates of Obligation	A	BBB

Cash Management

The Investment Policy adopted by the City Council is in compliance with state statutes governing investment activities. In 2000-2001, investments were primarily placed with Texpool, a state administered investment pool available to local governments. The City's texpool investments at September 30, 2001 totaled \$10,565,990 (100 percent of the City's portfolio) and interest earnings were at 3.4% in September 2001. The City will continue to review its portfolio per the investment policy after considering safety, liquidity and return on investment. Texpool is rated as a AAA money market fund by Standard & Poor's. As of September 30, 2001, the weighted average maturity of investments was 47 days.

Capital Projects Funds

Capital improvement projects are funded with General Fund transfers and proceeds of general obligation and certificates of obligation debt issues. The City annually adopts a Five-Year Capital Improvement Plan and regularly prepares short term improvement plans for water, wastewater, drainage, municipal facilities and parks. These plans are prepared by staff or consultants and presented to the City Council for review and acceptance. The plans require funding sources to be identified for each project.

For the last several years, the policy of the City has been able to maintain its infrastructure base for streets, water and wastewater systems, and municipal facilities through an aggressive maintenance and improvement program. A portion of general fund revenues is allocated to the Capital Improvement Plan each year. Debt is issued when necessary to finance long-term capital improvements. Appropriations remain with the project until completion. Council may reappropriate the funds to reflect a change in priority as recommended by staff. Total expenditures for capital improvements were \$984,526. Some projects were completed and several were in progress at year end.

Annually, the City will evaluate the fund balance position of the General Fund and amounts over the policy guidelines will be considered for transfer to this fund. Expenditures during the 2000-2001 fiscal year include the costs of various water line and well projects.

The fund balance designated for capital improvement projects, at September 30, 2001, was \$2,649,387.

Enterprise Funds

The City maintains two separate enterprise funds: a water and wastewater utility fund and a golf course fund.

Utility Fund

The water and wastewater utility fund provides service to customers within the corporate limits. Annually, the City produces or purchases approximately 365 million gallons of water. As of September 30, 2001, the customer base and consumption for the past two fiscal years is presented below:

	<u>2000-2001</u>	<u>1999-2000</u>
<u>Customer Base</u>		
Residential	1,895	1,888
Commercial	208	229
Total	<u>2,103</u>	<u>2,117</u>
<u>Annual Consumption (Thousands of Gallons)</u>		
Residential	208,108	266,598
Commercial	134,903	145,550
Total	<u>343,011</u>	<u>412,148</u>
<u>Average Monthly Consumption per Customer (Gallons)</u>		
Residential	9,152	11,767
Commercial	54,048	52,966
Total	<u>63,200</u>	<u>64,733</u>

In recent years, a five year rate and financial plan was developed to meet the projected operating and maintenance costs. The rate structure adopted as a result of the plan is designed to encourage conservation, recapture all operating costs and fund future capital improvement programs. The actual rates are comprised of two components, a water service charge and a sewer charge. Base service charges increase with meter size to more accurately reflect the

demand created by individual customer classes. A sewer cap of the average sewer bill for the period November through February is in effect during the months March through February. The average monthly bill for a typical residential customer with a 3/4 inch meter based on 3,000 gallons is \$19.36 which represents \$8.47 for water and \$10.89 for sewer.

Other ratios and the net result of operations are presented below:

	<u>2000-2001</u>	<u>1999-2000</u>
Gross Revenue	\$ 1,960,106	\$ 1,926,002
Total Operating Expenses (net of depreciation)	1,257,288	1,016,193
Cash and Equivalents	2,492,413	2,701,784

To continue to provide maintenance for infrastructure and to maintain revenue levels to meet expenses and debt requirements, the City is expected to increase the water and sewer rates 10% per year through 2004. This increase became effective in the 1999 fiscal year. During the next year, the City will continue to upgrade the water and wastewater system by replacing and adding new waterlines and sewer lines in the City.

Golf Course Fund

On August 11, 2000, the City finalized the purchase of Jersey Meadow Golf Course. This golf course had been privately owned and operated within the City for approximately 45 years. The City purchased the original 18 holes, clubhouse, maintenance barn and related equipment for \$6.9 million. Results of operations from the golf course for the year ended September 30, 2001 are presented below:

Gross Revenue	\$ 1,192,118
Total Operating Expenses (net of depreciation)	1,202,023
Cash and Equivalents	102,063

Risk Management

Medical claims are covered by a private insurance carrier. As of September 30, 2001, the City required employees to contribute \$100 per month for dependent group health coverage. For the fiscal year ended September 30, 2001, total cost for the program was \$393,674. Based on the employee population at September 30, 2001 of 76, the average cost per employee was \$5,180.

The City, in an effort to contain the cost of general liability and property insurance, funds deductible coinsurance and uninsured property losses through contributions from the General and Enterprise Funds. The annual estimated exposure is approximately \$10,000. This past year the City did not incur any claims.

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general government functions and exclude the fixed assets of the Enterprise Funds. As of September 30, 2001, the general fixed assets of the City amounted to \$11,520,227, an increase of approximately \$799,000 increase from the previous year. Annually, as part of the budget process, the City conducts an inventory of materials, equipment and office furniture and disposes of obsolete, surplus or scrap equipment and materials through public auction.

Comprehensive Plan

The City's comprehensive plan was adopted in 1989. The City is now undergoing development of a new plan. To date, the Planning and Zoning Commission has approved a future land use and transportation plan, a future water facilities plan and a future sanitary sewerage facilities plan. Of particular importance in this update will be an examination of the current zoning patterns of the City and a determination as to whether the City should undertake amendments to the zoning plan.

Municipal Facilities

City Hall. Subsequent to year-end, voters approved a bond issue to construct a new fire station. The current City Hall building will be converted for office and training use for the Fire Department. The new fire facility will be a two-story structure and will provide space for up to eight vehicles plus equipment required for fire fighting and EMS services. The City Hall operations, including Administration and Finance, will relocate to offices in the City Hall Annex, a building formerly owned by the Jersey Village Church of Christ. The City has proposed to construct a new City Hall office building in three to five years.

Recycling

The efforts of the Jersey Village Recycling Program continued to be an important role to the recycling program adopted by Jersey Village citizens. During the last year, approximately 1 million pounds of recyclable material was collected through curbside recycling.

Police Public Safety Programs

Excellent relations with residents are maintained through programs such as Drug Awareness, Neighborhood Policing, Neighborhood Crime Watch and Home Protection Assessment. The police department also has a grant officer whose function is to be a liaison between the police department and citizenry to instill and provide communication, training and assistance to the community.

Fire Department Public Education

Public education holds a high priority with the Emergency Services Division. In 2001, fire safety education programs were presented to approximately 3,700 people. These programs are tailored to the requests of the audiences. Additionally, the Department conducted its first Citizens Fire Academy. This program consisted of twelve weeks of classroom and hands-on training, culminating with a field day at a local training facility where the students performed firefighting, rescue and even rappelling. Enforcement of the fire codes are done through the Fire

Marshal's Office. All public and commercial facilities are inspected prior to occupancy and at least annually, thereafter. The goal of the inspections is to provide a safe environment through education rather than citations, which could lead to punitive action.

FUTURE PROJECTS

Capital Improvement Program

The City's Capital Improvement Program (CIP) is a process toward translating the comprehensive plan from paper to fact. The CIP provides for the orderly, progressive development of Jersey Village through the establishment of priorities. The Capital Improvement Program is a multi-year process for evaluating the relative importance of all capital needs of the City. It deals with itemizing projects that require money not regularly allocated in the operating budget, scheduling when these projects will be done and deciding how they will be financed. The projects contained in the CIP have been weighed against the City's financial ability to retire their costs within reasonable debt limits and in line with sound municipal financing principles. This method of approach is practical and reasonable and can, in the future be depended upon as a continuing means of achieving the desirable physical structure projected in the comprehensive plan.

The Capital Budget is an integral part of the overall capital improvement program process. The Capital Budget is the annual process of actively committing funds to specific capital projects. Upon adoption of the CIP by the City Council, the recommended projects for the next fiscal year are extracted from the program and presented in the form of a budget. Once the Capital Budget has been adopted, action may commence on carrying out the Capital Improvement Program.

For fiscal year 2000-2001, the City's primary thrust in capital projects was the upgrade of the City's water plants and water storage tanks. Future projects contained in the CIP include construction of a new extension and/or rehabilitation of numerous water and sewer lines.

INDEPENDENT AUDIT

The City Charter and state statutes require an independent audit to be made, by a certified public accountant, of all accounts of the City for the fiscal year ending on the thirtieth day of September. The auditors' report shall be filed with the City Secretary within one hundred and twenty days after the close of such preceding year. The certified public accountant shall be selected by the City Council and shall have no direct interest in the financial affairs of the City and shall report in writing to the Council. The Independent Auditors' Report of Sandersen Knox & Belt, L.L.P. has been included in the financial section of this report.

CERTIFICATE OF ACHIEVEMENT

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 for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2000. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received its sixth Achievement Award. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis was accomplished with the expertise and dedicated services of the staff of the Finance Department and individual contributions of Louis Q. Rodriguez, CPA, Director of Finance and Sara Castillo, Accounting Assistant. We express our sincere appreciation to these individuals who have continually demonstrated their professionalism and excellent skills and abilities in the management of the finance function. We also thank the Mayor and Members of the City Council for their continued support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

R. Dale Brown
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Jersey Village,
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2000

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



Thomas A. Drew
President

Jeffrey L. Esler
Executive Director

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL OFFICIALS

September 30, 2001

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Ed Heathcott	Mayor	2003
Rusty Preece	Council Member – Position No. 1	2002
Greg Holden	Council Member – Position No. 2	2003
Frances Wubbenhorst	Council Member – Position No. 3	2003
Russell Hamley	Council Member – Position No. 4 (Mayor Pro-Tem)	2002
Joyce Berube	Council Member – Position No. 5	2002

<u>Key Staff</u>	<u>Position</u>
R. Dale Brown	City Manager *
Debbie Loesch	City Secretary *
Kenneth Wall	City Attorney *
Roderick Hainey	Director of Public Works
Kathy Hutchens	Fire Chief
Louis Q. Rodriguez	Director of Finance
Charles Wedemeyer	Police Chief

* - City Council Appointive Position

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FINANCIAL SECTION



Independent Auditors' Report

To the Honorable Mayor and
Members of the City Council
City of Jersey Village, Texas

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the City of Jersey Village, Texas, as of September 30, 2001, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the City of Jersey Village, Texas, management. Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Jersey Village, Texas, as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining, individual fund and account group financial statements and other information listed as schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Jersey Village, Texas. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The statistical data listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Jersey Village, Texas. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.



Sugar Land, Texas
December 18, 2001

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GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF JERSEY VILLAGE, TEXAS

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT
GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT**

September 30, 2001

with comparative totals for September 30, 2000

	Governmental Fund Types			Proprietary Fund Types		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<u>Assets and Other Debits</u>						
<u>Assets</u>						
Cash and temporary investmnts.	\$ 3,875,912	\$ 322,998	\$ 1,120,459	\$ 2,245,885	\$ 2,594,476	\$ 485,954
Receivables:						
Taxes	117,031		58,504			
Accounts	47,613				182,718	
Due from other funds	319,499		189,113	468,358	264,285	1,855
Due from primary government						
Inventory					40,934	
Prepaid expenses					9,612	
General fixed assets						
Proprietary fixed assets net of accumulated depreciation					17,331,715	440,210
<u>Other Debits</u>						
Amount available for debt serv.						
Amount to be provided for retire. of general long-term debt						
Total Assets and Other Debits	\$ 4,360,055	\$ 322,998	\$ 1,368,076	\$ 2,714,243	\$ 20,423,740	\$ 928,019
<u>Liabilities, Equity and Other Credits</u>						
<u>Liabilities</u>						
Accounts payable and acc. liab.	\$ 930,284	\$	\$	\$	\$ 65,971	\$
Due to other funds	144,198	7,196	242,992	64,856	751,286	32,582
Due to component unit	19,921					
Customer deposits					69,083	
Deferred revenue	117,031		58,504			
Bonds payable					1,500,000	
Certificates of obligation					7,400,000	
Accrued interest on premium compound interest bonds						
Total Liabilities	1,211,434	7,196	301,496	64,856	9,786,340	32,582
<u>Equity and Other Credits</u>						
Contributed capital					10,120,543	390,366
Investment in general fixed assets						
Retained Earnings:						
Reserved					523,164	
Unreserved					(6,307)	505,071
Fund Balances:						
Reserved	76,393		1,066,580			
Unreserved and designated	17,845	315,802		2,649,387		
Unreserved and undesignated	3,054,383					
Total Equity and Other Credits	3,148,621	315,802	1,066,580	2,649,387	10,637,400	895,437
Total Liabilities, Equity and Other Credits	\$ 4,360,055	\$ 322,998	\$ 1,368,076	\$ 2,714,243	\$ 20,423,740	\$ 928,019

See Notes to Financial Statements.

