



**Jersey Village
Annual Comprehensive
Financial Report
For the Fiscal Year Ending September 30, 2023**



*ANNUAL COMPREHENSIVE
FINANCIAL REPORT*

of the

CITY OF JERSEY VILLAGE, TEXAS

**For the Year Ended
September 30, 2023**

Officials Issuing Report:

**Austin Bleess
City Manager**

**Isabel Kato
Finance Director**

CITY OF JERSEY VILLAGE, TEXAS

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CITY OF JERSEY VILLAGE, TEXAS

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INTRODUCTORY SECTION

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CITY OF JERSEY VILLAGE, TEXAS

16327 Lakeview Drive, Jersey Village, TX 77040
713-466-2100 (office) 713-466-2177 (fax)

April 29, 2024

Honorable Mayor and City Council
City of Jersey Village
16327 Lakeview Drive
Jersey Village, Texas 77040

Dear Mayor and Members of City Council:

The City of Jersey Village, Texas (the “City”) is required to publish each year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Jersey Village for the fiscal year ending September 30, 2023.

This report consists of management’s representations concerning the finances of the City and deems 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 all City activities and funds. Therefore, management assumes full responsibility for the completeness and reliability of all information presented in this report. The City also acknowledges all disclosures necessary to enable the reader to gain an understanding of the City’s financial activities that have been included.

The City’s financial statements have been audited by Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending September 30, 2023 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditors concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ending September 30, 2023 are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

As required by GAAP, management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

Strategic Direction

The City's vision, mission, and strategy clearly define for the City staff and the community what issues are most important to Jersey Village.

Vision. The City of Jersey Village is to carry on the challenge of providing an excellent level of City services by looking toward the future with a focus on sustaining a superior quality of life.

Mission. The City of Jersey Village is committed to working with 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 our City, its natural resources, and environment in a fiscally responsible manner.

To accomplish our mission, we will commit to the following principles:

- **Fiscal Responsibility** – Continue fiscally sound local government practices through active budget controls and a focus on strategic planning within the community.
- **Public Safety** – Provide a safe and secure environment resulting from a partnership between Jersey Village residents and the Police and Fire Departments.
- **Flood Prevention and Mitigation** – The City will continue efforts to reduce flooding in the City. Four main projects were recommended for the City's long-term flood recovery projects. Those projects are a berm around the golf course, drainage and street improvements in the Wall Street Neighborhood, home elevation and/or buyout grants, and widening and deepening the bayou – E100.
- **Emergency Preparedness** – Our Emergency Management plan is complete, and all essential City staff members are in compliance with National Incident Management System standards.
- **Economic Development** – The City will focus economic development efforts on increasing the commercial tax base through the attraction of companies and the expansion of existing businesses.
- **Quality Public Infrastructure and Recreational Facilities** – Provide continual cost effective maintenance and upgrades of streets, municipal utilities, and other municipal owned facilities to meet the service and capacity requirements of the community.

Profile of the Government

The City, which was formed in 1956, is located 15 miles northwest of downtown Houston. As of September 30, 2023, the City had a land area of 3.58 square miles and an estimated population of approximately 7,746. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statutes to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

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 for a two-year term. Elections are staggered with the Mayor and two Council members elected together in odd years and the three remaining members in the following even year. 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 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. The City also 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 and the Jersey Village Fire Control, Prevention, and Emergency Medical Service District are considered to meet the criteria of component units and, therefore, have been included in the report as discretely presented component units. The Jersey Village Crime Control District 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. The Crime Control District held an election on May 2023 on the continuance of the district, which resulted in an extension for five more years with a continuation election in May of 2028. The Jersey Village Fire Control, Prevention, and Emergency Medical Services District was created under the Local Government Code Chapter 344 dedicated to fire safety and emergency medical services programs. The Jersey Village Fire Control, Prevention, and Emergency Medical Services District began collection of sales taxes on October 1, 2021, and they will need a continuation election to be held in May of 2026.

Management of the City is responsible for establishing and maintaining an internal control system designed to ensure that the City's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits require estimates and judgments by management. Internal controls are subject to periodic evaluation by management and independent auditors. I believe the City's accounting controls provide reasonable assurance that employees, in the normal course of business, will detect, and/or prevent, errors or irregularities that could be material to the financial statements.

Local Economy

Our local economy saw slower growth in the fourth quarter of 2023 when compared to last year. Some of the sectors in our area were eliminating jobs between September and December of 2023. Both Houston and Texas saw higher unemployment rates than the U.S. overall, which was 3.7% in December of 2023.

	2023	2022	2021
United States	3.7%	3.6%	5.7%
Texas	4.0%	4.0%	6.0%
Jersey Village	4.4%	3.9%	6.8%

Long-term Financial Planning

Capital improvement projects are funded with general governmental revenues and proceeds of general obligation and certificates of obligation debt issues. The City annually adopts a ten-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 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.

Major Initiatives

The City of Jersey Village has embarked on several significant initiatives aimed at enhancing community infrastructure and resilience. One of the key projects is the completion of the Golf Course Convention Center, scheduled for the spring of 2024. This project promises to provide a focal point for events and gatherings, contributing to the vibrancy of our City. Moreover, the City is actively pursuing funding opportunities from the Texas General Land Office through its Resilient Community Program, supported by Community Development Block Grant Mitigation Funds. This grant initiative is instrumental in facilitating the creation of a comprehensive plan, and consolidating our community's objectives and aspirations into actionable policies. Through these endeavors, Jersey Village is committed to fostering a more sustainable and resilient future for its residents.

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jersey Village for its ACFR for the year ended September 30, 2022. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This is the twenty-fourth consecutive year that the City has received this prestigious award. We believe our current ACFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for compliance review.

Acknowledgements

The preparation of the ACFR was made possible by the dedicated service of the entire administration. We appreciate the efforts of everyone involved. In closing, without the leadership and support of the Jersey Village Council, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Isabel Kato". The signature is fluid and cursive, with the first name "Isabel" written in a larger, more prominent script than the last name "Kato".

Isabel Kato
Director of Finance

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL OFFICIALS

September 30, 2023

Name	Elected Position October 1, 2022 - May 31, 2023	Term Expiration
Bobby Warren	Mayor	05/2025
Michelle Mitcham	Mayor Pro Tem (Place 3)	05/2025
Sheri Sheppard	Council Member (Place 2)	05/2025
James Singleton	Council Member (Place 4)	05/2024
Drew Wasson	Council Member (Place 1)	05/2024
Jennifer McCrea	Council Member (Place 5)	05/2024

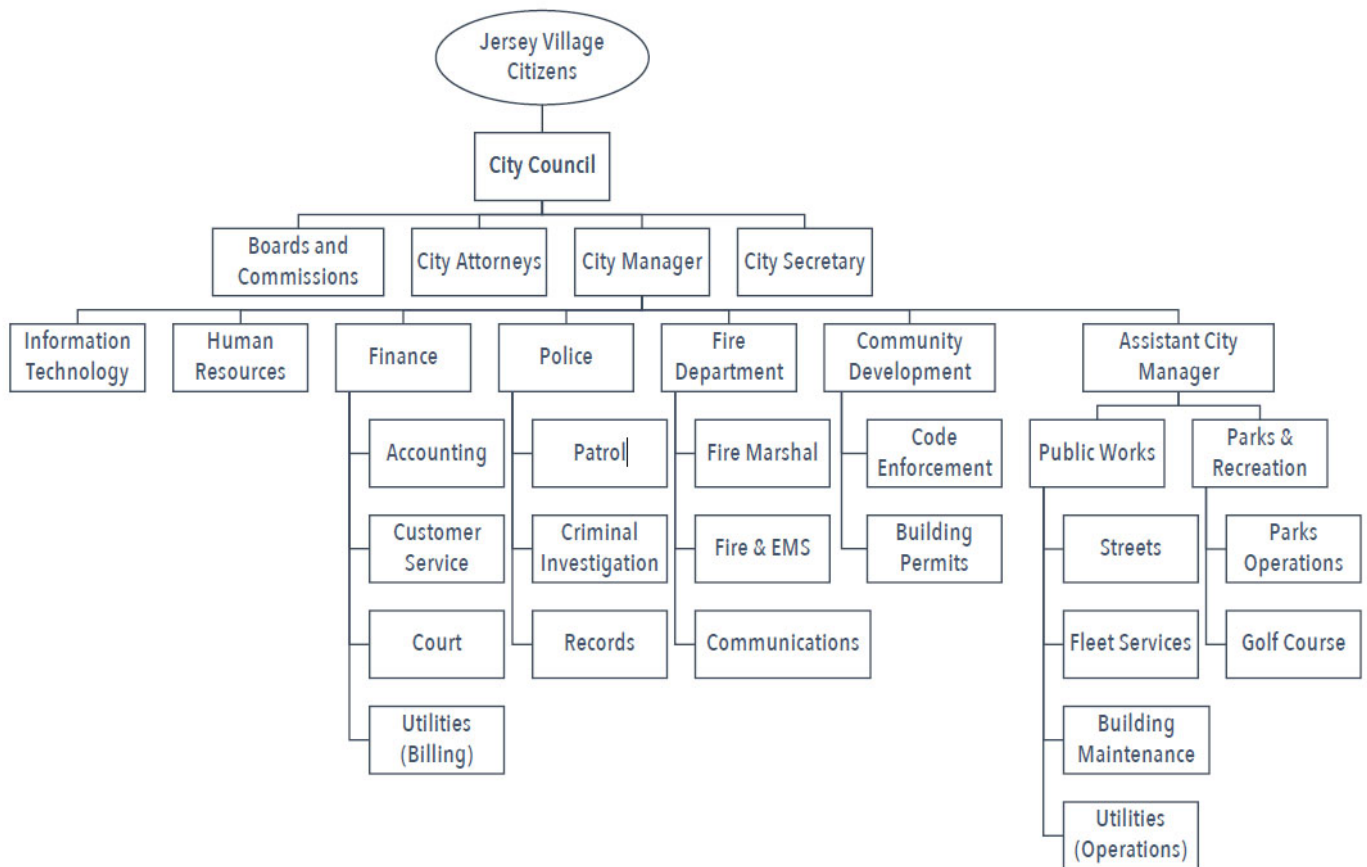
City Council	Elected Position June 1, 2023 - September 30, 2023	Term Expiration
Bobby Warren	Mayor	05/2025
Michelle Mitcham	Mayor Pro Tem (Place 3)	05/2025
Drew Wasson	Council Member (Place 1)	05/2024
Sheri Sheppard	Council Member (Place 2)	05/2025
James Singleton	Council Member (Place 4)	05/2024
Jennifer McCrea	Council Member (Place 5)	05/2024

Name	City Position
Austin Bleess	City Manager
Lorri Coody	City Secretary
Justin Pruitt	City Attorney
Robert Basford	Assistant City Manager
Mark Bitz	Fire Chief
Isabel Kato	Finance Director
Kirk Riggs	Police Chief

CITY OF JERSEY VILLAGE, TEXAS

ORGANIZATIONAL CHART

September 30, 2023



CITY OF JERSEY VILLAGE, TEXAS
*CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING*



Government Finance Officers Association

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

Presented to

**City of Jersey Village
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The logo for Belt Harris Pechacek, LLLP features the names 'BELT', 'HARRIS', and 'PECHACEK' in a stylized, serif font, with 'LLLP' in a smaller, sans-serif font to the right. The letters are intertwined and have a decorative, calligraphic feel.

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
April 29, 2024

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

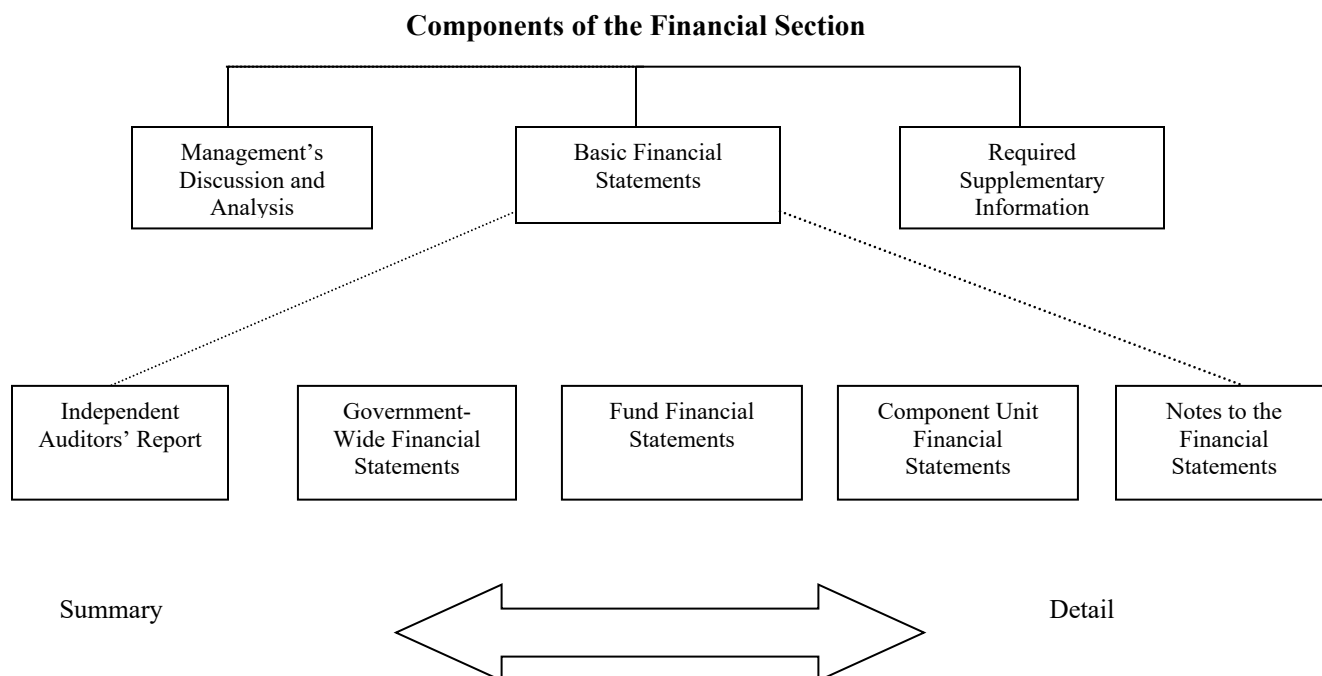
CITY OF JERSEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2023

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Jersey Village, Texas (the "City") for the year ended September 30, 2023. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including police and fire protection, municipal court, streets, drainage, leisure services, community development, and general administrative services. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water and sewer services, as well as its golf course.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate crime control and prevention district and the fire control, prevention, and emergency medical services district, for which the City is financially accountable. Financial information on the component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects fund, which are considered to be major funds. Although the

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

City's debt service fund did not technically meet the criteria to be presented as major, the City has elected to present it as a major fund.