Account Groups		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only) Reporting Entity	
General Fixed Assets	General Long- Term Debt	Primary Government		September 30, 2001	September 30, 2000
\$	\$	\$ 10,645,684	\$ 494,942	\$ 11,140,626	\$ 10,276,804
		175,535		175,535	100,703
		230,331		230,331	290,377
		1,243,110		1,243,110	396,137
			19,921	19,921	
		40,934		40,934	24,008
		9,612		9,612	14,771
11,520,227		11,520,227		11,520,227	10,721,464
		17,771,925		17,771,925	17,649,064
	1,066,580	1,066,580		1,066,580	1,039,866
	7,297,439	7,297,439		7,297,439	8,015,539
<u>\$ 11,520,227</u>	<u>\$ 8,364,019</u>	<u>\$ 50,001,377</u>	<u>\$ 514,863</u>	<u>\$ 50,516,240</u>	<u>\$ 48,528,733</u>
\$	\$	\$ 996,255	\$	\$ 996,255	\$ 1,101,472
		1,243,110		1,243,110	396,137
		19,921		19,921	
		69,083		69,083	66,311
		175,535		175,535	100,703
	4,114,991	5,614,991		5,614,991	6,374,991
	1,625,000	9,025,000		9,025,000	9,275,000
	2,624,028	2,624,028		2,624,028	2,405,414
	8,364,019	19,767,923		19,767,923	19,720,028
		10,510,909		10,510,909	10,328,436
11,520,227		11,520,227		11,520,227	10,721,464
		523,164		523,164	377,807
		498,764		498,764	991,672
		1,142,973		1,142,973	1,097,380
		2,983,034	514,863	3,497,897	2,692,361
		3,054,383		3,054,383	2,599,585
11,520,227		30,233,454	514,863	30,748,317	28,808,705
<u>\$ 11,520,227</u>	<u>\$ 8,364,019</u>	<u>\$ 50,001,377</u>	<u>\$ 514,863</u>	<u>\$ 50,516,240</u>	<u>\$ 48,528,733</u>

CITY OF JERSEY VILLAGE, TEXAS

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND
TYPES AND DISCRETELY PRESENTED COMPONENT UNIT**

Year Ended September 30, 2001

with comparative totals for Year Ended September 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Property taxes	\$ 2,402,028	\$	\$ 1,532,185	\$
Other taxes	2,654,006	74,968		
Licenses and permits	110,332			
Fines and warrants	468,848			
Fees and charges for services	156,252			
Mutual aid	4,600			
Intergovernmental	63,959			
Interest on investments	202,115	13,957	64,935	88,858
Other	87,342			
Total Revenues	<u>6,149,482</u>	<u>88,925</u>	<u>1,597,120</u>	<u>88,858</u>
Expenditures				
Current:				
General government	970,393	6,093		
Public safety	1,874,509			
Public works	1,577,219			
Parks and recreation	258,745			
Capital outlay				984,526
Debt Service:				
Principal retirement			910,000	
Interest and fiscal charges			410,406	
Total Expenditures	<u>4,680,866</u>	<u>6,093</u>	<u>1,320,406</u>	<u>984,526</u>
Revenues Over (Under) Expenditures	<u>1,468,616</u>	<u>82,832</u>	<u>276,714</u>	<u>(895,668)</u>
Other Financing Sources (Uses)				
Proceeds of long-term debt				
Payment to paying agent				
Sale of assets				
Operating transfers in	301,363			1,434,000
Operating transfers (out)	(1,294,426)	(1,363)	(250,000)	
Total Other Financing Sources (Uses)	<u>(993,063)</u>	<u>(1,363)</u>	<u>(250,000)</u>	<u>1,434,000</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>475,553</u>	<u>81,469</u>	<u>26,714</u>	<u>538,332</u>
Fund balances - Beginning	<u>2,673,068</u>	<u>234,333</u>	<u>1,039,866</u>	<u>2,111,055</u>
Fund Balances - Ending	<u>\$ 3,148,621</u>	<u>\$ 315,802</u>	<u>\$ 1,066,580</u>	<u>\$ 2,649,387</u>

See Notes to Financial Statements.

Totals (Memorandum Only)		Totals (Memorandum Only) Reporting Entity			
Primary Government	Component Unit	September 30, 2001	September 30, 2000		
\$ 3,934,213	\$	\$ 3,934,213	\$	2,974,775	
2,728,974	637,576	3,366,550		2,556,441	
110,332		110,332		123,410	
468,848		468,848		472,585	
156,252		156,252		165,102	
4,600		4,600		4,470	
63,959		63,959		101,079	
369,865	23,186	393,051		386,234	
87,342		87,342		115,755	
<u>7,924,385</u>	<u>660,762</u>	<u>8,585,147</u>		<u>6,899,851</u>	
976,486		976,486		950,181	
1,874,509	476,903	2,351,412		1,991,631	
1,577,219		1,577,219		1,412,506	
258,745		258,745		256,004	
984,526		984,526		435,820	
910,000		910,000		750,000	
410,406		410,406		515,144	
<u>6,991,891</u>	<u>476,903</u>	<u>7,468,794</u>		<u>6,311,286</u>	
932,494	183,859	1,116,353		588,565	
				1,255,000	
				(1,255,000)	
				5,720	
1,735,363		1,735,363		881,687	
(1,545,789)		(1,545,789)		(200,000)	
<u>189,574</u>		<u>189,574</u>		<u>687,407</u>	
1,122,068	183,859	1,305,927		1,275,972	
6,058,322	331,004	6,389,326		5,113,354	
<u>\$ 7,180,390</u>	<u>\$ 514,863</u>	<u>\$ 7,695,253</u>	<u>\$</u>	<u>6,389,326</u>	

CITY OF JERSEY VILLAGE, TEXAS
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL, SPECIAL
REVENUE, AND DEBT SERVICE FUNDS

Year Ended September 30, 2001

	<u>General Fund</u>		<u>Variance Over (Under)</u>
	<u>Budget</u>	<u>Actual</u>	
<u>Revenues</u>			
Property taxes	\$ 2,481,133	\$ 2,402,028	\$ (79,105)
Other taxes	1,907,000	2,654,006	747,006
Licenses and permits	104,500	110,332	5,832
Fines and warrants	446,300	468,848	22,548
Fees and charges for services	164,400	156,252	(8,148)
Mutual aid	4,000	4,600	600
Intergovernmental	62,224	63,959	1,735
Interest on investments	206,000	202,115	(3,885)
Other	763,537	87,342	(676,195)
Total Revenues	<u>6,139,094</u>	<u>6,149,482</u>	<u>10,388</u>
<u>Expenditures</u>			
Current:			
General government	1,090,806	970,393	120,413
Public safety	2,590,047	1,874,509	715,538
Public works	1,719,692	1,577,219	142,473
Parks and recreation	329,428	258,745	70,683
Capital Outlay			
Debt Service:			
Principal retirement			
Interest and fiscal charges			
Total Expenditures	<u>5,729,973</u>	<u>4,680,866</u>	<u>1,049,107</u>
Revenues Over (Under) Expenditures	409,121	1,468,616	1,059,495
<u>Other Financing Sources (Uses)</u>			
Operating transfers in	301,360	301,363	3
Operating transfers (out)	<u>(1,294,426)</u>	<u>(1,294,426)</u>	
Total Other Financing Sources (Uses)	<u>(993,066)</u>	<u>(993,063)</u>	<u>3</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(583,945)	475,553	1,059,498
Fund balances - Beginning	<u>2,673,068</u>	<u>2,673,068</u>	
Fund Balances - Ending	<u>\$ 2,089,123</u>	<u>\$ 3,148,621</u>	<u>\$ 1,059,498</u>

See Notes to Financial Statements.

Special Revenue Fund			Debt Service Fund		
Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
\$ 59,000	\$ 74,968	\$ 15,968	\$ 1,521,740	\$ 1,532,185	\$ 10,445
13,000	13,957	957	40,000	64,935	24,935
<u>72,000</u>	<u>88,925</u>	<u>16,925</u>	<u>1,561,740</u>	<u>1,597,120</u>	<u>35,380</u>
177,000	6,093	170,907			
133,415		133,415			
			1,235,000	910,000	325,000
			514,608	410,406	104,202
<u>310,415</u>	<u>6,093</u>	<u>304,322</u>	<u>1,749,608</u>	<u>1,320,406</u>	<u>429,202</u>
(238,415)	82,832	321,247	(187,868)	276,714	464,582
<u>(1,360)</u>	<u>(1,363)</u>	<u>(3)</u>	<u>(250,000)</u>	<u>(250,000)</u>	
<u>(1,360)</u>	<u>(1,363)</u>	<u>(3)</u>	<u>(250,000)</u>	<u>(250,000)</u>	
(239,775)	81,469	321,244	(437,868)	26,714	464,582
<u>234,333</u>	<u>234,333</u>		<u>1,039,866</u>	<u>1,039,866</u>	
<u>\$ (5,442)</u>	<u>\$ 315,802</u>	<u>\$ 321,244</u>	<u>\$ 601,998</u>	<u>\$ 1,066,580</u>	<u>\$ 464,582</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-4

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY -
PROPRIETARY FUND TYPES**

Year Ended September 30, 2001

with comparative totals for Year Ended September 30, 2000

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>2001</u>	<u>2000</u>
<u>Operating Revenues</u>				
Charges for services	\$ 3,062,147	\$	\$ 3,062,147	\$ 2,057,702
Penalties and interest	23,936		23,936	20,162
Impact fees	41,741		41,741	36,764
Rental fees		227,710	227,710	358,475
Other	24,400		24,400	33,375
Total Operating Revenues	3,152,224	227,710	3,379,934	2,506,478
<u>Operating Expenses</u>				
Personnel services	922,306		922,306	347,301
Materials and supplies	219,619		219,619	58,363
Repairs and maintenance	126,889		126,889	92,246
Utilities	199,332		199,332	218,990
Purchased services	292,777		292,777	223,560
Depreciation	675,849	103,792	779,641	569,601
Other services and charges	698,388		698,388	264,528
Total Operating Expenses	3,135,160	103,792	3,238,952	1,774,589
Operating Income	17,064	123,918	140,982	731,889
<u>Non-Operating Revenue (Expenses)</u>				
Investment income	133,337	17,051	150,388	145,577
Interest and fiscal charges	(539,347)		(539,347)	(56,146)
Total Non-Operating Revenue (Expenses)	(406,010)	17,051	(388,959)	89,431
Income Before Operating Transfers	(388,946)	140,969	(247,977)	821,320
Operating transfers in (out)	(189,574)		(189,574)	(681,687)
Net Income (Loss)	(578,520)	140,969	(437,551)	139,633
Add depreciation on fixed assets acquired with external contributions	90,000		90,000	90,000
Change in Retained Earnings	(488,520)	140,969	(347,551)	229,633
Retained earnings, beginning of year	1,005,377	364,102	1,369,479	1,139,846
Retained Earnings, End of Year	516,857	505,071	1,021,928	1,369,479
Contributed capital, beginning of year	9,941,322	387,114	10,328,436	9,765,094
Depreciation transferred from R.E.	(90,000)		(90,000)	(90,000)
Increase in contributed capital	269,221	3,252	272,473	653,342
Contributed Capital, End of Year	10,120,543	390,366	10,510,909	10,328,436
Fund Equity, End of Year	\$ 10,637,400	\$ 895,437	\$ 11,532,837	\$ 11,697,915

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-5

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES

Year Ended September 30, 2001

with comparative totals for Year Ended September 30, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)	
			2001	2000
Cash Flows from Operating Activities				
Operating Income	\$ 17,064	\$ 123,918	\$ 140,982	\$ 731,889
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and amortization	675,849	103,792	779,641	569,601
(Increase) Decrease in accts receivable	23,544		23,544	(1,826)
(Increase) Decrease in inventory	(16,926)		(16,926)	(24,008)
(Increase) Decrease in prepaid expenses	5,159		5,159	(14,771)
Increase (Decrease) in accounts payable and accrued liabilities	(143,400)		(143,400)	199,009
Increase in customer deposits	2,772		2,772	5,147
Net Cash Provided (Used) by Operating Activities	564,062	227,710	791,772	1,465,041
Cash Flows from Noncapital Financing Activities				
(Increase) Decrease in due from other funds	(263,041)	(1,855)	(264,896)	383,844
Increase (Decrease) in due to other funds	468,605	(25,369)	443,236	289,332
Operating transfers in (out)	(189,574)		(189,574)	(681,687)
Net Cash Provided (Used) by Financing Activities	15,990	(27,224)	(11,234)	(8,511)
Cash Flows from Capital and Related Financing Activities				
Proceeds from bond issues				9,000,000
Capital expenditures for property, plant, and equipment	(525,355)	(104,674)	(630,029)	(7,957,791)
Revenue bond principal payments	(100,000)			
Interest payments on revenue bonds	(539,347)		(539,347)	(56,146)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,164,702)	(104,674)	(1,169,376)	986,063
Cash Flows from Investing Activities				
Interest on investments	133,337	17,051	150,388	145,577
Net Cash Provided by Investing Activities	133,337	17,051	150,388	145,577
Net Increase (Decrease) in Cash and Cash Equiv.	(451,313)	112,863	(238,450)	2,588,170
Cash and cash equivalents, beginning of year	3,045,789	373,091	830,710	830,710
Cash and Cash Equivalents, End of Year	\$ 2,594,476	\$ 485,954	\$ 592,260	\$ 3,418,880
Supplemental Information:				
Assets contributed by other funds	\$ 269,221	\$ 3,252	\$ 272,473	\$ 653,342

See Notes to Financial Statements.

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CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Jersey Village, Texas (the City), was incorporated on April 16, 1956, under the provisions of Title 28 of the Revised Civil Statutes of Texas, 1925. On August 18, 1986, the City adopted a Home Rule Charter. The City now operates under a council-manager form of government.

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for law enforcement, appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget. The Mayor presides at meetings of the City Council and can only vote to break ties.

The City provides the following services: public safety to include police, fire, and emergency medical services, highways and streets, sanitation, recreation, public improvements, planning and zoning, and general administration.

A. Financial Reporting Entity

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these general purpose financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the City's financial reporting entity. The Jersey Village Crime Control and Prevention District (the "District"), a discrete component unit of the City, is included in these financial statements. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely Presented Component Unit

Jersey Village Crime Control and Prevention District

The Jersey Village Crime Control and Prevention District (the "District") has been included in the reporting entity as a discretely presented component unit. In 1998, the District was created by the City as provided by Chapter 363 of the Texas Local Government Code for the purpose of providing additional crime control and prevention. The Board of Directors is appointed by and serves at the discretion of the City Council. City Council approval is required for annual budgets and bonded debt issuance. The District is presented as a governmental fund type.

Condensed Financial Statements – Component Unit

The following pages present condensed financial statements as of and for the year ended September 30, 2001 for the component unit. Complete financials for the component unit may be obtained from the City of Jersey Village Finance Department.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

CONDENSED BALANCE SHEET - COMPONENT UNIT

September 30, 2001

	<u>Jersey Village Crime Control and Prevention District</u>
<u>Assets</u>	
<u>Assets</u>	
Cash and temporary investments	\$ 494,942
Due from primary government	19,921
	<hr/>
Total Assets	\$ 514,863
	<hr/> <hr/>
<u>Liabilities and Fund Balance</u>	
<u>Fund Balances</u>	
Designated	
Crime control and prevention	514,863
	<hr/>
Total Fund Balances	514,863
	<hr/>
Total Liabilities and Fund Balances	\$ 514,863
	<hr/> <hr/>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

CONDENSED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - COMPONENT UNIT Year Ended September 30, 2001

	<u>Jersey Village Crime Control and Prevention District</u>
<u>Revenues</u>	
Sales tax	\$ 637,576
Investment income	23,186
Total Revenues	<u>660,762</u>
<u>Expenditures</u>	
Current:	
Public Safety	<u>476,903</u>
Revenues Over Expenditures	183,859
Fund Balances, beginning of year	<u>331,004</u>
Fund Balances, End of Year	<u>\$ 514,863</u>

B. Basis of Presentation-Fund Accounting

The City's accounts are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a set of self-balancing accounts which consist of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based on the purposes for which they are intended and the means by which spending activities are controlled. The following paragraphs describe the fund types and account groups used by the City.

Governmental Fund Types

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund type) are accounted for through Governmental Funds. The measurement focus is based on determination of changes in financial position, rather than on net income determination. The following are the City's governmental fund types:

CITY OF JERSEY VILLAGE, TEXAS

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NOTES TO FINANCIAL STATEMENTS

General Fund

The General Fund accounts for the resources used to finance the fundamental operations of the City. The principal sources of revenue of the General Fund are property taxes, sales and use taxes, franchise taxes, fines and forfeitures, permits and fees, and sanitation. Expenditures are for general government, public safety, public works, and parks and recreation.

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted or designated for specified activities. Revenues and expenditures for the motel tax and asset forfeiture are considered Special Revenue Funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for the retirement of general long-term debt and related costs. The primary source of revenue of the Debt Service Fund is property taxes.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities financed principally by proceeds of bond and certificate of obligation issues.

Proprietary Fund Types

Enterprise Funds

Enterprise Funds are used to account for the City's water, wastewater collection, and wastewater treatment operations and the operations of a golf course. Such operations are operated in a manner similar to private business enterprises, where the intent of the City is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation) and other City funds.

Internal Service Fund

The Internal Service Fund is used to account for the City's replacement of vehicles and equipment. Such operations are operated in a manner similar to private business enterprises, where the intent of the City is that the costs (including depreciation) of providing vehicles and equipment to the various City departments on a continuing basis will be financed or recovered primarily through user charges to the departments.

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NOTES TO FINANCIAL STATEMENTS

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt where such items do not directly affect net expendable available resources. The following are the City's account groups:

General Fixed Assets

The General Fixed Assets Account Group is used to account for the City's land, buildings, improvements, and equipment except those recorded in proprietary fund types.

General Long-Term Debt

This account group is used to account for the City's liability for general obligation bonds, certificates of obligation, and other long-term liabilities which are payable from governmental fund resources. The debt is offset by the amount available in the Debt Service Fund and the amount to be provided in future years.

C. Basis of Accounting and Measurement Focus

The basis of accounting is the method by which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Fund Types are accounted for by using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund Types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements for these funds present increases (i.e., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by the Governmental Fund Types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Most types of revenue are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

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NOTES TO FINANCIAL STATEMENTS

Under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded when the liability is incurred, except for general obligation debt principal and interest which are recorded when paid rather than when incurred.

Proprietary Fund Types are accounted for using the accrual basis of accounting, whereby revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its proprietary funds as presented by the GASB.

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Encumbrances outstanding at year-end are appropriately provided for in the subsequent year's budget.

E. Cash and Cash Equivalents

Cash and cash equivalents for purposes of the cash flows statement for Proprietary Fund types include cash and temporary investments as disclosed in Note 2. These cash and investments are generally available for the City's disbursement needs and have a maturity of three months or less from the date of acquisition.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Utility Fund are recognized at the end of each fiscal year on a pro-rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

G. Inventories

Inventories are stated at cost. The City uses the FIFO method of accounting for inventories. Inventories consist of expendable supplies held for consumption, and the cost thereof is recorded as an expense/expenditure at the time the inventory items are issued (consumption method).

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NOTES TO FINANCIAL STATEMENTS

H. Interfund Transactions

Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which the transactions are executed. These receivables and payables are classified as "due from other funds" or "due to other funds" or "due from component unit/primary government" or "due to component unit/primary government" if the transactions are between the primary government and its component unit. Interfund receivables and payables which are not expected to be paid within 12 months, are classified as loans from/loans to other funds, component units, or primary government.

Transfers Between Funds

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly attributable to another fund are recorded as expenditures or expenses in the reimbursing fund and primarily as reductions of the expenditure or expense in the fund that is reimbursed.

Non-recurring or non-routine transfers of equity between funds are reported as additions to or reductions of the fund balance of Governmental Funds. Transfers of equity to the Enterprise Fund are treated as contributed capital, and such transfers from the Enterprise Fund are reported as reductions of retained earnings or contributed capital, as is appropriate in the circumstances. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both the Governmental and Proprietary Fund Types.

I. Fund Equity

Contributed capital is recorded in the Enterprise Fund which has received capital grants, contributions from developers and customers, and/or other funds. Reserved equity balances represent those portions of fund balance not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources. Undesignated fund balances represent available balances for the City's future use.

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NOTES TO FINANCIAL STATEMENTS

J. Compensated Employee Absences

The City's employees earn vacation and sick leave which may either be taken or accumulated, up to certain amounts, until paid upon termination or retirement.

The City accrues vacation and sick leave based on criteria established by the Governmental Accounting Standards Board. For all funds, this liability reflects amounts attributable to cumulative employee services previously rendered, where the payment is probable and can be reasonably estimated.

K. Fixed Assets

General Fixed Assets

General fixed assets have been acquired or constructed for general governmental purposes. Such fixed assets are recorded as expenditures in the Governmental Funds and capitalized at historical cost in the General Fixed Assets Account Group. Gifts or contributions of general fixed assets are recorded at estimated fair market value upon receipt. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized as general fixed assets. No depreciation has been provided on general fixed assets.

Enterprise Fund Fixed Assets

The land, buildings, and equipment owned by Enterprise Funds are recorded at historical cost or at estimated fair market value for contributed assets. Interest costs during construction are capitalized when the effects of capitalization materially impact the financial statements. Some of the assets on which such interest was capitalized are still under construction and are classified as construction in progress in the Enterprise Funds. Depreciation of buildings and equipment is provided using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Water and sewer system	40-50
Golf course improvements	20
Equipment	5-20
Vehicles	5-7

Additions to the water and sewer systems are financed principally from sources other than Enterprise Fund operating revenues. Such additions are reflected as contributed capital in the accompanying financial statements. Depreciation recognized on assets acquired or

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NOTES TO FINANCIAL STATEMENTS

constructed by general obligation bond proceeds is recorded as an expense in the statement of operations.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements and betterments which extend the useful lives of the assets are capitalized.

L. Debt Service

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with interest earned in the Debt Service Fund. Though a portion of the general obligation debt was directly related to the purchase of water and sewer infrastructure, the debt liability and related expenditures are included in the general long-term debt account group and debt service fund, respectively, as they are expected to be paid from debt service tax revenues instead of water system revenues.

M. General Property Taxes

All taxes due the City on real or personal property are payable at the Office of the City Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are levied on October 1 and are due by February 1, and all taxes not paid prior to this date are deemed delinquent and are subject to penalty and interest. All property located within the City limits on the first day of January of each year is charged with a special lien in favor of the City from such date for taxes due thereon.

N. Reclassifications

Certain reclassifications to prior year balances have been made to conform to current year presentation. Such reclassifications have had no effect on the excess of revenues over expenditures.

O. 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 disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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NOTES TO FINANCIAL STATEMENTS

P. "Memorandum Only" Captions

The "Memorandum Only" captions on the total columns of the combined statements indicate that totals are presented for overview informational purposes only and that they do not fairly present financial position or results of operations for the City in conformity with generally accepted accounting principles.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets

Annual appropriated budgets are adopted for the General, Special Revenue, and Debt Service Funds, using the same basis of accounting as for financial reporting. All annual appropriations lapse at fiscal year end. Project length budgets are adopted for the Capital Project Funds. The City, for management control, approves a financial plan for the Enterprise Funds. City Council approves the annual budget for the component units included in the City's financial reporting entity.

Expenditures may not legally exceed budgeted appropriations at the department level. Expenditure requests, which would require an increase in total budgeted appropriations, must be approved by City Council through a formal budget amendment. At any time in the fiscal year, the Council may make emergency appropriations to meet a pressing need for public expenditure in order to protect the public health, safety, or welfare. The Council has the power to transfer any unencumbered funds allocated by the budget from one activity, function, or department, to another activity, function, or department, to re-estimate revenues and expenditures, and to amend the budget.

Management has the authority to transfer available funds allocated by the budget from one function or activity to another function or activity within the same department.

In cooperation with the department heads of the City and the Budget Manager, the City Manager prepares an annual budget for the General Fund, Special Revenue Fund, and Debt Service Fund for the ensuing fiscal year, in a form and style as deemed desirable by the City Manager. The City Manager shall submit to the Council, for its review, consideration, and revision, both a letter describing the proposed new budget, as well as a balanced budget for the forthcoming fiscal year, not later than sixty (60) days prior to the end of the current fiscal year. The budget, as adopted, must set forth the appropriations for services, functions, and activities of the various City departments and agencies, and shall meet all fund requirements provided by law and required by bond covenants.

CITY OF JERSEY VILLAGE, TEXAS

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NOTES TO FINANCIAL STATEMENTS

Amounts reported in the accompanying financial statements represent the original budgeted amount plus all supplemental appropriations.

B. Deficit Retained Earnings in Individual Funds

The Golf Course Fund deficit balance in retained earnings of \$433,945 is the result of revenues inadequate to cover expenses, including depreciation.

NOTE 3 - DEPOSITS (CASH) AND TEMPORARY INVESTMENTS

Deposits (Cash)

The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to state statutes. The depository bank deposits, for safekeeping and trust with the City's agent bank, approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance.

The City's cash deposits, at September 30, 2001, were entirely guaranteed by FDIC insurance or by pledged collateral held by the City's agent bank. The deposits were collateralized in accordance with state law and were properly secured throughout the year.

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are:

- | | |
|------------|--|
| Category 1 | Deposits which are insured or collateralized with securities held by the entity or by its agent in the entity's name. |
| Category 2 | Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. |
| Category 3 | Deposits which are not collateralized. |

Based on these three levels of risk, all of the City's cash deposits are classified as Category 1.

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NOTES TO FINANCIAL STATEMENTS

Temporary Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury or the State of Texas, certain U.S. agencies, certificates of deposit, money market savings accounts, certain municipal securities, repurchase agreements, common trust funds, and other investments specifically allowed by the Public Funds Investment Act of 1987 (Article 842a.-2 Vernon's Civil Statutes).

Similar to cash deposits, investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

- | | |
|------------|---|
| Category 1 | Investments that are insured, registered or held by the entity or by its agent in the entity's name. |
| Category 2 | Investments that are uninsured and unregistered held by the counterparty's trust department or agent in the entity's name. |
| Category 3 | Uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the entity's name. |

Based on these three levels of risk, all of the City's investments other than amounts in Texpool are classified as Category 1. The Texpool investments are not evidenced by securities that exist in physical or book entry form and accordingly are not categorized. However, Texpool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act of 1995, as amended. The primary objective of these investment pools is to provide a safe environment for the placement of public funds in short-term, fully collateralized investments.

Cash and Temporary Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with maturities of three months or less. The City's temporary investments (Texpool) are carried at amortized cost rather than fair value to report net assets to compute share prices. Accordingly, the fair value of the City's position in Texpool is the same as the value of the pool shares. The State Comptroller of Public Accounts of Texas exercises oversight responsibility over Texpool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. In accordance with GASB No. 31 "Accounting and Reporting Certain Investments and External Investment Pools", the City reports all investments at fair value with the exception of "money market investments" and "2a7-like pools." Money market investments are reported at amortized cost,

CITY OF JERSEY VILLAGE, TEXAS

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NOTES TO FINANCIAL STATEMENTS

and investment positions in external investment pools that are operated in a manner consistent with the SEC rule's 2a7 of the Investment Company Act of 1940, such as Texpool, are reported using the pools' share price. The City's cash and temporary investments, at September 30, 2001, are shown below.

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash	\$ 574,636	\$ 574,636
Texpool	10,565,990	10,565,990
Total Cash and Temporary Investments	<u>\$ 11,140,626</u>	<u>\$ 11,140,626</u>

NOTE 4 - PROPERTY TAXES

The City's property taxes are levied annually in October on the basis of the Appraisal District's assessed values as of January 1 of that calendar year. Appraised values are established by the Appraisal District at market value and assessed at 100% of appraised value. The City's property taxes are billed and collected by the City's Tax Assessor/Collector. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property on February 1 of the subsequent calendar year.

Property taxes are prorated between operations and debt service based on rates adopted for the year of the levy. For the current year, the City levied property taxes of \$0.67500 per \$100 of assessed valuation which were prorated between operations and debt service in the amounts of \$0.41856 and \$0.25644, respectively. The resulting adjusted tax levies were \$2,463,836 and \$1,509,524 for operations and debt service, respectively, on the total adjusted taxable valuation of \$588,645,615 for the 2000 tax year.

Property taxes receivable, at September 30, 2001, consists of the following:

<u>Tax Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
2000	\$ 61,873	\$ 37,908
1999	8,462	5,819
1998	9,021	2,618
1997	7,396	2,213
1996	7,573	2,493
1995	6,627	1,959
1994 and prior	16,079	5,494
	<u>\$ 117,031</u>	<u>\$ 58,504</u>

CITY OF JERSEY VILLAGE, TEXAS

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LAND, BUILDINGS AND EQUIPMENT

General Fixed Assets

A summary of changes in land, buildings, and equipment included in the General Fixed Assets Account Group, for the year ended September 30, 2001, follows:

	<u>Balance October 1, 2000</u>	<u>Transfers In and Additions</u>	<u>Transfers Out and Retirements</u>	<u>Balance Sept. 30, 2001</u>
Land, buildings and improvements	\$ 9,242,188	\$	\$	\$ 9,242,188
Equipment	1,439,740	195,983	(13,615)	1,622,108
Construction in progress	39,536	616,395		655,931
Total General Fixed Assets	<u>\$ 10,721,464</u>	<u>\$ 812,378</u>	<u>\$ (13,615)</u>	<u>\$ 11,520,227</u>

Construction in progress and remaining commitments under related construction contracts for general government construction projects at September 30, 2001, follows:

<u>Project Description</u>	<u>Authorized Contract</u>	<u>Contract Expenditures</u>	<u>Total In Progress</u>	<u>Remaining Commitment</u>
Jones Road Extension	\$ 59,600	\$ 48,487	\$ 48,487	\$ 11,113
Storage Tank Renovation	34,000	14,800	14,800	19,200
Municipal Complex	336,684	336,684	336,684	
Lakeview Drive Upgrade	122,500	64,920	64,920	57,580
Phillippine Drive Upgrade	89,300	51,836	51,836	37,464
Chichester Lane Improvements	81,000	63,000	63,000	18,000
Contracts under \$30,000	109,400	76,204	76,204	33,196
Totals	<u>\$ 832,484</u>	<u>\$ 655,931</u>	<u>\$ 655,931</u>	<u>\$ 176,553</u>

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NOTES TO FINANCIAL STATEMENTS

Proprietary Fund Type Fixed Assets

Proprietary Fund Type Fixed Assets, at September 30, 2001, are as follows:

	Enterprise Funds		Totals
	Utility Fund	Golf Course Fund	
Water system	\$ 6,370,922	\$	\$ 6,370,922
Sewer system	6,004,697		6,004,697
Land, buildings and improvements	464,990	6,365,182	6,830,172
Vehicles and equip	188,240	617,500	805,740
Bond issue costs	44,430	286,636	331,066
Const in progress	995,829		995,829
	14,069,108	7,269,318	21,338,426
Less accumulated depreciation	(3,412,929)	(593,782)	(4,006,711)
Totals	\$ 10,656,179	\$ 6,675,536	\$ 17,331,715

Construction in progress amounts for Enterprise Fund projects at September 30, 2001 consist of a water plant upgrade and an interconnect waterline with the City of Houston.