The City adopts an annual appropriated budget for its general fund, debt service fund, and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater utility services and the Jersey Meadow Municipal Golf Course. The proprietary fund financial statements provide separate information for the water and sewer fund and the golf course fund. The proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses an internal service fund to account for its equipment replacement program. This internal service fund has been included within governmental activities in the government-wide financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund and schedules of changes in net pension and total other postemployment benefits liability and related ratios and schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$116,569,488 as of September 30, 2023. The largest portion of the City's net position, 80 percent, reflects its investments in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 24,939,810	\$ 25,111,149	\$ 7,080,062	\$ 7,975,424	\$ 32,019,872	\$ 33,086,573
Capital assets, net	81,275,283	74,736,196	18,339,570	17,470,343	99,614,853	92,206,539
Total Assets	106,215,093	99,847,345	25,419,632	25,445,767	131,634,725	125,293,112
Deferred charge on refunding	160,028	226,079	-	-	160,028	226,079
Deferred outflows - pensions	2,965,634	1,052,718	401,781	151,370	3,367,415	1,204,088
Deferred outflows - OPEB	51,556	79,250	6,983	11,394	58,539	90,644
Total Deferred Outflows of Resources	3,177,218	1,358,047	408,764	162,764	3,585,982	1,520,811
Long-term liabilities	12,580,528	9,985,783	859,949	432,729	13,440,477	10,418,512
Other liabilities	4,041,404	2,043,942	977,594	602,216	5,018,998	2,646,158
Total Liabilities	16,621,932	12,029,725	1,837,543	1,034,945	18,459,475	13,064,670
Deferred inflows - leases	52,130	56,140	-	-	52,130	56,140
Deferred inflows - pensions	-	1,480,929	-	212,941	-	1,693,870
Deferred inflows - OPEB	122,958	5,878	16,656	844	139,614	6,722
Total Deferred Inflows of Resources	175,088	1,542,947	16,656	213,785	191,744	1,756,732
Net Position:						
Net investment in capital assets	75,225,115	67,336,854	18,339,570	17,470,343	93,564,685	84,807,197
Restricted	1,409,026	1,286,996	-	-	1,409,026	1,286,996
Unrestricted	15,961,150	19,008,870	5,634,627	6,889,458	21,595,777	25,898,328
Total Net Position	\$ 92,595,291	\$ 87,632,720	\$ 23,974,197	\$ 24,359,801	\$ 116,569,488	\$ 111,992,521

A portion of the City's net position, \$1,409,026 or 1 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$21,595,777, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$4,576,967 during the current fiscal year, an increase of 4 percent in comparison to the prior year. Total assets increased by \$6,341,613. This increase was primarily due to an increase in capital asset additions of \$7,408,314 that were mostly funded by capital grants. Deferred outflows increased by \$2,065,171 mainly due to an increase in the net difference between projected and actual investment earnings related to pensions. Total liabilities increased by \$5,394,805 which was primarily due to an increase in the net pension liability. Deferred inflows decreased by \$1,564,988 mainly due to the change in projected and actual investment earnings related to the net pension liability that was a deferred inflow of resources in the prior year but is a deferred outflow of resources in the current year.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Statement of Activities

The following table provides a summary of the City's changes in net position:

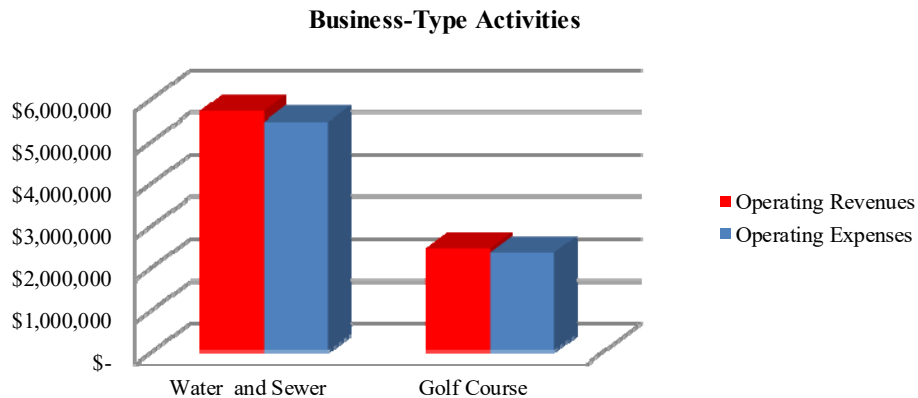
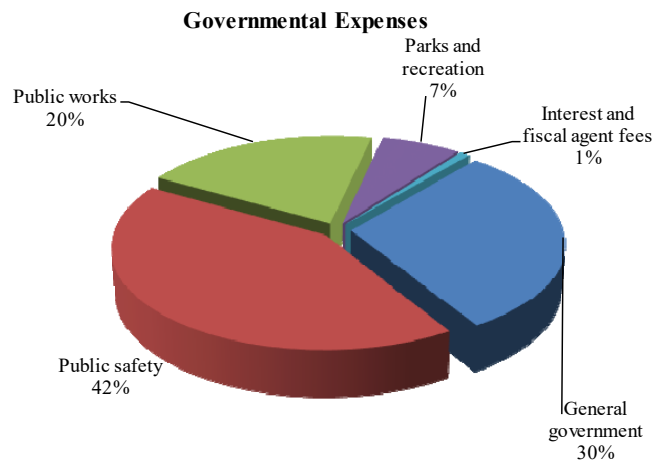
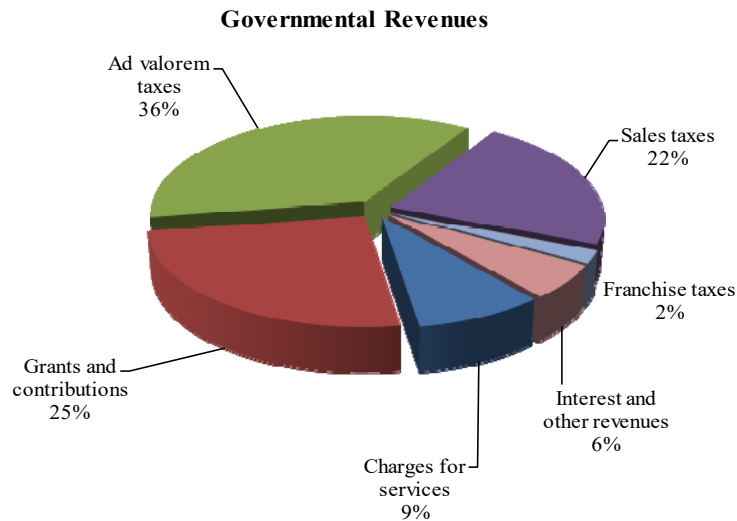
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 2,131,672	\$ 1,692,036	\$ 7,914,446	\$ 7,383,007	\$ 10,046,118	\$ 9,075,043
Operating/capital grants and contributions	6,160,424	8,116,495	-	-	6,160,424	8,116,495
General revenues:						
Ad valorem taxes	8,967,978	8,047,029	-	-	8,967,978	8,047,029
Sales taxes	5,446,808	5,166,611	-	-	5,446,808	5,166,611
Franchise fees	520,849	496,464	-	-	520,849	496,464
Other taxes	128,875	158,560	-	-	128,875	158,560
Investment earnings	1,171,036	179,093	199,415	32,295	1,370,451	211,388
Other revenues	100,664	324,714	19,488	-	120,152	324,714
Total Revenues	24,628,306	24,181,002	8,133,349	7,415,302	32,761,655	31,596,304
Expenses						
General government	6,139,755	5,588,017	-	-	6,139,755	5,588,017
Public safety	8,582,802	7,262,433	-	-	8,582,802	7,262,433
Public works	4,126,684	3,622,874	-	-	4,126,684	3,622,874
Parks and recreation	1,387,053	1,144,659	-	-	1,387,053	1,144,659
Interest and fiscal agent fees on long-term debt	173,014	212,322	-	-	173,014	212,322
Water and sewer systems	-	-	5,443,472	4,263,447	5,443,472	4,263,447
Golf course	-	-	2,331,908	3,000,824	2,331,908	3,000,824
Total Expenses	20,409,308	17,830,305	7,775,380	7,264,271	28,184,688	25,094,576
Increase in Net Position Before Transfers	4,218,998	6,350,697	357,969	151,031	4,576,967	6,501,728
Transfers	743,573	458,716	(743,573)	(458,716)	-	-
Change in Net Position	4,962,571	6,809,413	(385,604)	(307,685)	4,576,967	6,501,728
Beginning net position	87,632,720	80,823,307	24,359,801	24,667,486	111,992,521	105,490,793
Ending Net Position	\$ 92,595,291	\$ 87,632,720	\$ 23,974,197	\$ 24,359,801	\$ 116,569,488	\$ 111,992,521

CITY OF JERSEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2023

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.



CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

For the year ended September 30, 2023, revenues from governmental activities totaled \$24,628,306. Overall, governmental revenues increased from the prior year by \$447,304, which was a 2 percent increase. Program revenues decreased by \$1,516,435 largely due to a decrease in revenue from drainage improvement capital grants, the Coronavirus State and Local Fiscal Recovery grants, and from other intergovernmental contributions. Overall, general revenues increased by \$1,963,739 from prior year, which was primarily due to an increase in property tax revenues from an increase in property values and investment earnings from an increase in the interest rates.

For the year ended September 30, 2023, expenses for governmental activities totaled \$20,409,308, which is a 14 percent increase from the prior year due primarily to an increase in public safety expenses that are mostly due to an increase in personnel.

Operating revenues for business-type activities increased 9 percent compared to the prior year. Charges for services had an increase of \$531,439 from water service revenues due to an increase in water usage. Operating expenses for business-type activities increased by \$511,109 primarily due to an increase in water purchases to maintain City capacity and personnel costs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$16,039,152. Of the combined governmental fund balance, \$3,066 is nonspendable for prepaid items, \$1,409,026 is restricted for various purposes, \$384,921 is assigned by the City Council for capital projects, and \$14,242,139 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the general fund was \$14,242,139, while total fund balance reached \$14,349,657. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 82 percent of total general fund expenditures, while total fund balance represents 83 percent of that same amount. The general fund demonstrated an overall increase in fund balance of \$2,136,415. Revenues increased \$2,561,450 from prior year. Property tax revenue increased due to an increase in property values; sales tax also increased due to more taxable sales within the City; and investment earnings increased due to an increase in interest rates. Expenditures increased by \$1,357,778, resulting primarily from increased personnel expenditures for general government and public safety.

The debt service fund has a total fund balance of \$326,620, all of which is restricted for the payment of debt service. The fund balance reflects an increase of \$11,800. Revenues increased by \$11,425 mainly due to an increase in investment earnings, and expenditures decreased by \$4,225 due to payment towards interest on debt. The transfer from the utility fund to provide funding for debt payments increased by \$25,758.

There was a decrease of \$4,954,493 in the fund balance of the capital projects fund primarily due to expenditures for drainage improvement projects. The capital projects fund assigned fund balance of \$384,921 is for future capital projects.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned decrease in budgeted fund balance in the amount of \$2,131,508 in the general fund after budget amendments. Actual general fund balance increased by \$2,136,415, resulting in a positive variance of \$4,267,923 primarily due to positive budget variances for revenues and less expenditures than expected.

Actual general fund revenues were more than amended budgeted revenues by \$1,759,795 during fiscal year 2023. The revenue budget variance was related to more sales tax revenues and investment earnings than expected.

Actual expenditures were less than amended budgeted amounts by \$1,293,644 for the fiscal year. This positive budget variance is primarily due to less general government, public works, and public safety expenditures than planned.

CAPITAL ASSETS

At the end of fiscal year 2023, the City's governmental and business-type activities had invested \$99,614,853 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$7,408,314.

Major capital asset events during the current year include the following:

- Purchase of property and improvement costs for \$748,477 for public safety projects to improve roads
- Vehicles and equipment for departmental use of \$1,895,186
- Improvements to buildings of \$446,142
- Additions to construction in progress of \$7,239,743, primarily for drainage improvements

More detailed information about the City's capital assets is presented in note III.D. to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total governmental activities long-term debt outstanding of \$5,925,000 in general obligation bonds. During the year, the City had an overall decrease in long-term debt of \$1,325,000.

More detailed information about the City's long-term liabilities is presented in note III.E. to the financial statements.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City is seeing a decrease in sales tax compared to fiscal year 2022-2023. This projection is likely attributed to the prevailing pressures impacting consumer spending patterns. On the other hand, interest rate revenues remain as projected. Furthermore, despite the ongoing construction of the Golf Course Clubhouse and Convention Center, the golf revenues are on the rise. As a result, the City eliminated the transfer from the general fund to the golf course fund. Additionally, amidst these developments, the City has exciting news to share: The new Golf Course Clubhouse and Convention Center is set to open in early spring of 2024.

The City budgeted the general fund's fiscal year 2023-2024 revenues to be \$22,820,878 and expenditures to be \$29,653,889. The proposed total property tax rate for the fiscal year 2023-2024 is \$0.7425 per \$100 of taxable property values.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Isabel Kato, Finance Director, 16501 Jersey Drive, Jersey Village, TX, 77040; telephone 713-466-2104; or for general City information, visit the City's website at www.jerseyvillagetx.com.

BASIC FINANCIAL STATEMENTS

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION

September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and equity in pooled cash and investments	\$ 21,705,272	\$ 5,010,039	\$ 26,715,311
Restricted cash	-	145,614	145,614
Receivables, net of allowances	2,127,221	621,107	2,748,328
Internal balances	(1,183,255)	1,183,255	-
Due from component unit	2,232,786	-	2,232,786
Inventory	-	120,047	120,047
Prepaid items	3,066	-	3,066
Leases receivable	54,720	-	54,720
Capital assets:			
Nondepreciable capital assets	24,395,908	2,167,161	26,563,069
Depreciable capital assets, net	56,879,375	16,172,409	73,051,784
Total Assets	106,215,093	25,419,632	131,634,725
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	160,028	-	160,028
Deferred outflows - pensions	2,965,634	401,781	3,367,415
Deferred outflows - OPEB	51,556	6,983	58,539
Total Deferred Outflows of Resources	3,177,218	408,764	3,585,982
<u>Liabilities</u>			
Accounts payable and accrued liabilities	2,931,741	828,097	3,759,838
Customer deposits	-	145,614	145,614
Due to primary government	-	-	-
Accrued bond interest	7,325	-	7,325
Unearned revenue	1,102,338	3,883	1,106,221
Noncurrent liabilities:			
Due within one year	1,997,987	82,297	2,080,284
Due in more than one year	10,582,541	777,652	11,360,193
Total Liabilities	16,621,932	1,837,543	18,459,475
<u>Deferred Inflows of Resources</u>			
Deferred inflows - leases	52,130	-	52,130
Deferred inflows - OPEB	122,958	16,656	139,614
Total Deferred Inflows of Resources	175,088	16,656	191,744
<u>Net Position</u>			
Net investment in capital assets	75,225,115	18,339,570	93,564,685
Restricted for:			
Public communications	76,063	-	76,063
Debt service	326,620	-	326,620
Park improvements	13,816	-	13,816
Tourism	60,665	-	60,665
Public safety	612,583	-	612,583
Court technology	65,997	-	65,997
Flood mitigation	253,282	-	253,282
Crime control	-	-	-
Fire control, prevention, and emergency medical services	-	-	-
Unrestricted	15,961,150	5,634,627	21,595,777
Total Net Position	\$ 92,595,291	\$ 23,974,197	\$ 116,569,488

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 6,139,755	\$ -	\$ -	\$ -
Public safety	9,332,084	1,235,707	3,882,115	-
Public works	3,377,402	-	-	2,278,309
Parks and recreation	1,387,053	895,965	-	-
Interest and fiscal agent fees on long-term debt	173,014	-	-	-
Total Governmental Activities	<u>20,409,308</u>	<u>2,131,672</u>	<u>3,882,115</u>	<u>2,278,309</u>
Business-Type Activities				
Water and sewer	5,443,472	5,483,827	-	-
Golf course	2,331,908	2,430,619	-	-
Total Business-Type Activities	<u>7,775,380</u>	<u>7,914,446</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 28,184,688</u>	<u>\$ 10,046,118</u>	<u>\$ 3,882,115</u>	<u>\$ 2,278,309</u>
Component Units				
Crime Control and Prevention District	\$ 2,455,930	\$ -	\$ -	\$ -
Fire Control, Prevention, and Emergency				
Medical Service District	2,232,786	-	-	-
Total Component Units	<u>\$ 4,688,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
General Revenues:				
Ad valorem taxes				
Sales taxes				
Franchise fees				
Other taxes				
Investment earnings				
Other revenues				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Beginning net position				
Ending Net Position				

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Crime Control and Prevention District	Fire Control, Prevention, and EMS District
\$ (6,139,755)	\$ -	\$ (6,139,755)	\$ -	\$ -
(4,214,262)	-	(4,214,262)	-	-
(1,099,093)	-	(1,099,093)	-	-
(491,088)	-	(491,088)	-	-
(173,014)	-	(173,014)	-	-
(12,117,212)	-	(12,117,212)	-	-
-	40,355	40,355	-	-
-	98,711	98,711	-	-
-	139,066	139,066	-	-
(12,117,212)	139,066	(11,978,146)	-	-
-	-	-	(2,455,930)	-
-	-	-	-	(2,232,786)
-	-	-	(2,455,930)	(2,232,786)
8,967,978	-	8,967,978	-	-
5,446,808	-	5,446,808	2,701,382	2,707,386
520,849	-	520,849	-	-
128,875	-	128,875	-	-
1,171,036	199,415	1,370,451	243,166	85,276
100,664	19,488	120,152	-	-
743,573	(743,573)	-	-	-
17,079,783	(524,670)	16,555,113	2,944,548	2,792,662
4,962,571	(385,604)	4,576,967	488,618	559,876
87,632,720	24,359,801	111,992,521	5,219,972	852,675
<u>\$ 92,595,291</u>	<u>\$ 23,974,197</u>	<u>\$ 116,569,488</u>	<u>\$ 5,708,590</u>	<u>\$ 1,412,551</u>

CITY OF JERSEY VILLAGE, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2023

	General	Debt Service	Capital Projects	Nonmajor Governmental
<u>Assets</u>				
Current assets:				
Cash and equity in pooled				
cash and investments	\$ 12,118,567	\$ 320,510	\$ 2,596,808	\$ 1,252,422
Receivables, net	2,044,691	71,212	-	11,318
Prepaid items	597	-	-	2,469
Due from other funds	372,383	7,845	420,850	63,945
Leases receivable	54,720	-	-	-
Due from component unit	2,195,138	-	37,648	-
Total Assets	\$ 16,786,096	\$ 399,567	\$ 3,055,306	\$ 1,330,154
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
<u>Liabilities</u>				
Accounts payable and				
accrued liabilities	\$ 1,399,902	\$ 1,735	\$ 454,738	\$ 6,590
Retainage payable	-	-	1,068,776	-
Due to other funds	147,210	-	73,577	345,610
Unearned revenue	29,044	-	1,073,294	-
Total Liabilities	1,576,156	1,735	2,670,385	352,200
<u>Deferred Inflows of Resources</u>				
Deferred inflows - leases	52,130	-	-	-
Unavailable revenue - ambulance	552,497	-	-	-
Unavailable revenue - property taxes	255,656	71,212	-	-
Total Deferred Inflows of Resources	860,283	71,212	-	-
<u>Fund Balances</u>				
Nonspendable	597	-	-	2,469
Restricted:				
Public communications	76,063	-	-	-
Debt service	-	326,620	-	-
Park improvements	13,816	-	-	-
Tourism	-	-	-	60,665
Public safety	17,042	-	-	595,541
Court technology and security	-	-	-	65,997
Flood mitigation	-	-	-	253,282
Assigned:				
Capital projects	-	-	384,921	-
Unassigned	14,242,139	-	-	-
Total Fund Balances	14,349,657	326,620	384,921	977,954
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,786,096	\$ 399,567	\$ 3,055,306	\$ 1,330,154

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$	16,288,307
	2,127,221
	3,066
	865,023
	54,720
	<u>2,232,786</u>
\$	<u><u>21,571,123</u></u>

\$	1,862,965
	1,068,776
	566,397
	<u>1,102,338</u>
	<u>4,600,476</u>

	52,130
	552,497
	<u>326,868</u>
	<u>931,495</u>

3,066

76,063
326,620
13,816
60,665
612,583
65,997
253,282

	384,921
	<u>14,242,139</u>
	<u>16,039,152</u>

\$	<u><u>21,571,123</u></u>
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CITY OF JERSEY VILLAGE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2023

Total fund balances	\$ 16,039,152
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Capital assets, nondepreciable	24,395,908
Capital assets, net depreciable	52,577,292

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	879,365
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Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.

Current assets and liabilities, net of due to enterprise funds	3,935,084
Capital assets, net depreciable	4,302,083

Long-term liabilities and deferred outflows and deferred inflows related to the net pension and total other postemployment benefits (OPEB) liability are not recognized in the governmental funds.

Deferred outflows - pensions	2,965,634
Net pension liability	(5,385,579)
Deferred outflows - OPEB	51,556
Deferred inflows - OPEB	(122,958)
Total OPEB liability	(296,021)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	(688,732)
Accrued interest	(7,325)
Bonds, notes, and other liabilities related to debt	(6,210,196)
Deferred charge on refunding	160,028

See Notes to Financial Statements.

	<u><u>\$ 92,595,291</u></u>
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CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>
<u>Revenues</u>				
Ad valorem taxes	\$ 7,555,671	\$ 1,404,658	\$ -	\$ -
Sales taxes	5,446,808	-	-	-
Franchise fees	520,849	-	-	-
Other taxes	-	-	-	128,875
Permits, licenses, and fees	239,120	-	-	-
Fines and forfeitures	961,234	-	-	35,353
Charges for services	655,160	-	-	-
Intergovernmental	3,882,115	-	2,278,309	-
Investment earnings	854,256	17,444	87,163	9,523
Other revenue	99,921	-	-	743
Total Revenues	<u>20,215,134</u>	<u>1,422,102</u>	<u>2,365,472</u>	<u>174,494</u>
<u>Expenditures</u>				
Current:				
General government	5,830,835	-	-	14,625
Public safety	8,036,175	-	-	16,080
Public works	2,379,256	-	8,256,274	749,282
Parks and recreation	1,072,244	-	-	-
Debt service:				
Principal	-	1,325,000	-	-
Interest and fiscal agent fees	-	198,875	-	-
Total Expenditures	<u>17,318,510</u>	<u>1,523,875</u>	<u>8,256,274</u>	<u>779,987</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,896,624</u>	<u>(101,773)</u>	<u>(5,890,802)</u>	<u>(605,493)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	656,100	113,573	936,309	750,000
Transfers (out)	(1,416,309)	-	-	(296,100)
Sale of land	-	-	-	252,564
Total Other Financing Sources (Uses)	<u>(760,209)</u>	<u>113,573</u>	<u>936,309</u>	<u>706,464</u>
Net Change in Fund Balances	2,136,415	11,800	(4,954,493)	100,971
Beginning fund balances	12,213,242	314,820	5,339,414	876,983
Ending Fund Balances	<u>\$ 14,349,657</u>	<u>\$ 326,620</u>	<u>\$ 384,921</u>	<u>\$ 977,954</u>

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$	8,960,329
	5,446,808
	520,849
	128,875
	239,120
	996,587
	655,160
	6,160,424
	968,386
	100,664
	<hr/>
	24,177,202
	<hr/>

5,845,460
8,052,255
11,384,812
1,072,244

1,325,000
198,875

27,878,646

(3,701,444)

2,455,982
(1,712,409)
252,564

996,137

(2,705,307)

18,744,459

\$ 16,039,152

CITY OF JERSEY VILLAGE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Net changes in fund balances - total governmental funds	\$ (2,705,307)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions	8,931,480
Disposals from sale of land	(1,010,346)
Depreciation expense	(1,623,142)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payments	1,325,000
Amortization of premiums, discounts, and deferred charges	24,174

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.	248,454
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(140,754)
Accrued bond interest	1,687

The change in deferred outflows and deferred inflows related to the net pension and total other postemployment benefits (OPEB) liability are not recognized in the governmental funds.

Net pension liability	(4,003,344)
Deferred outflows - pensions	1,912,916
Deferred inflows - pensions	1,480,929
Total OPEB liability	134,127
Deferred outflows - OPEB	(27,694)
Deferred inflows - OPEB	(117,080)

An internal service fund is used by management to charge the costs of certain capital assets to individual funds. The net revenue (expense) is reported with governmental activities.	531,471
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Change in Net Position of Governmental Activities	\$ 4,962,571
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See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Page 1 of 2)

PROPRIETARY FUNDS

September 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Golf Course	Total Enterprise Funds	Activities Internal Service
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 4,324,815	\$ 685,224	\$ 5,010,039	\$ 5,416,965
Restricted cash	145,245	369	145,614	-
Accounts receivable, net	621,107	-	621,107	-
Inventory	-	120,047	120,047	-
Due from other funds	180	-	180	-
Total Current Assets	5,091,347	805,640	5,896,987	5,416,965
Noncurrent assets:				
Capital assets:				
Land	445,240	915,000	1,360,240	-
Construction in process	806,921	-	806,921	-
Buildings and improvements	3,583,442	6,564,824	10,148,266	-
Furniture and equipment	2,327,972	733,976	3,061,948	14,978,017
Water and sewer system	21,793,366	-	21,793,366	-
Less: accumulated depreciation	(11,958,534)	(6,872,637)	(18,831,171)	(10,675,934)
Total Capital Assets (Net)	16,998,407	1,341,163	18,339,570	4,302,083
Total Noncurrent Assets	16,998,407	1,341,163	18,339,570	4,302,083
Total Assets	22,089,754	2,146,803	24,236,557	9,719,048
<u>Deferred Outflows of Resources</u>				
Deferred outflows - pensions	117,016	284,765	401,781	-
Deferred outflows - OPEB	2,031	4,952	6,983	-
Total Deferred Outflows of Resources	119,047	289,717	408,764	-

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

September 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Golf Course</u>	<u>Total Enterprise Funds</u>	<u>Internal Service</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 782,898	\$ 45,199	\$ 828,097	\$ -
Customer deposits	145,245	369	145,614	-
Compensated absences	3,026	78,170	81,196	-
Due to other funds	-	298,806	298,806	-
OPEB liability	781	320	1,101	-
Unearned revenue	-	3,883	3,883	-
Total Current Liabilities	931,950	426,747	1,358,697	-
Noncurrent liabilities:				
Compensated absences	336	8,685	9,021	-
Net pension liability	212,501	517,132	729,633	-
OPEB liability	10,882	28,116	38,998	-
Total Noncurrent Liabilities	223,719	553,933	777,652	-
Total Liabilities	1,155,669	980,680	2,136,349	-
<u>Deferred Inflows of Resources</u>				
Deferred inflows - pensions	-	-	-	-
Deferred inflows - OPEB	4,845	11,811	16,656	-
Total Deferred Inflows of Resources	4,845	11,811	16,656	-
<u>Net Position</u>				
Net investment in capital assets	16,998,407	824,031	17,822,438	4,302,083
Unrestricted	4,049,880	619,998	4,669,878	5,416,965
Total Net Position	\$ 21,048,287	\$ 1,444,029	22,492,316	\$ 9,719,048
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>1,481,881</u>	
Total Net Position per Government-Wide Financial Statements.			<u><u>\$ 23,974,197</u></u>	