Construction in progress and remaining commitments under related construction contracts for Enterprise Fund projects, at September 30, 2001, follows:

<u>Project Description</u>	<u>Authorized Contract</u>	<u>Contract Expenditures</u>	<u>Total In Progress</u>	<u>Remaining Commitment</u>
Storage Tank Upgrade	\$ 391,792	\$ 261,786	\$ 261,786	\$ 130,006
Interconnect Waterline	761,537	734,043	734,043	27,494
Totals	\$ 1,153,329	\$ 995,829	\$ 995,829	\$ 157,500

Internal Service Fund fixed assets, at September 30, 2001, are as follows:

	Replacement Fund
Vehicles	\$ 1,115,646
Equipment	30,692
	1,146,338
Less accumulated depreciation	(706,128)
Totals	\$ 440,210

CITY OF JERSEY VILLAGE, TEXAS

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NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM DEBT

General Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities payable from the proceeds of an annual ad valorem tax. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

	<u>Interest Rates</u>	<u>Amount</u>
Series 1986	7.00 - 9.00%	\$ 75,000
MUD No. 247 Refunding Series 1991	6.25 - 8.10%	2,014,991
MUD No. 199 Refunding Series 1996	4.75 - 6.25%	895,000
Series 2000	5.00 - 7.00%	\$ 1,130,000
		<u>\$ 4,114,991</u>

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

<u>General Long-Term Debt</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 332,476	606,561 *	\$ 939,037
2003	255,755	606,493 *	862,248
2004	255,224	608,567 *	863,791
2005	374,163	582,026 *	956,189
2006	374,163	582,911 *	957,074
2007-2014	2,523,210	3,375,595 *	5,898,805
	<u>\$ 4,114,991</u>	<u>\$ 6,362,153</u>	<u>\$ 10,477,144</u>

* Includes accreted interest on premium compound interest bonds.

A portion of the bonds sold in the MUD No. 247 Series 1991 refunding bond issue were compound interest bonds. These obligations have par values of \$174,991 and maturity values of \$4,210,000. The interest on these obligations will be paid upon maturity in the fiscal years ending September 30, 2002 through 2011. The accreted values of the outstanding bonds at September 30, 2001 is approximately \$2,799,019; and accordingly, accrued interest on these bonds of \$2,624,028 has been recorded in the general long-term debt account group.

Combination Tax and Revenue Certificates of Obligation

The City also issues combination tax and revenue certificates of obligation (C.O.'s) to provide funds for the acquisition and construction of major capital facilities payable from the proceeds

CITY OF JERSEY VILLAGE, TEXAS

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NOTES TO FINANCIAL STATEMENTS

of an annual ad valorem tax and further payable from a junior and subordinate pledge of the net revenues of the City's water and sewer system. C.O.'s currently outstanding are as follow:

	<u>Interest Rates</u>	<u>Amount</u>
Series 1994	5.00 - 6.50%	\$ 1,250,000
Series 1995	5.00 - 6.00%	375,000
		<u>\$ 1,625,000</u>

Annual debt service requirements to maturity for C.O.'s are as follow:

<u>General Long-Term Debt</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	250,000	80,925	330,925
2003	300,000	66,950	366,950
2004	275,000	52,200	327,200
2005	150,000	41,050	191,050
2006	150,000	32,875	182,875
2007-2009	500,000	44,463	544,463
	<u>\$ 1,625,000</u>	<u>\$ 318,463</u>	<u>\$ 1,943,463</u>

Revenue Bonds Payable

The City also issues revenue bonds to provide funds for constructing improvements and extensions to the City's waterworks and sanitary sewer system payable from and secured by a first lien on and pledge of the revenues derived from the City's water and sewer system. Revenue bonds currently outstanding are as follows:

	<u>Interest Rates</u>	<u>Amount</u>
Series 2000	5.00 - 7.00%	<u>\$ 1,500,000</u>

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

<u>Enterprise Fund</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	100,000	85,750	185,750
2003	100,000	78,750	178,750
2004	100,000	71,750	171,750
2005	100,000	64,750	164,750
2006	100,000	64,750	164,750
2007-2016	1,000,000	247,625	1,247,625
	<u>\$ 1,500,000</u>	<u>\$ 613,375</u>	<u>\$ 2,113,375</u>

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NOTES TO FINANCIAL STATEMENTS

Certificates of Obligation

The City also issues certificates of obligation (C.O.'s) to provide funds for the acquisition and construction of major capital facilities payable from pledge of the revenues of the City's golf course operations. C.O.'s currently outstanding are as follow:

	<u>Interest Rates</u>	<u>Amount</u>
Series 2000	5.00 - 7.00%	\$ 6,960,000
Series 2000A-Taxable	8.90%	440,000
		<u>\$ 7,400,000</u>

Annual debt service requirements to maturity for C.O.'s are as follow:

<u>Enterprise Fund</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	135,000	438,840	573,840
2003	145,000	426,380	571,380
2004	160,000	412,808	572,808
2005	170,000	399,738	569,738
2006	180,000	387,488	567,488
2007-2025	6,610,000	4,000,280	10,610,280
	<u>\$ 7,400,000</u>	<u>\$ 6,065,534</u>	<u>\$ 13,465,534</u>

Summary of Long-Term Debt Requirements

The annual requirements to amortize all long-term debt outstanding at September 30, 2001 follow:

<u>Fiscal Year</u>	<u>General Long-Term Debt</u>		<u>Enterprise Funds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2002	582,476	687,486	235,000	524,590	2,029,552
2003	555,755	673,443	245,000	505,130	1,979,328
2004	530,224	660,767	260,000	484,558	1,935,549
2005	399,163	623,076	270,000	464,487	1,756,726
2006	400,729	615,786	280,000	445,238	1,741,753
2007-2025	3,271,644	3,420,158	7,890,000	4,254,906	18,836,708
	<u>\$ 5,739,991</u>	<u>\$ 6,680,716</u>	<u>\$ 9,180,000</u>	<u>\$ 6,678,909</u>	<u>\$ 28,279,616</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

During the year ended September 30, 2001, the following changes occurred in the general long-term debt account group:

	Accrued Interest on PCI Bonds	General Obligation Bonds	Certificates of Obligation	Total
Bal. Oct. 1, 2000	\$ 2,405,414	\$ 4,774,991	\$ 1,875,000	\$ 9,055,405
New issues/additions	218,614			218,614
Principal retirements		(660,000)	(250,000)	(910,000)
Bal. Sept. 30, 2001	<u>\$ 2,624,028</u>	<u>\$ 4,114,991</u>	<u>\$ 1,625,000</u>	<u>\$ 8,364,019</u>

During the year ended September 30, 2001, the following changes occurred in enterprise fund debt:

	Revenue Bonds	Certificates of Obligation	Total
Bal. Oct. 1, 2000	\$ 1,600,000	\$ 7,400,000	\$ 9,000,000
New issues/additions			
Principal retirements	(100,000)		(100,000)
Bal. Sept. 30, 2001	<u>\$ 1,500,000</u>	<u>\$ 7,400,000</u>	<u>\$ 8,900,000</u>

NOTE 7 - RETIREMENT PLANS

Texas Municipal Retirement System

Plan Description

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, defined benefit plan in the state-wide Texas Municipal Retirement System ("TMRS"), one of 745 administered by TMRS, an agent multiple-employer public employee retirement system.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

current employee contribution rate and the City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with ten or more years of service or with 25 years of service regardless of age. A member is vested after ten years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Contributions

The contribution rate for the employees is 7%, and the City matching ratio is currently two to one, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. When the City periodically adopts updated service credits and increases its annuities in effect, the increased unfunded actuarial liability is to be amortized over a new 25-year period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect.

The City's total payroll in fiscal year 2001 was \$2,854,070 and the City's contributions were based on a payroll of \$2,651,813. Contributions made by employees totaled \$185,627, and the City made contributions of \$381,444 during the fiscal year ended September 30, 2001.

Because the actuary determines contribution rates on an annual basis and the City pays the calculated rate each month, the City will always have a net pension obligation (NPO) of zero at the beginning and end of the period, and the annually required contributions (ARC) will always equal contributions made.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

Trend information regarding the plan is shown below.

Calendar Year	<u>2000</u>	<u>1999</u>	<u>1998</u>
Actuarial Value of Assets	\$ 1,646,001	\$ 1,087,017	\$ 734,674
Actuarial Accrued Liability	\$ 3,256,094	\$ 2,563,472	\$ 1,572,654
Percentage Funded	50.6%	42.4%	46.7%
Unfunded Actuarial Accrued Liability	\$ 1,610,093	\$ 1,476,455	\$ 837,980
Annual Covered Payroll	\$ 2,000,000	\$ 1,895,105	\$ 1,599,598
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	80.5%	77.9%	52.4%
Net Pension Obligation at the Beginning of Period	<u>\$</u>	<u>\$</u>	<u>\$</u>
Annual Required Contribution	280,000	269,444	197,743
Interest on Net Pension Obligation			
Adjustment to the Annual Required Contribution			
Annual Pension Cost	<u>280,000</u>	<u>269,444</u>	<u>197,743</u>
Contributions Made	280,000	269,444	197,743
Increase in Net Pension Obligation			
Net Pension Obligation at the End of Period	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

All assumptions for the December 31, 2000 valuations are contained in the 2000 TMRS comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. Actuarial assumptions of the plan follow:

Actuarial Cost Method	Unit Credit
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 Years – Open Period
Asset Valuation Method	Amortized Cost
Investment Rate of Return	8%
Projected Salary Increases	None
Includes Inflation At	None
Cost-of-Living Adjustments	None

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - INTERFUND TRANSACTIONS

Operating transfers between funds during the 2001 year were as follows:

<u>Operating Transfer From</u>	<u>Operating Transfer To</u>	<u>Amounts</u>
Enterprise Fund	General Fund	\$ 300,000
Asset Forfeiture	General Fund	1,363
Enterprise Fund	Capital Projects Fund	450,000
General Fund	Capital Projects Fund	984,000
General Fund	Golf Course Fund	310,426
Debt Service Fund	Golf Course Fund	250,000
		<u>\$ 1,735,363</u>

Interfund balances due to/from as of September 30, 2001 were as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amounts</u>
General Fund	Capital Projects Fund	\$ 56,031
General Fund	Internal Service Fund	32,582
General Fund	Spec. Rev. Fund - Motel Tax	5,833
General Fund	Spec. Rev. Fund - Asset Forfeiture	1,363
General Fund	Enterprise Fund - Golf Course	68,316
General Fund	Enterprise Fund - Utility Fund	155,374
Debt Service	General Fund	144,198
Debt Service	Enterprise Fund - Utility Fund	44,915
Enterprise Fund - Golf Course	Debt Service	242,992
Capital Projects Fund	Enterprise Fund - Utility Fund	468,358
Enterprise Fund - Golf Course	Capital Projects Fund	8,825
Enterprise Fund - Golf Course	Enterprise Fund - Utility Fund	12,468
Internal Service Fund	Enterprise Fund - Utility Fund	1,855
		<u>\$ 1,243,110</u>
<u>Due To Component Unit</u>	<u>Due From Primary Government</u>	<u>Amounts</u>
Jersey Village Crime Control and Prevention District	General Fund	<u>\$ 19,921</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintains two Enterprise Funds, which provide water and wastewater services and operations related to the City-owned golf course. Segment information for the year ended September 30, 2001, is as follows:

	Enterprise Funds		
	Utility Fund	Golf Course Fund	Total
Operating revenues	\$ 1,960,106	\$ 1,192,118	\$ 3,152,224
Depreciation expense	279,411	396,438	675,849
Operating income (loss)	423,407	(406,343)	17,064
Operating interfund transfers	(750,000)	560,426	(189,574)
Net (loss)	(297,592)	(280,928)	(578,520)
Current capital contributions	269,221		269,221
Property, plant, and equipment:			
Additions	821,506	17,500	839,006
Net working capital	1,815,166	155,519	1,970,685
Total assets	13,330,374	7,093,366	20,423,740
Bonds payable	1,500,000	7,400,000	8,900,000
Total equity (deficit)	11,071,345	(433,945)	10,637,400

NOTE 10 - FUND EQUITY

Reservations

Fund balance in the General Fund of \$76,393 is reserved for encumbrances.

Retained earnings in the Enterprise Fund of \$523,164 is reserved for the following:

Debt service	\$ 100,000
Water capacity	169,266
Wastewater capacity	253,898
	<u>\$ 523,164</u>

Designations

Fund balance in the General Fund of \$17,845 is designated as follows:

Future maintenance	\$ 8,598
Police department	1,120
Fire department	6,956
Parks department	1,171
	<u>\$ 17,845</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

Fund balance in the Special Revenue Fund of \$315,802 is designated for economic development.

Fund balance in the Capital Projects Fund of \$2,649,387 is designated for authorized construction.

NOTE 11 - CONTRIBUTED CAPITAL

The following is a schedule of changes in contributed capital for the Enterprise Fund.

	<u>2001</u>	<u>2000</u>
Contributed capital at beginning of year	\$ 9,941,322	\$ 9,765,094
Additions - Capital Projects Fund	269,221	266,228
Deductions - Depreciation on contributed assets	<u>(90,000)</u>	<u>(90,000)</u>
Contributed Capital at End of Year	<u>\$ 10,120,543</u>	<u>\$ 9,941,322</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The City had a number of capital improvement commitments at September 30, 2001. These commitments and their related capital improvement construction in progress are summarized in Note 4.

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. The City has not significantly reduced insurance coverage or had settlements, which exceeded coverage amounts for the past three fiscal years.

The City had no material unpaid claims liabilities at the end of the current or prior year.

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COMBINING, INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS AND SCHEDULES

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GENERAL FUND

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CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-1

GENERAL FUND
COMPARATIVE BALANCE SHEETS

September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Cash and temporary investments	\$ 3,875,912	\$ 3,168,865
Receivables:		
Taxes	117,031	70,243
Accounts	47,613	84,115
Due from other funds	319,499	351,041
	<u> </u>	<u> </u>
Total Assets	<u>\$ 4,360,055</u>	<u>\$ 3,674,264</u>
<u>Liabilities and Equity</u>		
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$ 930,284	\$ 892,101
Due to other funds	144,198	38,852
Due to component unit	19,921	
Deferred revenue	117,031	70,243
	<u> </u>	<u> </u>
Total Liabilities	<u>1,211,434</u>	<u>1,001,196</u>
<u>Equity</u>		
Fund Balances:		
Reserved:		
Encumbrances	76,393	57,514
Unreserved:		
Designated		
Future maintenance	8,598	8,598
Police department	1,120	1,120
Fire department	6,956	5,080
Parks department	1,171	1,171
Undesignated	<u>3,054,383</u>	<u>2,599,585</u>
	<u> </u>	<u> </u>
Total Equity	<u>3,148,621</u>	<u>2,673,068</u>
	<u> </u>	<u> </u>
Total Liabilities and Equity	<u>\$ 4,360,055</u>	<u>\$ 3,674,264</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 1 of 5

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2001

with comparative actual balances for the Year Ended September 30, 2000

	2001		Variance	2000
	Budget	Actual	Over (Under)	Actual
<u>Revenues</u>				
Property taxes	\$ 2,481,133	\$ 2,402,028	\$ (79,105)	\$ 1,823,730
Other taxes	1,907,000	2,654,006	747,006	1,984,985
Licenses and permits	104,500	110,332	5,832	123,410
Fines and warrants	446,300	468,848	22,548	472,585
Fees and charges for services	164,400	156,252	(8,148)	165,102
Mutual aid	4,000	4,600	600	4,470
Intergovernmental	62,224	63,959	1,735	101,079
Interest on investments	206,000	202,115	(3,885)	192,984
Other	763,537	87,342	(676,195)	115,755
Total Revenues	6,139,094	6,149,482	10,388	4,984,100
<u>Expenditures</u>				
General Government:				
City Administration:				
Personnel services	211,080	206,306	4,774	216,384
Supplies	5,765	5,563	202	3,769
Repairs and maintenance	1,020	942	78	735
Other services and charges	63,142	63,056	86	84,619
Capital outlay	5,795	5,795		1,453
Total City Administration	286,802	281,662	5,140	306,960
Legal and Other Services:				
Personnel services	117	117		101
Other services and charges	159,824	152,770	7,054	171,063
Total Legal and Other Services	159,941	152,887	7,054	171,164
Central Store:				
Supplies	18,100	15,685	2,415	18,727
Repairs and maintenance	7,953	3,327	4,626	8,808
Other services and charges	7,047	2,699	4,348	3,603
Capital outlay	43,000	41,270	1,730	4,479
Total Central Store	76,100	62,981	13,119	35,617

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 2 of 5

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2001

with comparative actual balances for the Year Ended September 30, 2000

	<u>2001</u>		<u>Variance Over (Under)</u>	<u>2000 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
<u>Expenditures (continued)</u>				
General Government: (continued)				
Finance:				
Personnel services	125,105	115,820	9,285	125,922
Supplies	4,700	2,264	2,436	2,281
Repairs and maintenance	24,300	7,074	17,226	4,805
Other services and charges	19,800	14,459	5,341	13,330
Capital outlay	9,300	4,000	5,300	17,007
Total Finance	183,205	143,617	39,588	163,345
Customer Service:				
Personnel services	81,727	69,022	12,705	74,154
Supplies	3,200	1,436	1,764	2,116
Repairs and maintenance	7,800	4,192	3,608	5,344
Other services and charges	39,513	32,218	7,295	26,791
Capital outlay	4,000		4,000	
Total Customer Service	136,240	106,868	29,372	108,405
Municipal Court:				
Personnel services	158,589	148,122	10,467	97,289
Supplies	4,500	3,002	1,498	2,972
Repairs and maintenance	2,800	2,280	520	2,561
Other services and charges	80,900	67,312	13,588	58,868
Capital outlay	1,729	1,662	67	3,000
Total Municipal Court	248,518	222,378	26,140	164,690
Total General Government	1,090,806	970,393	120,413	950,181

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 3 of 5

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2001

with comparative actual balances for the Year Ended September 30, 2000

	2001		Variance Over (Under)	2000 Actual
	Budget	Actual		
Expenditures (continued)				
Public Safety:				
Police:				
Personnel services	1,426,138	1,060,963	365,175	1,072,003
Supplies	34,160	18,082	16,078	6,084
Repairs and maintenance	17,556	2,960	14,596	15,119
Other services and charges	98,766	43,001	55,765	43,146
Capital outlay	91,057		91,057	21,345
Total Police	1,667,677	1,125,006	542,671	1,157,697
Dispatch:				
Personnel services	335,306	287,258	48,048	220,800
Supplies	5,100	3,249	1,851	3,386
Repairs and maintenance	3,760	2,487	1,273	3,711
Other services and charges	9,100	5,087	4,013	4,959
Capital outlay	83,740	42,112	41,628	2,820
Total Dispatch	437,006	340,193	96,813	235,676
Fire:				
Personnel services	189,877	194,263	(4,386)	122,089
Supplies	40,129	29,284	10,845	34,048
Repairs and maintenance	13,300	12,798	502	8,281
Other services and charges	93,771	68,121	25,650	62,537
Capital outlay	27,825	20,672	7,153	13,023
Total Fire	364,902	325,138	39,764	239,978
Fire Marshal:				
Personnel services	113,362	79,927	33,435	119,098
Supplies	3,800	2,527	1,273	2,272
Repairs and maintenance	600		600	
Other services and charges	1,900	918	982	1,368
Capital outlay	800	800		
Total Fire Marshal	120,462	84,172	36,290	122,738
Total Public Safety	2,590,047	1,874,509	715,538	1,756,089

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 4 of 5

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended September 30, 2001

with comparative actual balances for the Year Ended September 30, 2000

	2001		Variance Over (Under)	2000 Actual
	Budget	Actual		
<u>Expenditures (continued)</u>				
Public Works:				
Administration:				
Personnel services	85,387	81,238	4,149	165,372
Supplies	4,500	4,048	452	4,352
Repairs and maintenance	1,100	917	183	11,037
Other services and charges	60,062	58,788	1,274	29,799
Capital outlay				1,925
Total Administration	<u>151,049</u>	<u>144,991</u>	<u>6,058</u>	<u>212,485</u>
Code Enforcement:				
Personnel services	227,697	184,055	43,642	65,600
Supplies	4,300	1,624	2,676	1,766
Repairs and maintenance	1,400		1,400	
Other services and charges	19,500	15,445	4,055	4,704
Capital outlay	3,900	1,517	2,383	
Total Code Enforcement	<u>256,797</u>	<u>202,641</u>	<u>54,156</u>	<u>72,070</u>
Streets:				
Personnel services	163,971	151,384	12,587	156,914
Supplies	3,700	1,028	2,672	2,099
Repairs and maintenance	43,600	17,768	25,832	15,752
Other services and charges	174,600	170,839	3,761	135,107
Capital outlay	9,967	9,967		
Total Streets	<u>395,838</u>	<u>350,986</u>	<u>44,852</u>	<u>309,872</u>
Buildings & Grounds:				
Personnel services	52,209	45,774	6,435	49,886
Supplies	5,400	5,123	277	4,819
Repairs and maintenance	16,000	13,563	2,437	16,290
Other services and charges	78,900	84,520	(5,620)	46,403
Total Buildings & Grounds	<u>152,509</u>	<u>148,980</u>	<u>3,529</u>	<u>117,398</u>
Sanitation:				
Other services and charges	465,200	431,710	33,490	218,996
Total Sanitation	<u>465,200</u>	<u>431,710</u>	<u>33,490</u>	<u>218,996</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 5 of 5

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2001
with comparative actual balances for the Year Ended September 30, 2000

	<u>2001</u>		<u>Variance</u>	<u>2000</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over</u>	<u>Actual</u>
			<u>(Under)</u>	
<u>Expenditures (continued)</u>				
Public Works (continued):				
Fleet Service:				
Personnel services	100,437	109,158	(8,721)	88,375
Supplies	93,000	86,790	6,210	88,509
Repairs and maintenance	22,562	22,469	93	12,597
Other services and charges	78,100	75,294	2,806	289,629
Capital outlay	4,200	4,200		2,575
Total Fleet Service:	<u>298,299</u>	<u>297,911</u>	<u>388</u>	<u>481,685</u>
Total Public Works	<u>1,719,692</u>	<u>1,577,219</u>	<u>142,473</u>	<u>1,412,506</u>
Parks and Recreation:				
Personnel services	251,578	203,135	48,443	217,457
Supplies	22,300	16,804	5,496	13,953
Repairs and maintenance	23,000	16,753	6,247	13,466
Other services and charges	17,050	14,336	2,714	4,905
Capital outlay	15,500	7,717	7,783	6,223
Total Parks and Recreation	<u>329,428</u>	<u>258,745</u>	<u>70,683</u>	<u>256,004</u>
Total Expenditures	<u>5,729,973</u>	<u>4,680,866</u>	<u>1,049,107</u>	<u>4,374,780</u>
Revenues Over (Under) Expenditures	<u>409,121</u>	<u>1,468,616</u>	<u>1,059,495</u>	<u>609,320</u>
Other Financing Sources (Uses)				
Sale of assets				5,720
Operating transfers in	301,360	301,363	3	231,687
Operating transfers (out)	<u>(1,294,426)</u>	<u>(1,294,426)</u>		<u>(200,000)</u>
Total Other Financing Sources (Uses)	<u>(993,066)</u>	<u>(993,063)</u>	<u>3</u>	<u>37,407</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>(583,945)</u>	<u>475,553</u>	<u>1,059,498</u>	<u>646,727</u>
Fund balances - Beginning	<u>2,673,068</u>	<u>2,673,068</u>		<u>2,026,341</u>
Fund Balances - Ending	<u>\$ 2,089,123</u>	<u>\$ 3,148,621</u>	<u>\$ 1,059,498</u>	<u>\$ 2,673,068</u>

SPECIAL REVENUE FUNDS

Hotel Occupancy – This fund accounts for activities related to the collection of the City’s hotel occupancy tax.

Asset Forfeiture – This fund accounts for the activities related to funds collected for asset forfeiture.

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CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-1

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

September 30, 2001
with comparative totals for September 30, 2000

	<u>Hotel Occupancy</u>	<u>Asset Forfeiture</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
<u>Assets</u>				
Cash and temporary investments	\$ 321,635	\$ 1,363	\$ 322,998	\$ 233,775
Due from other funds				558
Total Assets	<u>\$ 321,635</u>	<u>\$ 1,363</u>	<u>\$ 322,998</u>	<u>\$ 234,333</u>
 <u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Due to other funds	\$ 5,833	\$ 1,363	\$ 7,196	\$
<u>Fund Balances</u>				
Unreserved and designated				
Hotel occupancy	315,802		315,802	232,999
Asset forfeiture				1,334
Total Liabilities and Fund Balances	<u>\$ 321,635</u>	<u>\$ 1,363</u>	<u>\$ 322,998</u>	<u>\$ 234,333</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-2

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE

Year Ended September 30, 2001
with comparative totals for the Year Ended September 30, 2000

	<u>Hotel</u> <u>Occupancy</u>	<u>Asset</u> <u>Forfeiture</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
<u>Revenues</u>				
Hotel occupancy tax	\$ 74,968	\$	\$ 74,968	\$ 64,464
Interest on investments	13,928	29	13,957	11,222
Total Revenues	<u>88,896</u>	<u>29</u>	<u>88,925</u>	<u>75,686</u>
<u>Expenditures</u>				
Current:				
General government	6,093		6,093	
Total Expenditures	<u>6,093</u>		<u>6,093</u>	
Revenues Over (Under) Expenditures	82,803	29	82,832	75,686
Other Financing Sources (Uses)				
Operating transfers (out)		(1,363)	(1,363)	
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	82,803	(1,334)	81,469	75,686
Fund Balances, beg. of year	<u>232,999</u>	<u>1,334</u>	<u>234,333</u>	<u>158,647</u>
Fund Balances, End of Year	<u>\$ 315,802</u>	<u>\$</u>	<u>\$ 315,802</u>	<u>\$ 234,333</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-3

SPECIAL REVENUE FUND (HOTEL OCCUPANCY)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2001

with comparative totals for the Year Ended September 30, 2000

	2001		Variance Over (Under)	2000 Actual
	Budget	Actual		
<u>Revenues</u>				
Hotel occupancy tax	\$ 59,000	\$ 74,968	\$ 15,968	\$ 64,464
Interest on investments	5,500	13,928	8,428	11,196
Total Revenues	<u>64,500</u>	<u>88,896</u>	<u>24,396</u>	<u>75,660</u>
<u>Expenditures</u>				
Current:				
General government	177,000	6,093	170,907	
Capital Outlay	133,415		133,415	
Total Expenditures	<u>310,415</u>	<u>6,093</u>	<u>304,322</u>	
Revenues Over (Under) Expenditures	(245,915)	82,803	328,718	75,660
Fund Balances, beginning of year	<u>232,999</u>	<u>232,999</u>		<u>157,339</u>
Fund Balances, End of Year	<u>\$ (12,916)</u>	<u>\$ 315,802</u>	<u>\$ 328,718</u>	<u>\$ 232,999</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-4

SPECIAL REVENUE FUND (ASSET FORFEITURE)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2001
with comparative totals for the Year Ended September 30, 2000

	2001		Variance Over (Under)	2000 Actual
	Budget	Actual		
<u>Revenues</u>				
Interest on investments	\$	\$ 29	\$ 29	\$ 26
Total Revenues		29	29	26
Other Financing Sources (Uses)				
Operating transfers (out)	(1,360)	(1,363)		
Revenues Over (Under) Other Financing (Uses)	(1,360)	(1,334)	29	26
Fund Balances, beginning of year	1,334	1,334		1,308
Fund Balances, End of Year	\$ (26)	\$	\$ 29	\$ 1,334

DEBT SERVICE FUND

The Debt Service Fund is used to account for property taxes levied for payment of principal and interest on all general long-term debt of the City.