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Golf Course	Total Enterprise Funds	Internal Service
<u>Operating Revenues</u>				
Charges for sales and services	\$ 5,333,969	\$ 2,417,959	\$ 7,751,928	\$ 1,443,310
Other revenues	149,858	12,660	162,518	-
Total Operating Revenues	5,483,827	2,430,619	7,914,446	1,443,310
<u>Operating Expenses</u>				
Costs of sales and services	4,288,039	1,036,006	5,324,045	33,619
Personnel	458,702	1,218,254	1,676,956	-
Depreciation	687,251	77,648	764,899	1,197,775
Total Operating Expenses	5,433,992	2,331,908	7,765,900	1,231,394
Operating Income	49,835	98,711	148,546	211,916
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	193,411	6,004	199,415	202,650
Gain on sale of capital assets	19,488	-	19,488	107,425
Total Nonoperating Revenues	212,899	6,004	218,903	310,075
Income Before Transfers	262,734	104,715	367,449	521,991
Transfers (out)	(743,573)	-	(743,573)	-
Change in Net Position	(480,839)	104,715	(376,124)	521,991
Beginning net position	21,529,126	1,339,314		9,197,057
Ending Net Position	\$ 21,048,287	\$ 1,444,029		\$ 9,719,048
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(9,480)	
Change in Net Position per Government-Wide Financial Statements			\$ (385,604)	

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Golf Course</u>	<u>Total Enterprise Funds</u>	<u>Internal Service</u>
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 5,304,107	\$ 2,428,854	\$ 7,732,961	\$ 1,443,310
Payments to suppliers	(3,865,954)	(546,858)	(4,412,812)	(99,144)
Payments to employees	(460,757)	(1,230,731)	(1,691,488)	-
Net Cash Provided by Operating Activities	<u>977,396</u>	<u>651,265</u>	<u>1,628,661</u>	<u>1,344,166</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfer from other funds	(743,573)	-	(743,573)	-
Net Cash Used by Noncapital Financing Activities	<u>(743,573)</u>	<u>-</u>	<u>(743,573)</u>	<u>-</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(1,593,051)	(77,887)	(1,670,938)	(1,438,870)
Proceeds from sale of capital assets	56,300	-	56,300	107,425
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,536,751)</u>	<u>(77,887)</u>	<u>(1,614,638)</u>	<u>(1,331,445)</u>
<u>Cash Flows from Investing Activities</u>				
Interest received	193,411	6,004	199,415	202,650
Net Cash Provided by Investing Activities	<u>193,411</u>	<u>6,004</u>	<u>199,415</u>	<u>202,650</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,109,517)</u>	<u>579,382</u>	<u>(530,135)</u>	<u>215,371</u>
Beginning cash and cash equivalents	<u>5,579,577</u>	<u>106,211</u>	<u>5,685,788</u>	<u>5,201,594</u>
Ending Cash and Cash Equivalents	<u><u>\$ 4,470,060</u></u>	<u><u>\$ 685,593</u></u>	<u><u>\$ 5,155,653</u></u>	<u><u>\$ 5,416,965</u></u>
Ending Cash and Cash Equivalents:				
Unrestricted cash and cash equivalents	\$ 4,324,815	\$ 685,224	\$ 5,010,039	\$ 5,416,965
Restricted cash and cash equivalents	<u>145,245</u>	<u>369</u>	<u>145,614</u>	<u>-</u>
Ending Cash and Cash Equivalents	<u><u>\$ 4,470,060</u></u>	<u><u>\$ 685,593</u></u>	<u><u>\$ 5,155,653</u></u>	<u><u>\$ 5,416,965</u></u>

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Golf Course</u>	<u>Total Enterprise Funds</u>	<u>Internal Service</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income	\$ 49,835	\$ 98,711	\$ 148,546	\$ 211,916
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	687,251	77,648	764,899	1,197,775
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Current Assets:				
Accounts receivable	(179,720)	-	(179,720)	-
Deferred outflows - pensions	(70,547)	(179,864)	(250,411)	-
Deferred outflows - OPEB	1,468	2,943	4,411	-
Due from other funds	-	236,661	236,661	-
Increase (Decrease) in Current Liabilities:				
Accounts payable and accrued liabilities	422,085	(46,319)	375,766	(65,525)
Customer deposits	1,377	-	1,377	-
Unearned revenues	-	(1,765)	(1,765)	-
Compensated absences	(17,728)	(64,189)	(81,917)	-
Net pension liability	151,487	379,395	530,882	-
Deferred inflows - pensions	(65,370)	(147,571)	(212,941)	-
Deferred inflows - OPEB	4,586	11,226	15,812	-
Total OPEB liability	(7,328)	(14,417)	(21,745)	-
Due to other funds	-	298,806	298,806	-
Net Cash Provided by Operating Activities	<u>\$ 977,396</u>	<u>\$ 651,265</u>	<u>\$ 1,628,661</u>	<u>\$ 1,344,166</u>

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Jersey Village, Texas (the “City”) was incorporated in 1956. The City has operated since 1986 under a “Home Rule Charter”, which provides for 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 City Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services, municipal court, parks and recreation services, streets, drainage, water and sewer services, solid waste collection and disposal, community development, and general administration.

The City is an independent political subdivision of the State of Texas (the “State”) governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic 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 component units as listed below, although legally separate, are considered part of the reporting entity. No other entities have been included in the City’s reporting entity. 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 that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Discretely Presented Component Units

Jersey Village Crime Control and Prevention District

The Jersey Village Crime Control and Prevention District (CCPD) has been included in the reporting entity as a discretely presented component unit, which emphasizes that the CCPD is legally separate from the City. The CCPD is a not-for-profit entity created to provide additional crime control and prevention to the City. The CCPD’s Board of Directors is appointed by and serves at the discretion of City Council. The City has the ability to impose its will on the CCPD because it may remove appointed members at will, and it must approve the CCPD’s budget and any necessary budget amendments. The CCPD’s operations are reported in a single governmental fund with the discretely presented component units.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The CCPD does not issue separate financial statements, as the financial activity reported in the government-wide level is the same as the fund level. A sales and use tax of one half of one percent is levied to fund the CCPD's budget.

Fire Control, Prevention, and Emergency Medical Services District

The Fire Control, Prevention, and Emergency Medical Services District (FCPEMSD) has been included in the reporting entity as a discretely presented component unit, which emphasizes that the FCPEMSD is legally separate from the City. The FCPEMSD is a not-for-profit entity created to provide additional fire control prevention and emergency medical services to the City. The FCPEMSD's Board of Directors is appointed by and serves at the discretion of City Council. The City has the ability to impose its will on the FCPEMSD because it may remove appointed members at will, and it must approve the FCPEMSD's budget and any necessary budget amendments. The FCPEMSD's operations are reported in a single governmental fund with the discretely presented component units.

The FCPEMSD does not issue separate financial statements, as the financial activity reported in the government-wide level is the same as the fund level. A sales and use tax of one half of one percent is levied to fund the FCPEMSD's budget.

Blended Component Unit

Tax Increment Reinvestment Zone Number Three

During fiscal year 2021, the City passed an ordinance creating a tax increment reinvestment zone (TIRZ No. 3) in accordance with Section 311.011 of the Texas Tax Code. TIRZ No. 3 was created to assist with flood mitigation to facilitate the sale of property from current property owners, so that the homes could be demolished, and new homes could be built on the lots that are above the flood plain. TIRZ No. 3 is managed by a six member Board, of which the City Council appoints positions. The City is the sole participant of TIRZ No. 3 and the City Council approves activity. TIRZ No. 3 funding includes appropriations from the general fund and proceeds from sale of lots that were purchased. TIRZ No. 3 will also generate revenues from ad valorem taxes generated on the annual incremental value above the base year value. TIRZ No. 3 does not issue separate financial statements and is reported with the nonmajor governmental funds within the City's financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and parks and recreation. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund did not meet the technical criteria to be presented as a major fund for reporting purposes, but the City has elected to present it as major due to its significance.

The *capital projects fund* is used to account for the expenditures of resources accumulated from the sale of bonds and related interest earnings for capital improvements. The capital projects fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted or assigned by the City to expenditures for specified purposes. The nonmajor special revenue funds include the hotel occupancy tax, asset forfeiture, court security, traffic safety, tax increment reinvestment zone no. 3, and court security and technology fees.

The City reports the following enterprise funds:

The *water and sewer fund* is used to account for the operations that provide water and wastewater collection and wastewater treatment operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses 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 water and sewer fund is considered a major fund for reporting purposes.

The *golf course fund* is used to account for the operations of the City's municipal golf course. This fund follows the same basis of accounting as the water and sewer fund and is also considered a major fund for reporting purposes.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Additionally, the City reports the following fund type:

Internal service funds account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The capital replacement fund is used to account for vehicle and equipment replacement.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in statewide investment pools, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains a pooled cash and investments account. Each fund whose monies are deposited in the pooled cash and investments account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest-bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash and investments."

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. government
- Money market mutual funds that meet certain criteria
- Collateralized certificates of deposit and share certificates
- Statewide investment pools

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

3. Inventories and Prepaid Items

Inventories are valued at cost using the first in/first out (FIFO) method in the proprietary funds. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	20 years
Improvements	20 years
Equipment	5 to 20 years
Water and sewer system	40 years
Infrastructure	75 years

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- A deferred inflow related to leases receivable is recognized at the fund level under modified accrual basis of accounting and on the Statement of Net Position under the full accrual basis of accounting. The revenue is recognized at the fund level and on the Statement of Activities as the deferred inflow from leases receivable is amortized.

At the fund level, the City recognized deferred inflows, which arise only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and ambulance fees. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

6. Compensated Employee Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits, and compensatory time. Amounts accumulated, up to certain amounts, may be paid to employees upon termination of employment. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental or proprietary fund that will pay it when it matures or becomes due. The general fund, water and sewer fund, and golf course fund are used to liquidate the liability for compensated absences. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations. Upon retirement from the City, an employee will receive compensation for unused sick leave hours. Vesting in unused sick leave hours ranges from 20 to 60 percent based on years of service with the City.

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The property tax rate is allocated each year between the general and debt service funds. 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 service expenditures are included in the governmental fund financial statements, as they are expected to be paid from debt service tax revenues instead of water system revenues.

8. Leases

The City is a lessor for a noncancellable lease. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

9. Subscription-Based Information Technology Arrangements

The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City would recognize a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) for governmental and business-type activities. The City’s SBITAs to report are immaterial to the financial statements as a whole and are not recognized as a subscription liability or a subscription asset.

10. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

11. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

14. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Other Postemployment Benefits

The City participates in a defined benefit group-term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, except the capital projects fund, which adopts a project length budget. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control in the approved budget as defined by the charter is the function level in the general fund and all others are at the fund level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2023. The hotel occupancy tax fund, court security and technology fees fund, and asset forfeiture fund are all special revenue funds that have adopted budgets.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2023, the City had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
TexPool	\$ 33,971,958	0.07
Total Value	<u><u>\$ 33,971,958</u></u>	
Portfolio weighted average maturity		0.07

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. State law and the City's investment policy limit investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2023, the City's investments in TexPool were rated "AAAm" by Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2023, the City's deposits were fully covered by FDIC insurance and pledged collateral.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to keep safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

TexPool

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

B. Receivables

The following comprise receivable balances at year end:

	General	Debt Service	Nonmajor
Ad valorem taxes	\$ 262,109	\$ 72,665	\$ -
Sales taxes	900,645	-	-
Other taxes	49,886	-	-
Ambulance fees	1,163,849	-	-
Other	223,203	-	11,318
Less allowance	(555,001)	(1,453)	-
Total	\$ 2,044,691	\$ 71,212	\$ 11,318

	Water and Sewer	Discrete Component Units
Sales taxes	\$ -	\$ 900,603
Accounts	806,299	-
Less allowance	(185,192)	-
Total	\$ 621,107	\$ 900,603

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

C. Lease Receivable

The City has entered into a wireless facilities and pole use agreement (the “Agreement”) as a lessor for the use of their poles located throughout the City with the lessee utilizing the City’s poles for wireless signals. The Agreement is with Crown Castleing Central LLC with an initial term ending in fiscal year 2026 and a right to extend through fiscal year 2036. For fiscal year 2023, the City received \$4,480 for payment related to the Agreement. Payments can increase 2% each year. As of September 30, 2023, the value of the lease receivable is \$54,720. The interest rate on the lease receivable is based on the City’s incremental borrowing rates for the term of the Agreement of 2.92%. The lease revenue recorded with charges for services for fiscal year 2023 was \$5,690 which consists of the interest payments on the lease receivable of \$1,680 and the amortization of the deferred inflow of resources from the lease of \$4,010. The remaining principal and interest payments from the lease and amortization of the deferred inflows are as follows:

Fiscal Year Ending Sept. 30	Lease Receipts			Amortization of Deferred Inflows
	Principal	Interest	Total	
2024	\$ 2,971	\$ 1,598	\$ 4,569	\$ 4,010
2025	3,150	1,511	4,661	4,010
2026	3,335	1,419	4,754	4,010
2027	3,527	1,322	4,849	4,010
2028	3,727	1,219	4,946	4,010
2029-2033	21,918	4,337	26,255	20,050
2034-2036	16,092	955	17,047	12,030
Total	\$ 54,720	\$ 12,361	\$ 67,081	\$ 52,130

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

D. Capital Assets

All capital assets constructed or paid for with funds of the component unit are titled in the City's name. Accordingly, component unit capital assets and construction in progress are recorded in the governmental activities totals.