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CITY OF JERSEY VILLAGE, TEXAS

Exhibit D-1

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Cash and temporary investments	\$ 1,120,459	\$ 1,040,754
Taxes receivable	58,504	30,460
Due from other funds	189,113	
	<hr/>	<hr/>
Total Assets	\$ 1,368,076	\$ 1,071,214
	<hr/>	<hr/>
<u>Liabilities and Equity</u>		
<u>Liabilities</u>		
Due to other funds	\$ 242,992	\$ 888
Deferred revenue	58,504	30,460
	<hr/>	<hr/>
Total Liabilities	301,496	31,348
	<hr/>	<hr/>
<u>Equity</u>		
Fund Balances:		
Reserved for debt service	1,066,580	1,039,866
	<hr/>	<hr/>
Total Equity	1,066,580	1,039,866
	<hr/>	<hr/>
Total Liabilities and Equity	\$ 1,368,076	\$ 1,071,214
	<hr/>	<hr/>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit D-2

DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2001
with comparative totals for the Year Ended September 30, 2000

	2001		Variance	2000
	Budget	Actual	Over (Under)	Actual
<u>Revenues</u>				
Property taxes	\$ 1,521,740	\$ 1,532,185	\$ 10,445	\$ 1,151,045
Interest on investments	40,000	64,935	24,935	70,732
Total Revenues	1,561,740	1,597,120	35,380	1,221,777
<u>Expenditures</u>				
Principal retirement	1,235,000	910,000	325,000	750,000
Interest retirement	504,608	404,608	100,000	483,606
Fiscal charges	10,000	5,798	4,202	31,538
Total Expenditures	1,749,608	1,320,406	429,202	1,265,144
Revenues Over (Under) Expenditures	(187,868)	276,714	464,582	(43,367)
Other Financing Sources (Uses)				
Proceeds of long-term debt				1,255,000
Payment to paying agent				(1,255,000)
Operating transfers (out)	(250,000)	(250,000)		
Total Other Financing Sources (Uses)	(250,000)	(250,000)		
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(437,868)	26,714	464,582	(43,367)
Fund Balances, beginning of year	1,039,866	1,039,866		1,083,233
Fund Balances, End of Year	\$ 601,998	\$ 1,066,580	\$ 464,582	\$ 1,039,866

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for financial resources used for the acquisition and/or construction of major capital facilities.

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CITY OF JERSEY VILLAGE, TEXAS

Exhibit E-1

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Cash and temporary investments	\$ 2,245,883	\$ 2,069,005
Due from other funds	468,358	43,294
	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,714,241</u>	<u>\$ 2,112,299</u>
<u>Liabilities and Equity</u>		
<u>Liabilities</u>		
Due to other funds	\$ 64,856	\$ 1,244
	<u> </u>	<u> </u>
<u>Equity</u>		
Fund Balances:		
Unreserved:		
Designated for construction	2,649,387	2,111,055
	<u> </u>	<u> </u>
Total Equity	<u>2,649,387</u>	<u>2,111,055</u>
	<u> </u>	<u> </u>
Total Liabilities and Equity	<u>\$ 2,714,243</u>	<u>\$ 2,112,299</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit E-2

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2001
with comparative actual balances for the Year Ended September 30, 2000

	2001		Variance	2000
	Budget	Actual	Over (Under)	Actual
<u>Revenues</u>				
Interest on investments	\$ 30,000	\$ 88,858	\$ 58,858	\$ 95,575
Total Revenues	<u>30,000</u>	<u>88,858</u>	<u>58,858</u>	<u>95,575</u>
<u>Expenditures</u>				
Capital Outlay:				
General Government:				
City Hall	4,000,000	326,915	3,673,085	9,769
Public Works:				
Parks	56,400		56,400	
Streets	1,982,500	101,670	1,880,830	24,050
Water and sewer	2,018,158	555,941	1,462,217	365,729
Total Expenditures	<u>8,057,058</u>	<u>984,526</u>	<u>7,072,532</u>	<u>399,548</u>
Revenues Over (Under) Expenditures	<u>(8,027,058)</u>	<u>(895,668)</u>	<u>7,131,390</u>	<u>(303,973)</u>
<u>Other Financing Sources</u>				
Proceeds of long-term debt	5,000,000		5,000,000	
Operating transfers in	984,000	1,434,000	450,000	650,000
Total Other Financing Sources	<u>5,984,000</u>	<u>1,434,000</u>	<u>5,450,000</u>	<u>650,000</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>(2,043,058)</u>	<u>538,332</u>	<u>12,581,390</u>	<u>346,027</u>
Fund balances - Beginning	<u>2,111,055</u>	<u>2,111,055</u>		<u>1,765,028</u>
Fund Balances - Ending	<u>\$ 67,997</u>	<u>\$ 2,649,387</u>	<u>\$ 12,581,390</u>	<u>\$ 2,111,055</u>

ENTERPRISE FUNDS

These funds are used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The following describes the various types of Enterprise Funds used by the City:

Utility Fund - This fund accounts for the operations of the water and sewer system.

Golf Course Fund - This fund is used to account for the City-owned golf course and its operations.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit F-1

ENTERPRISE FUNDS
COMBINING BALANCE SHEETS

September 30, 2001
with comparative totals for September 30, 2000

	<u>Utility</u>	<u>Golf Course</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
<u>Assets</u>				
<u>Current Assets</u>				
Cash and temporary investments	\$ 2,492,413	\$ 102,063	\$ 2,594,476	\$ 3,045,789
Accounts receivable	181,782	936	182,718	206,262
Due from other funds		264,285	264,285	1,244
Inventory		40,934	40,934	24,008
Prepaid expenses		9,612	9,612	14,771
Total Current Assets	<u>2,674,195</u>	<u>417,830</u>	<u>3,092,025</u>	<u>3,292,074</u>
<u>Land, Buildings and Equipment</u>	14,069,108	7,269,319	21,338,427	20,543,850
Less accumulated depreciation	(3,412,929)	(593,783)	(4,006,712)	(3,330,862)
Land, Buildings and Equipment, Net	<u>10,656,179</u>	<u>6,675,536</u>	<u>17,331,715</u>	<u>17,212,988</u>
Total Assets	<u>\$ 13,330,374</u>	<u>\$ 7,093,366</u>	<u>\$ 20,423,740</u>	<u>\$ 20,505,062</u>
<u>Liabilities and Equity</u>				
<u>Current Liabilities</u>				
Accounts payable and accrued liabilities	\$ 6,976	\$ 58,995	\$ 65,971	\$ 209,371
Due to other funds	682,970	68,316	751,286	282,681
Customer deposits	69,083		69,083	66,311
Revenue bonds payable-current portion	100,000		100,000	100,000
Certificates of obligation-current portion		135,000	135,000	
Total Current Liabilities	<u>859,029</u>	<u>262,311</u>	<u>1,121,340</u>	<u>658,363</u>
Revenue bonds payable-less current portion	1,400,000		1,400,000	1,500,000
Certificates of obligation-less current portion		7,265,000	7,265,000	7,400,000
	<u>1,400,000</u>	<u>7,265,000</u>	<u>8,665,000</u>	<u>8,900,000</u>
Total Liabilities	<u>2,259,029</u>	<u>7,527,311</u>	<u>9,786,340</u>	<u>9,558,363</u>
<u>Equity</u>				
Contributed Capital	10,120,543		10,120,543	9,941,322
Retained Earnings (Deficit):				
Reserved:				
Debt service	100,000		100,000	16,100
Water capacity	169,266		169,266	144,683
Wastewater capacity	253,898		253,898	217,024
Unreserved	427,638	(433,945)	(6,307)	627,570
Total Equity	<u>11,071,345</u>	<u>(433,945)</u>	<u>10,637,400</u>	<u>10,946,699</u>
Total Liabilities and Equity	<u>\$ 13,330,374</u>	<u>\$ 7,093,366</u>	<u>\$ 20,423,740</u>	<u>\$ 20,505,062</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit F-2

ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

Year Ended September 30, 2001

with comparative totals for Year Ended September 30, 2000

	Utility	Golf Course	Totals	
			2001	2000
<u>Operating Revenues</u>				
Charges for services	\$ 1,870,029	\$ 1,192,118	\$ 3,062,147	\$ 2,057,702
Penalties and interest	23,936		23,936	20,162
Impact fees	41,741		41,741	36,764
Other	24,400		24,400	33,375
Total Operating Revenues	1,960,106	1,192,118	3,152,224	2,148,003
<u>Operating Expenses</u>				
Personnel services	278,269	644,037	922,306	347,301
Materials and supplies	19,425	200,194	219,619	58,363
Repairs and maintenance	84,618	42,271	126,889	92,246
Utilities	147,617	51,715	199,332	218,990
Purchased services	249,596	43,181	292,777	223,560
Depreciation	279,411	396,438	675,849	473,598
Other services and charges	477,763	220,625	698,388	264,528
Total Operating Expenses	1,536,699	1,598,461	3,135,160	1,678,586
Operating Income (Loss)	423,407	(406,343)	17,064	469,417
<u>Non-Operating Revenue (Expenses)</u>				
Investment income	121,751	11,586	133,337	134,589
Interest and fiscal charges	(92,750)	(446,597)	(539,347)	(56,146)
Total Non-Operating Revenue (Expenses)	29,001	(435,011)	(406,010)	78,443
Income (Loss) Before Operating Transfers	452,408	(841,354)	(388,946)	547,860
Operating transfers in (out)	(750,000)	560,426	(189,574)	(681,687)
Net Income (Loss)	(297,592)	(280,928)	(578,520)	(133,827)
Add depreciation on fixed assets acquired with external contributions	90,000		90,000	90,000
Change in Retained Earnings	(207,592)	(280,928)	(488,520)	(43,827)
Retained earnings (deficit), beginning of year	1,158,394	(153,017)	1,005,377	1,049,204
Retained Earnings (Deficit), End of Year	950,802	(433,945)	516,857	1,005,377
Contributed capital, beginning of year	9,941,322		9,941,322	9,765,094
Depreciation transferred from R.E.	(90,000)		(90,000)	(90,000)
Increase in contributed capital	269,221		269,221	266,228
Contributed Capital, End of Year	10,120,543		10,120,543	9,941,322
Fund Equity (Deficit), End of Year	\$ 11,071,345	\$ (433,945)	\$ 10,637,400	\$ 10,946,699

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CITY OF JERSEY VILLAGE, TEXAS

Exhibit F-3

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended September 30, 2001
with comparative totals for Year Ended September 30, 2000

	<u>Utility</u>	<u>Golf Course</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
<u>Cash Flows from Operating Activities</u>				
Operating Income	\$ 423,407	\$ (406,343)	\$ 17,064	\$ 469,417
Adjustments to Reconcile Operating Income to Net Cash				
Provided by Operating Activities:				
Depreciation and amortization	279,411	396,438	675,849	473,598
(Increase) Decrease in accts receivable	20,595	2,949	23,544	(1,826)
(Increase) Decrease in inventory		(16,926)	(16,926)	(24,008)
(Increase) Decrease in prepaid expenses		5,159	5,159	(14,771)
Increase (Decrease) in accounts payable and accrued liabilities	(15,048)	(128,352)	(143,400)	199,009
Increase in customer deposits	2,772		2,772	5,147
Net Cash Provided (Used) by Operating Activities	<u>711,137</u>	<u>(147,075)</u>	<u>564,062</u>	<u>1,106,566</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
(Increase) Decrease in due from other funds	1,244	(264,285)	(263,041)	383,844
Increase (Decrease) in due to other funds	407,103	61,503	468,606	282,681
Operating transfers in (out)	(750,000)	560,426	(189,574)	(681,687)
Net Cash Provided (Used) by Financing Activities	<u>(341,653)</u>	<u>357,644</u>	<u>15,991</u>	<u>(15,162)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Proceeds from bond issues				9,000,000
Capital expenditures for property, plant, and equipment	(507,856)	(17,500)	(525,356)	(7,812,826)
Revenue bond principal payments	(100,000)		(100,000)	
Interest payments on revenue bonds	(92,750)	(446,597)	(539,347)	(56,146)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(700,606)</u>	<u>(464,097)</u>	<u>(1,164,703)</u>	<u>1,131,028</u>
<u>Cash Flows from Investing Activities</u>				
Interest on investments	121,751	11,586	133,337	134,589
Net Cash Provided by Investing Activities	<u>121,751</u>	<u>11,586</u>	<u>133,337</u>	<u>134,589</u>
Net Increase in Cash and Cash Equivalents	(209,371)	(241,942)	(451,313)	2,357,021
Cash and cash equivalents, beginning of year	2,701,784	344,005	3,045,789	688,768
Cash and Cash Equivalents, End of Year	<u>\$ 2,492,413</u>	<u>\$ 102,063</u>	<u>\$ 2,594,476</u>	<u>\$ 3,045,789</u>
<u>Supplemental Information:</u>				
Assets contributed by other funds	<u>\$ 269,221</u>	<u>\$</u>	<u>\$ 269,221</u>	<u>\$ 266,228</u>

CITY OF JERSEY VILLAGE, TEXAS

ENTERPRISE FUNDS
COMBINING SCHEDULE OF LONG-TERM DEBT
BY MATURITY DATE

Year Ended September 30, 2001

Fiscal Year Ending	Total Requirements - All Series			Utility Fund - Waterworks and Sewer Revenue Series 2000		
	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 235,000	\$ 524,590	\$ 759,590	\$ 100,000	\$ 85,750	\$ 185,750
2003	245,000	505,130	750,130	100,000	78,750	178,750
2004	260,000	484,558	744,558	100,000	71,750	171,750
2005	270,000	464,487	734,487	100,000	64,750	164,750
2006	280,000	445,238	725,238	100,000	57,750	157,750
2007	290,000	425,287	715,287	100,000	50,750	150,750
2008	305,000	404,463	709,463	100,000	43,750	143,750
2009	315,000	383,637	698,637	100,000	37,625	137,625
2010	330,000	362,938	692,938	100,000	32,500	132,500
2011	345,000	341,312	686,312	100,000	27,500	127,500
2012	360,000	318,638	678,638	100,000	22,500	122,500
2013	375,000	294,912	669,912	100,000	17,500	117,500
2014	395,000	269,963	664,963	100,000	12,500	112,500
2015	410,000	243,787	653,787	100,000	7,500	107,500
2016	430,000	216,594	646,594	100,000	2,500	102,500
2017	350,000	194,000	544,000			
2018	370,000	176,000	546,000			
2019	395,000	156,875	551,875			
2020	420,000	136,500	556,500			
2021	445,000	114,875	559,875			
2022	475,000	91,875	566,875			
2023	500,000	67,500	567,500			
2024	535,000	41,625	576,625			
2025	565,000	14,125	579,125			
	<u>\$ 8,900,000</u>	<u>\$ 6,678,909</u>	<u>\$ 15,578,909</u>	<u>\$ 1,500,000</u>	<u>\$ 613,375</u>	<u>\$ 2,113,375</u>