A summary of changes in capital assets for governmental activities for the year end is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 12,782,687	\$ 748,477	\$ (1,010,346)	\$ 12,520,818
Construction in progress	5,156,958	6,718,132	-	11,875,090
Total capital assets not being depreciated	17,939,645	7,466,609	(1,010,346)	24,395,908
Other capital assets:				
Buildings and improvements	13,438,193	395,455	-	13,833,648
Machinery and equipment	17,722,196	1,820,947	(95,509)	19,447,634
Infrastructure	57,317,955	687,339	-	58,005,294
Total other capital assets	88,478,344	2,903,741	(95,509)	91,286,576
Less accumulated depreciation for:				
Buildings and improvements	(6,213,064)	(521,424)	-	(6,734,488)
Machinery and equipment	(12,963,198)	(1,503,464)	95,509	(14,371,153)
Infrastructure	(12,505,531)	(796,029)	-	(13,301,560)
Total accumulated depreciation	(31,681,793)	(2,820,917)	95,509	(34,407,201)
Other capital assets, net	56,796,551	82,824	-	56,879,375
Governmental Activities Capital Assets, Net	\$ 74,736,196	\$ 7,549,433	\$ (1,010,346)	81,275,283
		Plus deferred charge on refunding		160,028
		Less associated debt		(6,210,196)
		Net Investment in Capital Assets		\$ 75,225,115

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Depreciation was charged to governmental functions as follows:

General government	\$ 73,678
Public safety	305,661
Public works	988,190
Parks and recreation	255,613
Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets	<u>1,197,775</u>
Total Governmental Activities Depreciation Expense	<u>\$ 2,820,917</u>

Construction in progress (CIP) and remaining commitments under related construction contracts for general government construction projects at year end were as follows:

<u>Project Description</u>	<u>Authorized CIP Budget</u>	<u>Expenditures</u>	<u>Remaining Project</u>
Convention center club house	<u>\$ 7,500,000</u>	<u>\$ 2,064,928</u>	<u>\$ 5,435,072</u>

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

The following is a summary of changes in capital assets for business-type activities for the year ended September 30, 2023:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,360,240	\$ -	\$ -	\$ 1,360,240
Construction in progress	285,310	521,611	-	806,921
Total capital assets not being depreciated	<u>1,645,550</u>	<u>521,611</u>	<u>-</u>	<u>2,167,161</u>
Other capital assets:				
Buildings	10,097,579	50,687	-	10,148,266
Water and sewer system	20,768,965	1,024,401	-	21,793,366
Machinery and equipment	3,041,579	74,239	(53,870)	3,061,948
Total other capital assets	<u>33,908,123</u>	<u>1,149,327</u>	<u>(53,870)</u>	<u>35,003,580</u>
Less accumulated depreciation for:				
Buildings	(6,924,121)	(241,776)	-	(7,165,897)
Water and sewer system	(9,008,665)	(337,159)	-	(9,345,824)
Machinery and equipment	(2,150,544)	(185,964)	17,058	(2,319,450)
Total accumulated depreciation	<u>(18,083,330)</u>	<u>(764,899)</u>	<u>17,058</u>	<u>(18,831,171)</u>
Other capital assets, net	<u>15,824,793</u>	<u>384,428</u>	<u>(36,812)</u>	<u>16,172,409</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,470,343</u>	<u>\$ 906,039</u>	<u>\$ (36,812)</u>	<u>\$ 18,339,570</u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 687,251
Golf course	<u>77,648</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 764,899</u>

Construction in progress and remaining commitments under related construction contracts for enterprise fund projects at year end were as follows:

Project Description	Authorized CIP Budget	Expenditures	Remaining Project
290 Lift Station Road rehabilitation	\$ 500,000	\$ 166,817	\$ 333,183
Castlebridge wastewater treatment plant	700,000	24,375	675,625
Total	<u>\$ 1,200,000</u>	<u>\$ 191,192</u>	<u>\$ 1,008,808</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

E. Long-Term Debt

The following is a summary of changes in the City's total long-term liabilities for the year end. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes, and other payables:					
General obligation bonds	\$ 7,250,000	\$ -	\$ 1,325,000	\$ 5,925,000	* \$ 1,370,000
Premium on bonds	375,421	-	90,225	285,196	*
	<u>7,625,421</u>	<u>-</u>	<u>1,415,225</u>	<u>6,210,196</u>	<u>1,370,000</u>
Other liabilities:					
Net pension liability	1,382,235	4,003,344	-	5,385,579	-
Total OPEB liability	430,148	-	134,127	296,021	8,128
Compensated absences	<u>547,978</u>	<u>156,564</u>	<u>15,810</u>	<u>688,732</u>	<u>619,859</u>
Total Governmental Activities	<u>\$ 9,985,782</u>	<u>\$ 4,159,908</u>	<u>\$ 1,565,162</u>	<u>\$ 12,580,528</u>	<u>\$ 1,997,987</u>

Long-term debt due in more than one year \$ 10,582,541

*Debt associated with governmental activity capital assets \$ 6,210,196

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Net pension liability	\$ 198,751	\$ 530,882	\$ -	\$ 729,633	\$ -
Total OPEB liability	61,844	-	21,745	40,099	1,101
Compensated absences	<u>172,134</u>	<u>56,643</u>	<u>138,560</u>	<u>90,217</u>	<u>81,196</u>
Total Business-Type Activities	<u>\$ 432,729</u>	<u>\$ 587,525</u>	<u>\$ 160,305</u>	<u>\$ 859,949</u>	<u>\$ 82,297</u>

Long-term debt due in more than one year \$ 777,652

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Compensated absences are generally liquidated by the general fund, water and sewer fund, and golf course fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Long-term debt at year end was comprised of the following debt issues:

Description	Original Issue	Interest Rates	Balance
Governmental Activities			
General Obligation Bonds			
Series 2012	\$ 9,050,000	2.00-4.00%	\$ 965,000
Series 2016	\$ 6,710,000	2.00-3.00%	4,960,000
Total Governmental Activities Long-Term Debt			\$ 5,925,000

The annual requirements to amortize bond issues outstanding at year end were as follows:

Fiscal Year Ending Sep. 30	Governmental Activities		
	Principal	Interest	Total
2024	\$ 1,370,000	\$ 157,200	\$ 1,527,200
2025	1,410,000	115,500	1,525,500
2026	1,545,000	71,175	1,616,175
2027	1,600,000	24,000	1,624,000
Total	\$ 5,925,000	\$ 367,875	\$ 6,292,875

The City issues long-term debt instruments in order to acquire and/or construct major capital facilities (streets, drainage, public safety, water, and wastewater) and equipment for general government and enterprise fund activities. These instruments include two general obligation bonds. Future ad valorem tax revenues, water and sewer system revenues, or liens on property and equipment secure these debt obligations.

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds is from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the City. The City has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

F. Interfund Transactions

The composition of interfund balances as of year end was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
General	Capital projects	\$ 73,577
General	Golf course	298,806
Debt service	General	7,845
Nonmajor	General	63,945
Capital projects	General	75,240
Capital projects	Nonmajor	345,610
Water and sewer	General	180
	Total	<u><u>\$ 865,203</u></u>

Amounts recorded as “due to/from” are considered to be temporary loans and will be repaid during the following year.

Transfers between the primary government funds during the year were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
General	Water and sewer	\$ 630,000
General	Nonmajor	26,100
Debt service	Water and sewer	113,573
Capital projects	General	666,309
Capital projects	Nonmajor	270,000
Nonmajor	General	750,000
	Total	<u><u>\$ 2,455,982</u></u>

The water and sewer fund provided funding to the general and debt service fund to support costs for equipment and debt service payments. The general and capital projects funds received funding from nonmajor funds for current project costs related to costs to encourage tourism within the City. The general fund transferred funds to the capital projects fund and nonmajor fund for flood mitigation projects.

G. Fund Equity

As of September 30, 2023, \$65,997 of the City’s total fund balance is restricted by enabling legislation.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in a lawsuit. Although the outcome of this lawsuit is not presently determinable, it is the opinion of the City's management that resolution of this matter will not have a material adverse effect on the financial condition of the City.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

C. Pension Plan

Texas Municipal Retirement System

The City participates as one of 909 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the "Board"); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at tmrs.com.

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

Benefits Provided

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

At retirement, the member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

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

	2023	2022
Employee deposit rate	7%	7%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	73
Inactive employees entitled to, but not yet receiving, benefits	114
Active employees	103
Total	290

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 13.87% and 13.97% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2023 were \$1,128,191, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for the annuity purchase rates is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global public equity	35%	7.7%
Core fixed income	6%	4.9%
Non-core fixed income	20%	8.7%
Other public and private markets	12%	8.1%
Real estate	12%	5.8%
Hedge funds	5%	6.9%
Private equity	10%	11.8%
Total	100%	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 1,318,206	\$ -	\$ 1,318,206
Interest	2,045,870	-	2,045,870
Difference between expected and actual experience	682,120	-	682,120
Contributions - employer	-	1,069,302	(1,069,302)
Contributions - employee	-	539,663	(539,663)
Net investment income	-	(2,100,508)	2,100,508
Benefit payments, including refunds of employee contributions	(1,398,810)	(1,398,810)	-
Administrative expense	-	(18,172)	18,172
Other changes	-	21,685	(21,685)
Net Changes	2,647,386	(1,886,840)	4,534,226
Balance at December 31, 2021	30,349,489	28,768,503	1,580,986
Balance at December 31, 2022	\$ 32,996,875	\$ 26,881,663	\$ 6,115,212

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 11,018,758	\$ 6,115,212	\$ 2,153,278

Pension Plan Fiduciary Net Position

Detailed information about TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$1,815,759.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 645,772	\$ -
Difference between projected and actual investment earnings	1,848,155	-
Contributions subsequent to the measurement date	873,488	-
Total	\$ 3,367,415	\$ -

\$873,488 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30:	Pension Expense
2024	\$ 505,170
2025	691,161
2026	489,118
2027	808,478
2028	-
Thereafter	-
Total	\$ 2,493,927

D. Other Postemployment Benefits

TMRS Supplemental Death Benefits

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Participation in the SDBF as of December 31, 2022 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to, but not yet receiving, benefits	33
Active employees	103
Total	<u><u>191</u></u>

Total OPEB Liability

The City's total OPEB liability of \$336,120 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement period, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	4.05%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2023 and 2024 rates as determined in the December 31, 2021 and December 31, 2022 actuarial valuations, respectively.

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 22,316
Interest	9,166
Differences between expected and actual experience	(3,413)
Changes of assumptions	(173,937)
Benefit payments*	(10,004)
Net Changes	(155,872)
Beginning balance	491,992
Ending Balance	\$ 336,120

*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as bring equal to the City's yearly contribution for retirees.

The discount rate increased from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

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

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

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's Total OPEB Liability	\$ 402,046	\$ 336,120	\$ 285,525

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$20,971. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,838	\$ 3,033
Changes in actuarial assumptions	43,322	136,581
Contributions subsequent to the measurement date	9,379	-
Total	\$ 58,539	\$ 139,614

\$9,379 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2024.

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30	OPEB Expense
2024	\$ (9,218)
2025	(25,703)
2026	(36,538)
2027	(18,995)
Total	\$ (90,454)

E. Chapter 380 Economic Development Program Agreements

Chapter 380, *Miscellaneous Provisions Relating to Municipal Planning and Development*, of the Texas Local Government Code provides the authority to the governing body of a municipality to establish and provide for the administration of one or more programs, including programs to promote state or local economic development and to stimulate business and commercial activity in the municipality.

Southwest Developers, LLC

On June 2, 2015, the City entered into a Chapter 380 economic development program agreement (the "Program") with Southwest Developers, LLC (the "Developer"). The City administers the Program of grants to the Developer for a limited time in amounts equal to a portion of City sales tax relating to certain property that would promote local economic development and stimulate business and commercial activity within the City. The Developer will provide development services for the City including finding a suitable third party to locate a retail sales center (the "Retail Sales Center") in the City and assistance with identifying a location for the Retail Sales Center, and has applied to the City under its Program for financial assistance to locate such Retail Sales Center in the City.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2023

MRS Helios, LLC

On January 4, 2022 the City entered into a Chapter 380 economic development program agreement (the “Program”) with MRS Helios, LLC (the “Developer”). The City administers the Program of grants to the Developer for a limited time in amounts equal to a portion of City sales tax relating to certain property that would promote local economic development and stimulate business and commercial activity within the City. The Developer will provide development services for the City including purchasing land to promote local economic development and stimulate business and commercial activity within the City. The City plans to rebate approximately \$43,000 of their construction permits. The Developer estimates the total capital investment in the project to be approximately \$4,800,000.

Argos USA LLC

On October 10, 2018, the City entered into a Chapter 380 economic development program agreement (the “Program”) with Argos USA LLC (the “Developer”). The City administers the Program of grants to the Developer for a limited time in amounts equal to a portion of City sales tax relating to certain property that would promote local economic development and stimulate business and commercial activity within the City. The Developer will locate a retail sales center (the “Retail Sales Center”) in the City and has applied to the City under its Program for financial assistance to locate such Retail Sales Center in the City.

Gordon NW Village, LP

On January 21, 2020, the City entered into a Chapter 380 economic development program agreement (the “Program”) with Gordon NW Village, LP (the “Developer”). The City administers the Program of grants to the Developer for a limited time in amounts equal to a portion of City sales tax relating to certain property that would promote local economic development and stimulate business and commercial activity within the City. The Developer will provide development services for the City including finding a suitable third party to locate a retail sales center (the “Retail Sales Center”) in the City and assistance with identifying a location for the Retail Sales Center, and has applied to the City under its Program for financial assistance to locate such Retail Sales Center in the City.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 1 of 2)
For the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Taxes and fees:				
Ad valorem	\$ 7,487,187	\$ 7,487,187	\$ 7,555,671	\$ 68,484
Sales	4,430,000	4,430,000	5,446,808	1,016,808
Franchise	519,000	519,000	520,849	1,849
Permits, licenses, and fees	183,600	183,600	239,120	55,520
Charges for services	468,000	468,000	655,160	187,160
Fines	918,000	918,000	961,234	43,234
Investment earnings	37,000	500,000	854,256	354,256
Intergovernmental	3,879,552	3,879,552	3,882,115	2,563
Other revenues	70,000	70,000	99,921	29,921
Total Revenues	17,992,339	18,455,339	20,215,134	1,759,795
<u>Expenditures</u>				
General government:				
Administration	1,028,575	1,080,722	1,072,945	7,777
Legal	2,280,615	3,165,415	3,116,622	48,793
Information technology	975,319	1,105,319	808,529	296,790
Purchasing	22,675	22,675	20,745	1,930
Finance	474,969	474,969	365,368	109,601
Customer service	140,488	143,506	141,723	1,783
Court	364,794	364,794	304,903	59,891
Total General Government	5,287,435	6,357,400	5,830,835	526,565
Public safety:				
Police	4,458,208	4,458,208	4,396,239	61,969
Dispatch	978,588	978,588	958,410	20,178
Fire	2,866,416	2,866,416	2,681,526	184,890
Total Public Safety	8,303,212	8,303,212	8,036,175	267,037
Public works:				
Public works administration	144,124	148,464	144,267	4,197
Community development	467,056	467,056	387,161	79,895
Streets	766,079	766,079	609,717	156,362
Building and grounds	411,884	411,884	324,064	87,820
Sanitation	503,513	503,513	460,834	42,679
Fleet services	565,936	565,936	453,213	112,723
Total Public Works	2,858,592	2,862,932	2,379,256	483,676
Parks and recreation				
Recreation	319,479	319,479	314,023	5,456
Parks	748,928	769,131	758,221	10,910
Total Parks and Recreation	1,068,407	1,088,610	1,072,244	16,366
Total Expenditures	17,517,646	18,612,154	17,318,510	1,293,644
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	474,693	(156,815)	2,896,624	3,053,439

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 2 of 2)
For the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 656,100	\$ 656,100	\$ 656,100	\$ -
Transfers (out)	(1,130,793)	(2,630,793)	(1,416,309)	1,214,484
Total Other Financing (Uses)	(474,693)	(1,974,693)	(760,209)	1,214,484
Net Change in Fund Balance	\$ -	\$ (2,131,508)	2,136,415	\$ 4,267,923
Beginning fund balance			12,213,242	
Ending Fund Balance			\$ 14,349,657	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2023

	Measurement Year*			
	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 812,970	\$ 850,095	\$ 872,680	\$ 890,859
Interest (on the total pension liability)	1,315,698	1,369,339	1,410,647	1,497,966
Difference between expected and actual experience	(448,345)	(105,426)	(59,041)	144,265
Change of assumptions	-	198,859	-	-
Benefit payments, including refunds of employee contributions	(839,314)	(1,025,857)	(949,496)	(930,014)
Net Change in Total Pension Liability	841,009	1,287,010	1,274,790	1,603,076
Beginning total pension liability	18,808,863	19,649,872	20,936,882	22,211,672
Ending Total Pension Liability	\$ 19,649,872	\$ 20,936,882	\$ 22,211,672	\$ 23,814,748
Plan Fiduciary Net Position				
Contributions - employer	\$ 679,660	\$ 741,645	\$ 730,340	\$ 784,097
Contributions - employee	337,066	340,427	343,575	357,569
Net investment income	885,763	24,391	1,120,508	2,469,825
Benefit payments, including refunds of employee contributions	(839,314)	(1,025,857)	(949,496)	(930,014)
Administrative expense	(9,246)	(14,861)	(12,670)	(12,808)
Other	(760)	(734)	(683)	(649)
Net Change in Plan Fiduciary Net Position	1,053,169	65,012	1,231,574	2,668,021
Beginning plan fiduciary net position	15,481,567	16,534,736	16,599,748	17,831,322
Ending Plan Fiduciary Net Position	\$ 16,534,736	\$ 16,599,748	\$ 17,831,322	\$ 20,499,343
Net Pension Liability	\$ 3,115,136	\$ 4,337,134	\$ 4,380,350	\$ 3,315,405
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.15%	79.28%	80.28%	86.08%
Covered Payroll	\$ 4,815,231	\$ 4,863,246	\$ 4,908,210	\$ 5,108,134
Net Pension Liability as a Percentage of Covered Payroll	64.69%	89.18%	89.25%	64.90%

*Only nine years of information is currently available. The City will build this schedule over the next one-year period.

Measurement Year*				
2018	2019	2020	2021	2022
\$ 943,869	\$ 1,012,984	\$ 1,060,160	\$ 1,203,897	\$ 1,318,206
1,603,724	1,656,227	1,774,115	1,890,377	2,045,870
(798,906)	44,949	76,827	542,609	682,120
-	55,925	-	-	-
(1,055,612)	(955,247)	(1,139,102)	(1,382,055)	(1,398,810)
693,075	1,814,838	1,772,000	2,254,828	2,647,386
23,814,748	24,507,823	26,322,661	28,094,661	30,349,489
<u>\$ 24,507,823</u>	<u>\$ 26,322,661</u>	<u>\$ 28,094,661</u>	<u>\$ 30,349,489</u>	<u>\$ 32,996,875</u>
\$ 830,647	\$ 867,530	\$ 883,991	\$ 971,783	\$ 1,069,302
386,605	412,261	440,423	493,112	539,663
(613,787)	3,096,514	1,779,138	3,310,648	(2,100,508)
(1,055,612)	(955,247)	(1,139,102)	(1,382,055)	(1,398,810)
(11,868)	(17,501)	(11,512)	(15,315)	(18,172)
(620)	(526)	(451)	104	21,685
(464,635)	3,403,031	1,952,487	3,378,277	(1,886,840)
20,499,343	20,034,708	23,437,739	25,390,226	28,768,503
<u>\$ 20,034,708</u>	<u>\$ 23,437,739</u>	<u>\$ 25,390,226</u>	<u>\$ 28,768,503</u>	<u>\$ 26,881,663</u>
<u>\$ 4,473,115</u>	<u>\$ 2,884,922</u>	<u>\$ 2,704,435</u>	<u>\$ 1,580,986</u>	<u>\$ 6,115,212</u>
81.75%	89.04%	90.37%	94.79%	81.47%
\$ 5,522,931	\$ 5,889,441	\$ 6,291,750	\$ 7,044,452	\$ 7,695,308
80.99%	48.98%	42.98%	22.44%	79.47%

CITY OF JERSEY VILLAGE, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2023

	Fiscal Year			
	2014	2015	2016	2017
Actuarially determined contribution	\$ 679,002	\$ 704,979	\$ 737,720	\$ 754,213
Contributions in relation to the actuarially determined contribution	679,002	704,979	737,720	754,213
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,806,083	\$ 4,700,957	\$ 4,925,673	\$ 4,952,460
Contributions as a percentage of covered payroll	14.13%	15.00%	14.98%	15.23%

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years
Asset valuation method	10 year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014 to December 31, 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 825,456	\$ 837,570	\$ 891,645	\$ 946,041	\$ 1,073,536	\$ 1,128,191
825,456	837,570	891,645	946,041	1,073,536	1,128,191
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,458,931	\$ 5,654,707	\$ 6,262,569	\$ 6,841,956	\$ 7,756,942	\$ 8,088,955
15.12%	14.81%	14.24%	13.83%	13.84%	13.95%

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2023

	Measurement Year*			
	2017	2018	2019	2020
Total OPEB Liability				
Service cost	\$ 9,195	\$ 11,598	\$ 11,190	\$ 15,729
Interest (on the total OPEB liability)	9,251	9,446	10,314	9,986
Difference between expected and actual experience	-	(5,411)	2,169	2,554
Changes in assumptions	22,595	(20,796)	61,640	62,796
Benefit payments**	(1,532)	(1,657)	(2,356)	(2,517)
Net Change in Total OPEB Liability	39,509	(6,820)	82,957	88,548
Beginning total OPEB liability	240,891	280,400	273,580	356,537
Ending Total OPEB Liability	\$ 280,400	\$ 273,580	\$ 356,537	\$ 445,085
Covered-Employee Payroll	\$ 5,108,134	\$ 5,522,931	\$ 5,889,441	\$ 6,291,750
Total OPEB Liability as a Percentage of Covered Employee Payroll	5.49%	4.95%	6.05%	7.07%

*Only six years of information is currently available. The City will build this schedule over the next four-year period.

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	4.05%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who became disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay benefits.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

Measurement Year*			
2021		2022	
\$	21,838	\$	22,316
	9,036		9,166
	8,037		(3,413)
	16,449		(173,937)
	(8,453)		(10,004)
	<u>46,907</u>		<u>(155,872)</u>
	445,085		491,992
\$	<u>491,992</u>	\$	<u>336,120</u>
\$	7,044,452	\$	7,695,308
	6.98%		4.37%

***COMBINING STATEMENTS
AND SCHEDULES***

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended September 30, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Ad valorem taxes	\$ 1,463,060	\$ 1,404,658	\$ (58,402)
Investment earnings	5,000	17,444	12,444
Total Revenues	<u>1,468,060</u>	<u>1,422,102</u>	<u>(45,958)</u>
<u>Expenditures</u>			
Debt service:			
Principal	1,325,000	1,325,000	-
Interest and fiscal agent fees	206,625	198,875	7,750
Total Expenditures	<u>1,531,625</u>	<u>1,523,875</u>	<u>7,750</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(63,565)</u>	<u>(101,773)</u>	<u>(38,208)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	113,573	113,573	-
Total Other Financing Sources	<u>113,573</u>	<u>113,573</u>	<u>-</u>
Net Change in Fund Balance	<u><u>\$ 50,008</u></u>	<u>11,800</u>	<u><u>\$ (38,208)</u></u>
Beginning fund balance		<u>314,820</u>	
Ending Fund Balance		<u><u>\$ 326,620</u></u>	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF JERSEY VILLAGE, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Hotel Occupancy Tax Fund

This fund is used to account for activities related to the collection of the City's hotel occupancy tax.

Court Security and Technology Fees Fund

This fund accounts for activities related to collection of security and technology fees collected in the court department.

Traffic Safety Fund

This fund accounts for the restricted red light camera collections from prior years to be used for traffic safety.

Asset Forfeiture Fund

This fund is used to account for assets forfeited or seized by the police department.

Tax Increment Reinvestment Zone Three Fund

This fund accounts for activities related to the purchase and redevelopment of land and the proceeds from the sale of land that is restricted for further redevelopment.

CITY OF JERSEY VILLAGE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

Special Revenue Funds

Assets

Current assets:

Cash and equity in pooled cash
and investments

Receivables, net

Prepaid items

Due from other funds

Total Assets

<u>Hotel Occupancy Tax</u>	<u>Court Security and Technology Fees</u>	<u>Traffic Safety</u>	<u>Asset Forfeiture</u>
\$ 395,682	\$ 3,963	\$ 584,919	\$ 13,801
11,318	-	-	-
248	-	-	2,221
-	63,945	-	-
<u>\$ 407,248</u>	<u>\$ 67,908</u>	<u>\$ 584,919</u>	<u>\$ 16,022</u>

Liabilities and Fund Balance

Liabilities

Accounts payable

Due to other funds

Total Liabilities

\$ 725	\$ 1,911	\$ 674	\$ 2,505
<u>345,610</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>346,335</u>	<u>1,911</u>	<u>674</u>	<u>2,505</u>

Fund Balances

Nonspendable

Restricted:

Tourism

Public safety

Court technology

Flood mitigation

Total Fund Balances

Total Liabilities and Fund Balances

248	-	-	2,221
60,665	-	-	-
-	-	584,245	11,296
-	65,997	-	-
-	-	-	-
<u>60,913</u>	<u>65,997</u>	<u>584,245</u>	<u>13,517</u>
<u>\$ 407,248</u>	<u>\$ 67,908</u>	<u>\$ 584,919</u>	<u>\$ 16,022</u>

<u>Special Revenue Funds</u>	
<u>Tax Increment Reinvestment Zone Three</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 254,057	\$ 1,252,422
-	11,318
-	2,469
-	63,945
<u>\$ 254,057</u>	<u>\$ 1,330,154</u>
\$ 775	\$ 6,590
-	345,610
<u>775</u>	<u>352,200</u>
-	2,469
-	60,665
-	595,541
-	65,997
253,282	253,282
<u>253,282</u>	<u>977,954</u>
<u>\$ 254,057</u>	<u>\$ 1,330,154</u>

CITY OF JERSEY VILLAGE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

Special Revenue Funds

	Hotel Occupancy Tax	Court Security and Technology Fees	Traffic Safety	Asset Forfeiture
<u>Revenues</u>				
Occupancy tax	\$ 128,875	\$ -	\$ -	\$ -
Fines	-	35,353	-	-
Investment earnings	8,551	-	-	972
Other revenue	-	-	-	743
Total Revenues	137,426	35,353		1,715
<u>Expenditures</u>				
Current:				
General government	14,625	-	-	-
Public safety	-	8,182	-	7,898
Public works	-	-	-	-
Total Expenditures	14,625	8,182	-	7,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	122,801	27,171	-	(6,183)
<u>Other Financing Sources (Uses)</u>				
Transfer in	-	-	-	-
Transfer (out)	(296,100)	-	-	-
Sale of land	-	-	-	-
Total Other Financing Sources (Uses)	(296,100)	-	-	-
Net Change in Fund Balances	(173,299)	27,171	-	(6,183)
Beginning fund balances	234,212	38,826	584,245	19,700
Ending Fund Balances	\$ 60,913	\$ 65,997	\$ 584,245	\$ 13,517