Fiscal Year Ending	Golf Course Fund - Certificates of Obligation Series 2000			Golf Course Fund - Certificates of Obligation Series 2000A		
	Principal	Interest	Total	Principal	Interest	Total
2002	\$	\$ 405,688	\$ 405,688	\$ 135,000	\$ 33,152	\$ 168,152
2003		405,687	405,687	145,000	20,693	165,693
2004		405,688	405,688	160,000	7,120	167,120
2005	170,000	399,737	569,737			
2006	180,000	387,488	567,488			
2007	190,000	374,537	564,537			
2008	205,000	360,713	565,713			
2009	215,000	346,012	561,012			
2010	230,000	330,438	560,438			
2011	245,000	313,812	558,812			
2012	260,000	296,138	556,138			
2013	275,000	277,412	552,412			
2014	295,000	257,463	552,463			
2015	310,000	236,287	546,287			
2016	330,000	214,094	544,094			
2017	350,000	194,000	544,000			
2018	370,000	176,000	546,000			
2019	395,000	156,875	551,875			
2020	420,000	136,500	556,500			
2021	445,000	114,875	559,875			
2022	475,000	91,875	566,875			
2023	500,000	67,500	567,500			
2024	535,000	41,625	576,625			
2025	565,000	14,125	579,125			
	\$ 6,960,000	\$ 6,004,569	\$ 12,964,569	\$ 440,000	\$ 60,965	\$ 500,965

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GENERAL FIXED ASSETS

This account group is established to account for the fixed assets owned by the City excluding those relating to Enterprise Fund operations. Expenditure transactions to acquire general fixed assets occur in the Governmental Fund Types.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit G-1

GENERAL FIXED ASSETS
COMPARATIVE SCHEDULES OF GENERAL FIXED
ASSETS - BY SOURCE

September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>General Fixed Assets</u>		
Land, buildings and improvements	\$ 9,242,188	\$ 9,242,188
Equipment	1,622,108	1,439,740
Construction in progress	655,931	39,536
Total General Fixed Assets	<u>\$ 11,520,227</u>	<u>\$ 10,721,464</u>
 <u>Investment in General Fixed Assets</u>		
General obligation bonds	\$ 3,928,395	\$ 3,312,000
Certificates of obligation	4,065,136	4,065,136
Municipality	1,436,367	1,253,999
Annexation of utility districts	1,990,329	1,990,329
Donations	100,000	100,000
Total Investment in General Fixed Assets	<u>\$ 11,520,227</u>	<u>\$ 10,721,464</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit G-2

GENERAL FIXED ASSETS
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION
AND ACTIVITY

September 30, 2001

<u>Function and Activity</u>	<u>Land, Buildings & Improvements</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
<u>General Administration and Finance</u>	\$ 1,310,154	\$ 835,236	\$	\$ 2,145,390
<u>Public Safety</u>				
Police	1,051,369	345,189		1,396,558
Fire	128,500	280,766		409,266
<u>Total Public Safety</u>	<u>1,179,869</u>	<u>625,955</u>		<u>1,805,824</u>
<u>Public Works</u>				
Streets and drainage	5,516,318	148,287		5,664,605
Fleet services	200,000			200,000
<u>Total Public Works</u>	<u>5,716,318</u>	<u>148,287</u>		<u>5,864,605</u>
<u>Community Services</u>				
Parks & recreation	300,000	12,630		312,630
Civic center	387,430			387,430
Swimming pool	348,417			348,417
<u>Total Community Services</u>	<u>1,035,847</u>	<u>12,630</u>		<u>1,048,477</u>
Construction in Progress			655,931	655,931
<u>Total General Fixed Assets</u>	<u>\$ 9,242,188</u>	<u>\$ 1,622,108</u>	<u>\$ 655,931</u>	<u>\$ 11,520,227</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit G-3

GENERAL FIXED ASSETS
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY

Year Ended September 30, 2001

<u>Function and Activity</u>	<u>General Fixed Assets October 1, 2000</u>	<u>Additions</u>	<u>Retirements</u>	<u>General Fixed Assets Sept. 30, 2001</u>
<u>General Administration and Finance</u>	\$ 2,106,551	\$ 51,514	\$ (12,675)	\$ 2,145,390
	<u>2,106,551</u>	<u>51,514</u>	<u>(12,675)</u>	<u>2,145,390</u>
<u>Public Safety</u>				
Police	1,270,135	126,423		1,396,558
Fire	<u>396,417</u>	<u>13,789</u>	<u>(940)</u>	<u>409,266</u>
Total Public Safety	<u>1,666,552</u>	<u>140,212</u>	<u>(940)</u>	<u>1,805,824</u>
<u>Public Works</u>				
Streets and drainage	5,664,605			5,664,605
Fleet services	<u>200,000</u>			<u>200,000</u>
Total Public Works	<u>5,864,605</u>			<u>5,864,605</u>
<u>Community Services</u>				
Parks & recreation	308,373	4,257		312,630
Civic center	387,430			387,430
Swimming pool	<u>348,417</u>			<u>348,417</u>
Total Community Services	<u>1,044,220</u>	<u>4,257</u>		<u>1,048,477</u>
Construction in Progress	<u>39,536</u>	<u>616,395</u>		<u>655,931</u>
Total General Fixed Assets	<u>\$ 10,721,464</u>	<u>\$ 812,378</u>	<u>\$ (13,615)</u>	<u>\$ 11,520,227</u>

GENERAL LONG-TERM DEBT

This account group is established to account for the principal outstanding on general obligation bonds and other long-term liabilities.

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CITY OF JERSEY VILLAGE, TEXAS

Exhibit H-1

COMPARATIVE SCHEDULES OF
GENERAL LONG-TERM DEBT

September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>Amount Available and to be Provided for the</u>		
<u>Payment of General Long-Term Debt</u>		
Amount available in Debt Service Fund	\$ 1,066,580	\$ 1,039,866
Amount to be provided for retirement of general long-term debt	<u>7,297,439</u>	<u>8,015,539</u>
Total Amount Available and to be Provided	<u>\$ 8,364,019</u>	<u>\$ 9,055,405</u>
<u>General Long-Term Debt Payable</u>		
Certificates of obligation	\$ 1,625,000	\$ 1,875,000
General obligation bonds	4,114,991	4,774,991
Accrued interest on premium compound interest bonds	<u>2,624,028</u>	<u>2,405,414</u>
Total General Long-Term Debt Payable	<u>\$ 8,364,019</u>	<u>\$ 9,055,405</u>

CITY OF JERSEY VILLAGE, TEXAS

SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT

September 30, 2001

<u>Date of Issue</u>	<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>
07/15/1986	General Obligation Bonds - Series 1986	7.00 - 9.00%	\$ 1,200,000
06/01/1994	Certificates of Obligation - Series 1994	5.00 - 6.50%	1,900,000
03/21/1995	Certificates of Obligation - Series 1995	5.00 - 6.00%	750,000
10/18/1991	MUD No. 247 Refunding Bonds - 1991	6.25 - 8.10%	3,924,991
08/01/1996	MUD No. 199 Refunding Bonds -1996	4.75 - 6.25%	1,225,000
02/25/2000	General Obligation Ref. Bonds - Series 2000	5.00 - 7.00%	1,255,000
Totals			

<u>Amounts Outstanding October 1, 2000</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amounts Outstanding Sept. 30, 2001</u>	<u>Interest Current Year</u>
\$ 150,000	\$	\$ 75,000	\$ 75,000	\$ 7,875
1,400,000		150,000	1,250,000	72,250
475,000		100,000	375,000	21,250
2,384,991		370,000	2,014,991	177,160
985,000		90,000	895,000	59,060
<u>1,255,000</u>		<u>125,000</u>	<u>1,130,000</u>	<u>67,013</u>
<u>\$ 6,649,991</u>	<u>\$</u>	<u>\$ 910,000</u>	<u>\$ 5,739,991</u>	<u>\$ 404,608</u>

CITY OF JERSEY VILLAGE, TEXAS

SCHEDULE OF GENERAL LONG-TERM DEBT
SERVICE REQUIREMENTS TO MATURITY

September 30, 2001

Due During Fiscal Year Ending Sept. 30,	Annual Requirements for All Series			General Obligation Bonds Series 1986		
	Total	Total	Total	Principal	Interest Due	Total
	Principal Due	Interest Due		Due March 15	March 15, Sept. 15	
2002	\$ 582,476	\$ 687,486	\$ 1,269,962	\$ 75,000	\$ 2,625	\$ 77,625
2003	555,755	673,443	1,229,198			
2004	530,224	660,767	1,190,991			
2005	399,163	623,076	1,022,239			
2006	400,729	615,786	1,016,515			
2007	407,094	582,961	990,055			
2008	435,054	576,843	1,011,897			
2009	442,732	539,851	982,583			
2010	139,317	708,135	847,452			
2011	7,447	706,593	714,040			
2012	565,000	149,040	714,040			
2013	615,000	103,275	718,275			
2014	660,000	53,460	713,460			
Totals	\$ 5,739,991	\$ 6,680,716	\$ 12,420,707	\$ 75,000	\$ 2,625	\$ 77,625

	MUD No. 247 Refunding Series 1991			MUD No. 199 Refunding Series 1996		
	Principal	Interest Due	Total	Principal	Interest Due	Total
	Due April 1	October 1, April 1		Due April 1	October 1, April 1	
2002	\$ 37,476	\$ 491,564 *	\$ 529,040	\$ 95,000	\$ 54,110	\$ 149,110
2003	30,755	508,285 *	539,040	100,000	48,695	148,695
2004	25,224	523,816 *	549,040	105,000	42,895	147,895
2005	19,163	509,876 *	529,039	105,000	36,700	141,700
2006	15,729	523,311 *	539,040	110,000	30,400	140,400
2007	12,094	511,946 *	524,040	120,000	23,690	143,690
2008	10,054	528,986 *	539,040	125,000	16,250	141,250
2009	7,732	516,308 *	524,040	135,000	8,437	143,437
2010	9,317	704,723 *	714,040			
2011	7,447	706,593 *	714,040			
2012	565,000	149,040	714,040			
2013	615,000	103,275	718,275			
2014	660,000	53,460	713,460			
Totals	\$ 2,014,991	\$ 5,831,183	\$ 7,846,174	\$ 895,000	\$ 261,177	\$ 1,156,177

* Includes accreted interest on premium compound interest bonds.

Due During Fiscal Year Ending Sept. 30,	Certificate of Obligation Series 1994			Certificate of Obligation Series 1995		
	Principal Due March 15	Interest Due March 15, Sept. 15	Total	Principal Due March 15	Interest Due March 15, Sept. 15	Total
	2002	\$ 150,000	\$ 64,675	\$ 214,675	\$ 100,000	\$ 16,250
2003	150,000	56,950	206,950	150,000	10,000	160,000
2004	150,000	49,075	199,075	125,000	3,125	128,125
2005	150,000	41,050	191,050			
2006	150,000	32,875	182,875			
2007	150,000	24,438	174,438			
2008	175,000	15,094	190,094			
2009	175,000	5,031	180,031			
2010						
2011						
2012						
2013						
2014						
Totals	<u>\$ 1,250,000</u>	<u>\$ 289,188</u>	<u>\$ 1,539,188</u>	<u>\$ 375,000</u>	<u>\$ 29,375</u>	<u>\$ 404,375</u>

	General Obligation Refund. Series 2000		
	Principal Due March 15	Interest Due March 15, Sept. 15	Total
	2002	\$ 125,000	\$ 58,262
2003	125,000	49,513	174,513
2004	125,000	41,856	166,856
2005	125,000	35,450	160,450
2006	125,000	29,200	154,200
2007	125,000	22,887	147,887
2008	125,000	16,513	141,513
2009	125,000	10,075	135,075
2010	130,000	3,412	133,412
2011			
2012			
2013			
2014			
Totals	<u>\$ 1,130,000</u>	<u>\$ 267,168</u>	<u>\$ 1,397,168</u>

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UNAUDITED STATISTICAL SECTION

CITY OF JERSEY VILLAGE, TEXAS

GENERAL GOVERNMENT REVENUES BY SOURCE

Last Ten Fiscal Years

<u>Function</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Property taxes	\$ 1,806,602	\$ 1,923,292	\$ 1,934,908	\$ 2,000,348
Other taxes	712,572	670,440	695,633	740,539
Licenses and permits	36,131	33,683	35,058	48,845
Fines and warrants	234,616	270,571	247,397	147,467
Fees and charges for services	39,606	31,750	35,609	31,189
Mutual aid	8,240	9,375	7,575	4,100
Intergovernmental			23,070	
Interest on investments	47,761	44,019	58,843	163,538
Other revenue	<u>111,282</u>	<u>83,178</u>	<u>44,713</u>	<u>78,975</u>
	<u>\$ 2,996,810</u>	<u>\$ 3,066,308</u>	<u>\$ 3,082,806</u>	<u>\$ 3,215,001</u>

Includes General, Special Revenue, Debt Service, Capital Projects Funds and Component Units for 1995-2001 fiscal years. Prior to 1995, amounts excluded Capital Projects Fund activity.

Source - Accounting records of the City.

Table 1

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
\$ 1,910,704	\$ 2,025,203	\$ 2,098,134	\$ 2,620,888	\$ 2,974,775	\$ 3,934,213
968,365	1,048,605	1,102,110	1,735,116	2,556,441	3,366,550
57,656	37,359	120,499	87,731	123,410	110,332
208,879	217,036	250,481	365,854	472,585	468,848
30,880	126,971	176,192	165,902	165,102	156,252
	3,920	4,375		4,470	4,600
34,153	28,411	736,954	51,021	101,079	63,959
167,821	186,110	215,028	257,625	386,234	393,051
<u>72,161</u>	<u>75,428</u>	<u>42,743</u>	<u>186,891</u>	<u>115,755</u>	<u>87,342</u>
<u>\$ 3,450,619</u>	<u>\$ 3,749,043</u>	<u>\$ 4,746,516</u>	<u>\$ 5,471,028</u>	<u>\$ 6,899,851</u>	<u>\$ 8,585,147</u>

CITY OF JERSEY VILLAGE, TEXAS

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

<u>Function</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
General government	\$ 496,369	\$ 515,457	\$ 858,083	\$ 599,038
Public safety	946,167	967,659	1,110,552	1,143,729
Public works	657,873	643,251	708,912	755,126
Parks and recreation	229,747	190,151	216,244	172,774
Capital outlay				796,539
Debt service	<u>536,164</u>	<u>513,485</u>	<u>497,381</u>	<u>535,803</u>
	<u>\$ 2,866,320</u>	<u>\$ 2,830,003</u>	<u>\$ 3,391,172</u>	<u>\$ 4,003,009</u>

Includes General, Special Revenue, Debt Service, Capital Projects Funds and Component Units for 1995-2001 fiscal years. Prior to 1995, amounts excluded Capital Projects Fund activity.