Special Revenue Funds	
Tax Increment Reinvestment Zone Three	Total Nonmajor Governmental Funds
\$ -	\$ 128,875
-	35,353
-	9,523
-	743
-	174,494
-	14,625
-	16,080
749,282	749,282
749,282	779,987
(749,282)	(605,493)
750,000	750,000
-	(296,100)
252,564	252,564
1,002,564	706,464
253,282	100,971
-	876,983
\$ 253,282	\$ 977,954

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2023

		Hotel Occupancy Tax			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive Positive (Negative)
<u>Revenues</u>					
Occupancy tax		\$ 140,000	\$ 140,000	\$ 128,875	\$ (11,125)
Investment earnings		1,000	1,000	8,551	7,551
Total Revenues		141,000	141,000	137,426	(3,574)
<u>Expenditures</u>					
General government		41,900	41,900	14,625	27,275
Total Expenditures		41,900	41,900	14,625	27,275
Excess of Revenues Over Expenditures		99,100	99,100	122,801	23,701
<u>Other Financing Sources (Uses)</u>					
Transfers (out)		(296,100)	(296,100)	(296,100)	-
Total Other Financing (Uses)		(296,100)	(296,100)	(296,100)	-
Net Change in Fund Balance		<u><u>\$ (197,000)</u></u>	<u><u>\$ (197,000)</u></u>	(173,299)	<u><u>\$ 23,701</u></u>
Beginning fund balance				234,212	
Ending Fund Balance				<u><u>\$ 60,913</u></u>	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2023

		Court Security and Technology Fees			Variance with Final Budget Positive (Negative)
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues					
	Fines	\$ 41,300	\$ 41,300	\$ 35,353	\$ (5,947)
	Total Revenues	<u>41,300</u>	<u>41,300</u>	<u>35,353</u>	<u>(5,947)</u>
Expenditures					
	Public safety	23,475	23,475	8,182	15,293
	Total Expenditures	<u>23,475</u>	<u>23,475</u>	<u>8,182</u>	<u>15,293</u>
	Net Change in Fund Balance	<u>\$ 17,825</u>	<u>\$ 17,825</u>	27,171	<u>\$ 9,346</u>
Beginning fund balance				<u>38,826</u>	
	Ending Fund Balance			<u>\$ 65,997</u>	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2023

		Asset Forfeiture			Variance with Final Budget Positive (Negative)
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues					
	Investment earnings	\$ 100	\$ 100	\$ 972	\$ 872
	Other revenue	-	-	743	743
	Total Revenues	100	100	1,715	1,615
Expenditures					
	Public safety	11,700	11,700	7,898	3,802
	Total Expenditures	11,700	11,700	7,898	3,802
	Net Change in Fund Balance	<u><u>\$ (11,600)</u></u>	<u><u>\$ (11,600)</u></u>	(6,183)	<u><u>\$ 5,417</u></u>
Beginning fund balance				19,700	
	Ending Fund Balance			<u><u>\$ 13,517</u></u>	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the City's overall financial health.

Contents	Page
Financial Trends	108
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	118
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	128
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	137
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	141
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

CITY OF JERSEY VILLAGE, TEXAS

NET POSITION BY COMPONENT

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	\$ 30,316,564	\$ 31,654,577	\$ 31,824,350	\$ 35,856,808
Restricted	3,329,342	2,930,096	2,830,414	2,549,847
Unrestricted	-	14,575,527	18,541,697	18,930,408
Total Governmental Activities Net Position	<u>\$ 42,805,219</u>	<u>\$ 33,645,906</u>	<u>\$ 49,160,200</u>	<u>\$ 53,196,461</u>
Business-Type Activities				
Net investment in capital assets	\$ 17,205,752	\$ 17,000,490	\$ 17,629,271	\$ 17,347,834
Unrestricted	18,541,697	6,320,937	6,588,580	7,104,061
Total Business-Type Activities Net Position	<u>\$ 23,043,626</u>	<u>\$ 35,747,449</u>	<u>\$ 23,321,427</u>	<u>\$ 24,217,851</u>
Primary Government				
Net investment in capital assets	\$ 47,522,316	\$ 48,655,067	\$ 49,453,621	\$ 53,204,642
Restricted	3,329,342	2,930,096	2,830,414	2,549,847
Unrestricted	18,541,697	20,896,464	25,130,277	26,034,469
Total Primary Government Net Position	<u>\$ 65,848,845</u>	<u>\$ 69,393,355</u>	<u>\$ 72,481,627</u>	<u>\$ 77,414,312</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 40,819,897	\$ 51,991,503	\$ 54,298,603	\$ 60,860,770	\$ 67,336,854	\$ 75,225,115
1,878,602	1,231,295	1,215,263	1,223,723	1,286,996	1,409,026
19,725,575	16,720,423	17,840,968	18,738,814	19,008,870	15,961,150
<u>\$ 57,337,063</u>	<u>\$ 69,943,221</u>	<u>\$ 73,354,834</u>	<u>\$ 80,823,307</u>	<u>\$ 87,632,720</u>	<u>\$ 92,595,291</u>
\$ 17,132,700	\$ 18,426,266	\$ 18,305,169	\$ 17,672,083	\$ 17,470,343	\$ 18,339,570
7,407,323	6,604,846	6,532,426	6,995,403	6,889,458	5,634,627
<u>\$ 24,451,895</u>	<u>\$ 25,031,112</u>	<u>\$ 24,837,595</u>	<u>\$ 24,667,486</u>	<u>\$ 24,359,801</u>	<u>\$ 23,974,197</u>
\$ 57,952,597	\$ 70,417,769	\$ 72,603,772	\$ 78,532,853	\$ 84,807,197	\$ 93,564,685
1,878,602	1,231,295	1,215,263	1,223,723	1,286,996	1,409,026
27,132,898	23,325,269	24,373,394	25,734,217	25,898,328	21,595,777
<u>\$ 81,788,958</u>	<u>\$ 94,974,333</u>	<u>\$ 98,192,429</u>	<u>\$ 105,490,793</u>	<u>\$ 111,992,521</u>	<u>\$ 116,569,488</u>

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET POSITION

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities				
General government	\$ 1,741,875	\$ 1,683,153	\$ 1,529,880	\$ 3,683,493
Public safety	4,840,944	5,075,686	4,593,094	4,386,395
Public works	2,447,946	2,916,512	5,338,993	3,430,767
Parks and recreation	225,551	119,532	651,178	581,277
Interest and fiscal agent fees on long-term debt	703,579	719,422	648,442	491,413
Total Governmental Activities Expenses	9,959,895	10,514,305	12,761,587	12,573,345
Business-type activities				
Water and sewer	2,612,155	2,571,317	3,049,180	3,512,761
Golf course	1,716,718	1,775,044	1,743,055	1,873,377
Total Business-Type Activities Expenses	4,328,873	4,346,361	4,792,235	5,386,138
Total Primary Government Expenses	\$ 14,288,768	\$ 14,860,666	\$ 17,553,822	\$ 17,959,483
Program Revenues				
Governmental activities				
Charges for services				
Public safety	\$ 1,431,320	\$ 1,100,279	\$ 1,111,375	\$ 1,188,568
Parks and recreation	363,058	509,817	462,972	285,291
Operating/capital grants and contributions	1,063,628	1,897,233	980,511	1,313,987
Total Governmental Activities Program Revenues	2,858,006	3,507,329	2,554,858	2,787,846
Business-type activities				
Charges for services				
Water and sewer	4,000,806	4,150,845	4,595,167	4,518,707
Golf course	1,333,700	1,187,249	1,196,934	1,281,283
Total Business-Type Activities Program Revenues	5,334,506	5,338,094	5,792,101	5,799,990
Total Primary Government Program Revenues	\$ 8,192,512	\$ 8,845,423	\$ 8,346,959	\$ 8,587,836
Net (Expense)/Revenue				
Governmental activities	\$ (7,101,889)	\$ (7,006,976)	\$ (10,206,729)	\$ (9,785,499)
Business-type activities	1,005,633	991,733	999,866	413,852
Total Primary Government Net (Expense)	\$ (6,096,256)	\$ (6,015,243)	\$ (9,206,863)	\$ (9,371,647)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 3,399,058	\$ 3,169,452	\$ 4,639,473	\$ 4,198,327	\$ 5,588,017	\$ 6,139,755
4,748,633	4,903,199	5,420,766	6,291,020	7,262,433	9,332,084
4,792,733	2,992,310	6,920,041	4,969,271	3,622,874	3,377,402
519,638	717,655	891,452	911,063	1,144,659	1,387,053
439,389	307,289	315,625	252,869	212,322	173,014
13,899,451	12,089,905	18,187,357	16,622,550	17,830,305	20,409,308
3,638,432	3,148,578	3,905,511	4,208,227	4,263,447	5,443,472
1,900,360	2,135,470	2,114,531	2,048,846	3,000,824	2,331,908
5,538,792	5,284,048	6,020,042	6,257,073	7,264,271	7,775,380
\$ 19,438,243	\$ 17,373,953	\$ 24,207,399	\$ 22,879,623	\$ 25,094,576	\$ 28,184,688
\$ 1,181,524	\$ 1,292,758	\$ 905,598	\$ 1,041,670	\$ 1,144,018	\$ 1,235,707
238,846	1,240,337	122,932	413,335	548,018	895,965
3,552,993	1,433,555	4,408,579	6,986,834	8,116,495	6,160,424
4,973,363	3,966,650	5,437,109	8,441,839	9,808,531	8,292,096
4,670,098	4,496,215	4,739,888	4,754,704	5,146,971	5,483,827
1,387,282	1,500,228	1,829,037	1,830,549	2,236,036	2,430,619
6,057,380	5,996,443	6,568,925	6,585,253	7,383,007	7,914,446
\$ 11,030,743	\$ 9,963,093	\$ 12,006,034	\$ 15,027,092	\$ 17,191,538	\$ 16,206,542
\$ (8,926,088)	\$ (8,123,255)	\$ (12,750,248)	\$ (8,180,711)	\$ (8,021,774)	\$ (12,117,212)
518,588	712,395	548,883	328,180	118,736	139,066
\$ (8,407,500)	\$ (7,410,860)	\$ (12,201,365)	\$ (7,852,531)	\$ (7,903,038)	\$ (11,978,146)

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years

		Fiscal Year			
		2014	2015	2016	2017
General Revenues and Other					
Changes in Net Position					
Governmental activities					
Taxes and fees					
Ad valorem taxes	\$	6,269,652	\$ 6,899,774	\$ 8,216,808	\$ 8,047,479
Sales taxes		3,282,372	3,333,531	4,932,020	4,625,417
Franchise fees and local taxes		674,027	635,236	636,178	615,525
Investment earnings		6,346	14,733	76,726	185,333
Other revenues		258,962	173,688	262,531	236,105
Transfers		1,188,206	110,781	118,727	216,242
Total Governmental Activities		<u>11,679,565</u>	<u>11,167,743</u>	<u>14,242,990</u>	<u>13,926,101</u>
Business-type activities					
Investment earnings		1,037	2,295	15,285	36,434
Other		-	-	-	-
Transfers		(1,188,206)	(110,781)	(118,727)	(216,242)
Total Business-Type Activities		<u>(1,187,169)</u>	<u>(108,486)</u>	<u>(103,442)</u>	<u>(179,808)</u>
Total Primary Government		<u>\$ 10,492,396</u>	<u>\$ 11,059,257</u>	<u>\$ 14,139,548</u>	<u>\$ 13,746,293</u>
Change in Net Position					
Governmental activities	\$	4,577,676	\$ 4,160,767	\$ 4,036,261	\$ 4,140,602
Business-type activities		(181,536)	883,247	896,424	234,044
Total Primary Government	\$	<u>4,396,140</u>	<u>5,044,014</u>	<u>4,932,685</u>	<u>4,374,646</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,631,592	\$ 8,008,209	\$ 7,914,769	\$ 7,927,764	\$ 8,047,029	\$ 8,967,978
4,769,278	5,977,528	6,262,714	6,056,811	5,166,611	5,446,808
610,312	560,994	549,938	520,250	496,464	520,849
473,167	581,169	223,431	12,214	179,093	1,171,036
251,130	162,480	421,222	631,420	483,274	229,539
481,440	352,022	789,787	500,725	458,716	743,573
14,216,919	15,642,402	16,161,861	15,649,184	14,831,187	17,079,783
86,947	130,716	47,387	2,436	32,295	199,415
-	-	-	-	-	19,488
(481,440)	(352,022)	(789,787)	(500,725)	(458,716)	(743,573)
(394,493)	(221,306)	(742,400)	(498,289)	(426,421)	(524,670)
\$ 13,822,426	\$ 15,421,096	\$ 15,419,461	\$ 15,150,895	\$ 14,404,766	\$ 16,555,113
\$ 5,290,831	\$ 7,519,147	\$ 3,411,613	\$ 7,468,473	\$ 6,809,413	\$ 4,962,571
124,095	491,089	(193,517)	(170,109)	(307,685)	(385,604)
\$ 5,414,926	\$ 8,010,236	\$ 3,218,096	\$ 7,298,364	\$ 6,501,728	\$ 4,576,967

CITY OF JERSEY VILLAGE, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

		Fiscal Year			
		2014	2015	2016	2017
General Fund					
Nonspendable	\$	674	\$ -	\$ 4,853	\$ 259
Restricted		31,012	39,109	61,587	79,447
Unassigned		10,018,365	12,697,557	14,441,008	17,275,139
Total General Fund	\$	10,050,051	\$ 12,736,666	\$ 14,507,448	\$ 17,354,845
All Other Governmental Funds					
Nonspendable	\$	2,221	\$ 2,221	\$ 3,276	\$ 2,469
Restricted					
Capital projects funds		-	7,549,019	4,521,659	3,669,948
Debt service fund		500,482	463,977	456,038	441,734
Special revenue funds		2,793,875	2,554,137	2,312,789	2,028,666
Assigned					
Capital projects fund		1,116,824	840,778	3,008,415	966,776
Total All Other Governmental Funds	\$	4,413,402	\$ 11,410,132	\$ 10,302,177	\$ 7,109,593