Source - Accounting records of the City.

Table 2

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
\$ 554,444	\$ 623,901	\$ 919,141	\$ 794,586	\$ 950,181	\$ 976,486
1,224,660	1,318,004	1,372,878	1,795,737	1,991,631	2,351,412
780,232	852,707	955,147	981,523	1,412,506	1,577,219
200,510	183,004	232,094	241,396	256,004	258,745
557,603	583,843	539,329	1,970,872	435,820	984,526
<u>448,388</u>	<u>482,423</u>	<u>461,946</u>	<u>2,308,393</u>	<u>1,265,144</u>	<u>1,320,406</u>
<u>\$ 3,765,837</u>	<u>\$ 4,043,882</u>	<u>\$ 4,480,535</u>	<u>\$ 8,092,507</u>	<u>\$ 6,311,286</u>	<u>\$ 7,468,794</u>

CITY OF JERSEY VILLAGE, TEXAS

Table 3

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Levy and Adjust.</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Levy and Adjust.</u>	<u>Outstanding Delinquent Taxes</u>	<u>O/S Delinquent Taxes as Percent of Levy and Adjust.</u>
1992	1991	0.71850	\$ 1,810,022	\$ 1,795,843	99.22	\$ 102,576	5.67
1993	1992	0.73000	1,877,669	1,919,377	102.22	60,868	3.24
1994	1993	0.73000	1,904,604	1,904,908	100.02	60,564	3.18
1995	1994	0.73000	1,972,375	1,981,369	100.46	51,570	2.61
1996	1995	0.68410	1,907,160	1,903,522	99.81	55,208	2.89
1997	1996	0.68410	2,004,325	2,003,970	99.98	55,563	2.77
1998	1997	0.68408	2,075,236	2,080,800	100.27	49,999	2.41
1999	1998	0.68408	2,653,532	2,620,888	98.77	82,643	3.11
2000	1999	0.68408	2,992,835	2,974,775	99.40	100,703	3.36
2001	2000	0.67500	3,965,845	3,891,013	98.11	175,535	4.43

Source - Tax assessor/collector's records.

CITY OF JERSEY VILLAGE, TEXAS

Table 4

**ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Assessed Value to Estimated Actual Value</u>
1992	1991	\$ 249,479,770	\$ 257,535,570	96.87
1993	1992	256,069,560	266,172,010	96.20
1994	1993	264,119,510	273,472,470	96.58
1995	1994	270,188,356	278,714,280	96.94
1996	1995	278,791,996	286,530,390	97.30
1997	1996	289,851,600	297,896,974	97.30
1998	1997	298,945,530	313,892,807	95.24
1999	1998	319,000,537	328,582,998	97.08
2000	1999	429,510,881	453,549,380	94.70
2001	2000	564,579,920	579,017,030	97.51

Source - Tax assessor/collector's records.

CITY OF JERSEY VILLAGE, TEXAS

**PROPERTY TAX RATES AND TAX LEVIES -
DIRECT AND OVERLAPPING**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City of Jersey Village</u>	<u>Cypress-Fairbanks ISD</u>	<u>Harris County</u>	<u>Port of Houston Authority</u>
<u>Tax Levies and Adjust.</u>					
1992	1991	\$ 1,810,022	\$ 58,815,671	\$ 341,733,008	\$ 17,091,568
1993	1992	1,877,669	56,296,766	371,558,722	16,726,662
1994	1993	1,904,604	131,002,581	382,535,958	13,808,086
1995	1994	1,972,375	139,421,783	412,804,415	14,976,058
1996	1995	1,907,160	162,792,374	473,600,094	14,952,080
1997	1996	2,004,325	173,088,071	523,916,738	24,162,556
1998	1997	2,075,236	176,423,440	520,373,005	24,359,472
1999	1998	2,653,532	171,055,799	547,937,258	28,031,572
2000	1999	3,015,542	244,700,451	556,815,185	28,760,514
2001	2000	3,965,846	240,329,904	553,216,000	26,304,113
<u>Tax Rates (*)</u>					
1992	1991	\$ 0.71850	\$ 0.82000	\$ 0.32190	\$ 0.01530
1993	1992	0.73000	0.76800	0.32910	0.01500
1994	1993	0.73000	1.72000	0.33850	0.01220
1995	1994	0.73000	1.75000	0.36470	0.01220
1996	1995	0.68410	1.75000	0.40680	0.01280
1997	1996	0.68410	1.75000	0.42480	0.01960
1998	1997	0.68408	1.77000	0.41870	0.02000
1999	1998	0.68408	1.77000	0.41660	0.02132
2000	1999	0.68408	1.70900	0.39843	0.02040
2001	2000	0.67500	1.70900	0.35902	0.01830

Source - Tax Department records of the various taxing authorities.

(*) Per \$100 valuation.

Table 5

<u>Harris County Flood Control</u>	<u>Harris County Hospital Dist.</u>	<u>Total</u>
\$ 58,953,528	\$ 220,564,979	\$ 698,968,776
63,103,788	231,593,278	741,156,885
62,882,159	214,409,517	806,542,905
71,147,820	208,822,817	849,145,268
88,468,765	144,111,169	885,831,642
98,265,975	152,708,834	974,146,499
98,929,284	153,862,379	976,022,816
105,183,974	162,785,387	1,017,647,522
112,786,369	206,540,256	1,152,618,317
88,729,666	291,328,832	1,203,874,361
\$ 0.05280	\$ 0.19620	\$ 2.12470
0.05590	0.19620	2.09420
0.05570	0.18980	3.04620
0.05570	0.18980	3.10240
0.07600	0.12380	3.05350
0.07970	0.12380	3.08200
0.07960	0.12380	3.09618
0.08000	0.12380	3.09580
0.08000	0.14650	3.03841
0.06173	0.20268	3.02573

CITY OF JERSEY VILLAGE, TEXAS

Table 6

TAX RATE DISTRIBUTION

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Tax Rate</u>
1992	1991	\$ 0.52557	\$ 0.19293	\$ 0.71850
1993	1992	0.52609	0.20391	0.73000
1994	1993	0.53236	0.19764	0.73000
1995	1994	0.57600	0.15400	0.73000
1996	1995	0.52802	0.15606	0.68408
1997	1996	0.51764	0.16644	0.68408
1998	1997	0.52966	0.15442	0.68408
1999	1998	0.53279	0.15129	0.68408
2000	1999	0.40535	0.27873	0.68408
2001	2000	0.41856	0.25644	0.67500

Source - City's tax ordinances.
Tax rates are per \$100 valuation.

CITY OF JERSEY VILLAGE, TEXAS

Table 7

PRINCIPAL TAXPAYERS

September 30, 2001

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
1. Compaq Computer Corp.	Personal	\$ 117,000,000	20.72 %
2. Beeler Sanders V Ltd.	Real	58,698,820	10.40
3. Lawrence Marshall Chev., L.P.	Personal	17,844,910	3.16
4. Joe Myers Ford, Inc.	Personal	12,817,250	2.27
5. Ray Childress Realty, L.P.	Real	10,248,210	1.82
6. L G Electronics USA, Inc.	Personal	8,255,830	1.46
7. Infineon Technologies, Inc.	Personal	7,395,000	1.31
8. SW Jones Road, L.P.	Real	6,932,420	1.23
9. Wal-Mart Stores, Inc.	Real	6,148,990	1.09
10. Joe Myers Toyota, Inc.	Personal	5,905,620	1.05
		<u>\$ 251,247,050</u>	<u>44.50 %</u>

Source - Tax assessor/collector's records.

CITY OF JERSEY VILLAGE, TEXAS

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value (A)</u>	<u>Gross Bonded Debt (B)</u>
1992	4,890	\$ 249,479,770	\$ 1,864,000
1993	4,926	256,069,560	1,506,000
1994	4,970	264,119,510	3,043,000
1995	5,000	270,188,356	3,525,000
1996	5,000	278,791,996	3,275,000
1997	5,056	289,851,600	2,975,000
1998	5,310	298,945,530	2,675,000
1999	6,800	319,000,537	8,348,869
2000	6,800	429,510,881	9,055,405
2001	6,880	564,579,920	8,364,019

Source - Tax assessor/collector and accounting records of the City.

(A) - Assessed value is net of exemptions.

(B) - Gross bonded debt includes general obligation bonds, certificates of obligation, accreted interest and annexed/dissolved utility district obligations.

Table 8

<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
\$ 100,626	\$ 1,763,374	0.71	\$ 361
174,042	1,331,958	0.52	270
294,919	2,748,081	1.04	553
291,380	3,233,620	1.20	647
301,779	2,973,221	1.07	595
332,636	2,642,364	0.91	523
371,512	2,303,488	0.77	434
1,083,233	7,265,636	2.28	1,068
1,039,866	8,015,539	1.87	1,179
1,066,580	7,297,439	1.29	1,061

CITY OF JERSEY VILLAGE, TEXAS

Table 9

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT
TO TOTAL GENERAL EXPENDITURES**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service Requirements</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service Requirements to Expend.</u>
1992	\$ 390,791	\$ 145,373	\$ 536,164	\$ 2,866,320	18.71
1993	393,735	119,750	513,485	2,830,003	18.14
1994	401,944	95,437	497,381	3,391,172	14.67
1995	310,441	225,362	535,803	3,206,470	16.71
1996	250,000	198,388	448,388	3,208,234	13.98
1997	300,000	182,423	482,423	3,460,039	13.94
1998	300,000	161,946	461,946	3,941,206	11.72
1999	1,965,000	343,393	2,308,393	6,121,635	37.71
2000	750,000	515,144	1,265,144	5,875,466	21.53
2001	910,000	410,406	1,320,406	6,484,268	20.36

CITY OF JERSEY VILLAGE, TEXAS

Table 10

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

September 30, 2001

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Outstanding as of</u>	<u>Percentage Applicable to City of Jersey Village</u>	<u>City of Jersey Village Share of Debt</u>
Cypress-Fairbanks I.S.D.	\$ 531,433,988	9/30/2001	4.18 %	\$ 22,213,941
Harris County (including Toll Rd)	798,529,546	2/28/2001	0.38	3,034,412
Harris Co. Flood Control District	129,238,911	2/28/2001	0.38	491,108
N. Harris Montgomery C.C.D.	132,796,980	8/31/2001	1.89	2,509,863
Port of Houston Authority	254,776,000	12/31/2000	0.38	<u>968,149</u>
Total Net Overlapping Debt				29,217,473
City of Jersey Village				<u>8,364,019</u>
Total Net Direct and Overlapping Debt				<u>\$ 37,581,492</u>

CITY OF JERSEY VILLAGE, TEXAS

Table 11

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (A)</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Unemployment Rate (B)</u>
1992	4890	\$ 50,460	39	7.3%
1993	4926	52,071	40	6.8%
1994	4970	53,148	41	6.2%
1995	5000	53,684	41	5.4%
1996	5000	54,225	41	5.2%
1997	5056	56,394	40	5.2%
1998	5310	57,521	40	4.5%
1999	6800	* 59,534	40	4.0%
2000	6800	* 61,022	40	4.0%
2001	6880	* 61,937	40	4.0%

(A) Estimated.

(B) Source - Texas Workforce Commission.

* - Revised per U.S. Census

CITY OF JERSEY VILLAGE, TEXAS

Table 12

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Value</u>	<u>Construction *</u>	<u>Bank Deposits</u>
1992	\$ 257,535,570	\$ 89,524,377	\$ 106,524,377
1993	266,172,010	93,907,270	111,907,270
1994	273,472,470	94,994,481	113,994,481
1995	278,714,280	84,224,925	104,224,920
1996	280,149,310	95,674,282	106,284,660
1997	289,851,600	108,680,040	108,410,353
1998	298,945,530	17,785,550	109,494,456
1999	319,000,537	11,750,894	111,609,000
2000	429,510,881	25,595,111	114,399,225
2001	564,579,920	17,693,843	117,259,206 **

* Construction values in years 1992 through 1997 include the City of Jersey Village and surrounding areas. Beginning in 1998, only construction values within the City of Jersey Village are included.

** Estimated at 2.5% growth.

CITY OF JERSEY VILLAGE, TEXAS

MISCELLANEOUS STATISTICAL DATA

September 30, 2001

Date of incorporation	April 16, 1956
Date of present charter	August, 1986
Form of government	Home Rule
Area	2283 acres

Miles of Streets

Streets - Paved	31 miles
Streets - Unpaved	None

Fire Protection

Number of stations	1
Number of employees (Full-time equivalent)	4
Number of volunteers	35

Fire Prevention

Number of employees (Full-time equivalent)	1
Number of volunteers	None

Police Protection

Number of stations	1
Number of sworn officers (Full-time equivalent)	15
Number of patrol units	3

Recreation

Number of parks	7
Size of parks	61 acres
Number of golf courses	1
Number of swimming pools	1
Number of tennis courts	6

Miles of storm sewers	23
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Education ***High School**

Number of teachers	213
Number of students	3,250

Grades 1-9

Number of teachers	151
Number of students	2,298

City Employees

Department heads	7
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Employees:

Full-time	70
Part-time (Full-time equivalent)	17

Election**Number of Votes Cast:**

Last City Election - Regular Election	1,399
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Water

Source	Ground Water
Average daily consumption:	
Purchased from City of Houston	744,998 gallons
Pumped from Jersey Village wells	254,502 gallons
Maximum daily consumption:	
Purchased from City of Houston	1,726,000 gallons
Pumped from Jersey Village wells	936,000 gallons
Water mains	41 miles
Number of connections	2,136

Sewer

Average daily flow	601,400 gallons
Maximum daily flow	5,766,000 gallons
Sanitary sewer mains	35 miles
Number of connections	1,936

* - Cy-Fair Independent School District