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 259	\$ 259	\$ 259	\$ 3,475	\$ 597	\$ 597
95,468	115,444	134,397	146,886	97,662	106,921
16,521,110	8,101,748	7,595,077	10,979,458	12,114,983	14,242,139
<u>\$ 16,616,837</u>	<u>\$ 8,217,451</u>	<u>\$ 7,729,733</u>	<u>\$ 11,129,819</u>	<u>\$ 12,213,242</u>	<u>\$ 14,349,657</u>
\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469
634,352	74,229	426,593	-	745,535	-
393,737	331,179	328,687	344,428	314,820	326,620
1,389,397	784,672	752,179	732,409	874,514	975,485
2,826,617	7,891,610	9,409,107	4,150,960	4,593,879	384,921
<u>\$ 5,246,572</u>	<u>\$ 9,084,159</u>	<u>\$ 10,919,035</u>	<u>\$ 5,230,266</u>	<u>\$ 6,531,217</u>	<u>\$ 1,689,495</u>

CITY OF JERSEY VILLAGE, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Years

		Fiscal Year			
		2014	2015	2016	2017
Revenues					
Taxes	\$	10,389,401	\$ 11,007,424	\$ 13,878,811	\$ 13,367,966
Permits, licenses, and fees		131,473	172,065	203,454	180,908
Charges for services		363,058	509,817	397,070	259,218
Fines and forfeitures		1,299,847	928,214	907,921	1,007,660
Investment earnings		5,041	12,526	63,057	155,039
Intergovernmental		1,063,628	1,897,233	980,511	1,313,987
Other revenues		181,063	62,786	168,790	156,624
Total Revenues		13,433,511	14,590,065	16,599,614	16,441,402
Expenditures					
General government		1,765,524	1,911,015	3,513,200	3,553,380
Public safety		4,876,359	4,856,290	4,560,262	4,829,164
Public works		2,323,893	3,760,747	4,867,383	5,668,902
Parks and recreation		556,575	587,791	623,509	554,607
Debt service					
Principal		1,495,000	1,050,000	1,765,000	1,875,000
Interest and fiscal fees		673,669	577,906	782,639	521,778
Total Expenditures		11,691,020	12,743,749	16,111,993	17,002,831
Excess (Deficiency) of Revenues					
Over (Under) Expenditures		1,742,491	1,846,316	487,621	(561,429)
Other Financing Sources (Uses)					
Sale of capital assets		-	-	-	-
Transfers in		2,025,025	625,341	2,029,632	578,913
Transfers out		(836,819)	(514,560)	(1,910,905)	(362,671)
Proceeds paid to escrow agent		-	-	(7,281,990)	-
Issuance of debt		-	8,000,000	6,710,000	-
Premium on debt issued		-	-	628,469	-
Total Other Financing Sources		1,188,206	8,110,781	175,206	216,242
Net Change in Fund Balances	\$	2,930,697	\$ 9,957,097	\$ 662,827	\$ (345,187)
Debt service as a percentage of noncapital expenditures					
		19.97%	14.87%	19.45%	19.39%

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 13,195,464	\$ 14,601,658	\$ 14,595,723	\$ 14,564,920	\$ 13,781,470	\$ 15,056,861
126,564	116,748	116,342	157,390	268,591	239,120
238,846	1,240,337	122,932	418,126	553,986	655,160
1,054,960	1,176,010	789,256	884,280	875,427	996,587
408,902	476,131	177,145	9,693	150,573	968,386
3,552,993	1,433,555	4,408,579	5,137,101	10,134,780	6,160,424
90,731	84,206	359,259	577,082	119,392	100,664
18,668,460	19,128,645	20,569,236	21,748,592	25,884,219	24,177,202
3,555,860	12,450,129	4,679,739	4,263,254	5,583,595	5,845,460
5,185,533	5,524,631	5,967,550	6,701,679	7,915,942	8,052,255
4,049,980	3,747,071	6,868,668	11,133,409	7,964,725	11,384,812
779,801	803,985	977,633	920,083	966,199	1,072,244
7,710,000	1,180,000	1,210,000	1,245,000	1,290,000	1,325,000
469,755	336,650	308,275	274,575	238,100	198,875
21,750,929	24,042,466	20,011,865	24,538,000	23,958,561	27,878,646
(3,082,469)	(4,913,821)	557,371	(2,789,408)	1,925,658	(3,701,444)
-	-	-	-	-	252,564
10,600,678	6,472,762	3,697,172	746,248	1,715,385	2,455,982
(10,119,238)	(6,120,740)	(2,907,385)	(245,523)	(1,256,669)	(1,712,409)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
481,440	352,022	789,787	500,725	458,716	996,137
\$ (2,601,029)	\$ (4,561,799)	\$ 1,347,158	\$ (2,288,683)	\$ 2,384,374	\$ (2,705,307)
41.08%	12.81%	8.74%	8.80%	8.66%	8.04%

CITY OF JERSEY VILLAGE, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES
Last Ten Years
(modified accrual basis of accounting)

Function	Fiscal Year			
	2014	2015	2016	2017
Ad valorem taxes	\$ 6,355,103	\$ 6,927,755	\$ 8,216,872	\$ 8,047,543
Sales taxes	3,282,372	3,333,531	4,932,020	4,625,417
Franchise fees	674,027	635,236	636,178	615,525
Other	77,899	110,902	93,741	79,481
Totals	\$ 10,389,401	\$ 11,007,424	\$ 13,878,811	\$ 13,367,966

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,655,475	\$ 7,984,862	\$ 7,721,108	\$ 7,933,521	\$ 7,959,835	\$ 8,960,329
4,769,278	5,977,528	6,262,714	6,056,811	5,166,611	5,446,808
610,312	560,994	549,938	520,250	496,464	520,849
160,399	78,274	61,963	54,338	158,560	128,875
<u>\$ 13,195,464</u>	<u>\$ 14,601,658</u>	<u>\$ 14,595,723</u>	<u>\$ 14,564,920</u>	<u>\$ 13,781,470</u>	<u>\$ 15,056,861</u>

CITY OF JERSEY VILLAGE, TEXAS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Residential property	\$ 520,849,850	\$ 556,078,428	\$ 609,105,279	\$ 657,487,846
Commercial property	224,196,999	242,011,499	254,969,262	268,838,386
Other	284,337,338	279,381,642	436,409,458	378,991,944
Less: Tax exempt property	<u>(176,397,106)</u>	<u>(149,483,522)</u>	<u>(187,496,940)</u>	<u>(202,797,027)</u>
Total Taxable Assessed Value (1)	<u><u>\$ 852,987,081</u></u>	<u><u>\$ 927,988,047</u></u>	<u><u>\$ 1,112,987,059</u></u>	<u><u>\$ 1,102,521,149</u></u>
Total Direct Tax Rate	\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.74250

Source: Harris County Certified / Uncertified Tax Roll

(1) Property is assessed at actual value, therefore, the assessed values are equal to actual value.
Tax rates are per \$100 of assessed value.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 697,956,307	\$ 716,831,184	\$ 721,153,724	\$ 764,803,559	\$ 812,342,506	\$ 921,083,691
280,814,558	296,336,420	312,527,948	322,466,429	331,740,957	362,499,156
267,381,542	274,421,586	288,860,243	288,690,142	258,539,540	301,656,274
(203,955,593)	(207,287,908)	(275,262,666)	(278,642,135)	(290,691,784)	(358,712,489)
<u>\$ 1,042,196,814</u>	<u>\$ 1,080,301,282</u>	<u>\$ 1,047,279,249</u>	<u>\$ 1,097,317,995</u>	<u>\$ 1,111,931,219</u>	<u>\$ 1,226,526,632</u>
\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.72347	\$ 0.74250	\$ 0.74250

CITY OF JERSEY VILLAGE, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
City of Jersey Village by fund:				
General	\$ 0.49415	\$ 0.58252	\$ 0.52635	\$ 0.53148
Debt service	0.24835	0.15998	0.21615	0.21102
Total Direct Rates	\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.74250
Cypress-Fairbanks Independent School District	\$ 1.45000	\$ 1.44000	\$ 1.44000	\$ 1.44000
Harris County	0.41455	0.41731	0.41923	0.41801
Harris County Flood Control District	0.02827	0.02736	0.28290	0.28310
Port of Houston Authority	0.01716	0.01531	0.01334	0.01256
Harris County Hospital District	0.17000	0.17000	0.17179	0.17110
Harris County Department of Education	0.00636	0.00600	0.00520	0.00520
Lone Star College System	0.10810	0.10790	0.10780	0.10780
Total Direct and Overlapping Rates (1)	\$ 2.93694	\$ 2.92638	\$ 3.18276	\$ 3.18027

Tax rates are per \$100 of assessed valuation
Source: Harris Central Appraisal District

(1) Overlapping rates are those of local and county governments that apply within the City of Jersey Village.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 0.53058	\$ 0.61640	\$ 0.60612	\$ 0.59139	\$ 0.61094	\$ 0.62377
0.21192	0.12610	0.13638	0.13207	0.13156	0.11873
<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.72347</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>
\$ 1.44000	\$ 1.37000	\$ 1.37000	\$ 1.35550	\$ 1.33920	\$ 1.08110
0.41858	0.40713	0.40713	0.39116	0.37693	0.35007
0.02877	0.27920	0.27920	0.03142	0.33490	0.03105
0.01155	0.10740	0.10740	0.00991	0.00872	0.00574
0.17108	0.16591	0.16591	0.16671	0.16221	0.14343
0.00519	0.00500	0.00500	0.00499	0.00499	0.00480
0.10780	0.10780	0.10780	0.10780	0.10780	0.10760
<u>\$ 2.92547</u>	<u>\$ 3.18494</u>	<u>\$ 3.18494</u>	<u>\$ 2.79096</u>	<u>\$ 3.07725</u>	<u>\$ 2.46629</u>

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Prologis	\$ 94,133,418	1	7.67%	\$ 52,730,437	2	6.2%
11011 Pleasant LLC***	71,563,647	2	5.83%	-	-	N/A
GWR Trails CC Owner LLC**	49,361,722	3	4.02%	-	-	N/A
Trails Rock Creek Holding LP	37,235,799	4	3.04%	18,890,303	7	2.2%
BHA Real State Holdings LLC	34,298,647	5	2.80%	-	-	N/A
Gordon NW Village LP	24,831,123	6	2.02%	21,200,000	6	2.5%
Joe Myers Ford II, LLC*	23,657,774	7	1.90%	-	-	N/A
Joe Myers Automotive, LLC*	23,440,176	8	1.65%	49,274,299	3	5.8%
Anixter Inc	23,345,679	9	0.00%	-	-	N/A
NNN Auto Owners II LLC	20,223,145	10	1.65%	-	-	N/A
National Oilwell Inc	-	-	N/A	13,675,950	9	1.6%
Car Son LMC LP	-	-	N/A	13,525,841	10	1.6%
Goodman Manufacturing Corp.	-	-	N/A	52,942,890	1	6.2%
PCM Steeplechase LLC	-	-	N/A	37,474,721	4	4.4%
Trails Corinthian Creek LTD	-	-	N/A	26,917,284	5	3.2%
Sonic-LS Chevrolet LP	-	-	N/A	18,643,066	8	2.2%
Subtotal	402,091,130		32.78%	305,274,791		35.8%
Other Taxpayers	824,435,502		67.22%	547,712,290		64.2%
Total	\$ 1,226,526,632		100%	\$ 852,987,081		100.0%

Source: Harris County Tax Assessor-Collector's records.

* Joe Myers Ford and Joe Myers Automotive LLC values were included Joe Myers Dealership

**GWR Trails CC Owner LLC was previously Beeler Sanders V LTD

***11011 Pleasant LLC was previously AROP Promenage Jersey Village LLC

CITY OF JERSEY VILLAGE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Tax levy	\$ 6,306,997	\$ 6,890,311	\$ 8,265,028	\$ 8,185,070
Current tax collected*	6,288,377	6,837,787	8,225,760	8,133,703
Percentage of current tax collections	99.70%	99.24%	99.52%	99.37%
Net collections and refunds in subsequent years**	10,909	44,065	30,936	42,231
Total Tax Collections	\$ 6,299,286	\$ 6,881,852	\$ 8,256,696	\$ 8,175,934
Total collections as a percentage of current levy	99.88%	99.88%	99.90%	99.89%

Source: Harris County Tax Assessor-Collector

* Collected within the year of the levy.

** Collected or refunded in subsequent years of the levy.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,738,412	\$ 8,021,237	\$ 7,776,048	\$ 7,938,723	\$ 8,256,089	\$ 9,106,960
7,700,027	7,970,669	7,672,971	7,850,181	8,046,285	8,917,610
99.50%	99.37%	98.67%	98.88%	97.46%	97.92%
24,257	30,832	76,330	(61,657)	(101,625)	-
<u>\$ 7,724,284</u>	<u>\$ 8,001,501</u>	<u>\$ 7,749,301</u>	<u>\$ 7,788,524</u>	<u>\$ 7,944,660</u>	<u>\$ 8,917,610</u>
99.82%	99.75%	99.66%	98.11%	96.23%	97.92%

CITY OF JERSEY VILLAGE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

		Fiscal Year			
		2014	2015	2016	2017
Primary Government					
Governmental Activities:					
General obligation bonds	\$	16,570,000	\$ 15,830,000	\$ 14,440,000	\$ 13,320,000
Certificates of obligation		310,000	8,000,000	7,320,000	6,565,000
Capital leases		396,073	-	-	-
Premium on bonds		538,527	490,495	925,134	830,728
Subtotal		17,814,600	24,320,495	22,685,134	20,715,728
Business-Type Activities:					
Revenue bonds		-	-	-	-
Total Primary Government	\$	17,814,600	\$ 24,320,495	\$ 22,685,134	\$ 20,715,728
Personal Income					
	\$	347,500,000	\$ 348,000,000	\$ 349,000,000	\$ 378,195,480
Debt as a Percentage of Personal Income					
		5.13%	6.99%	6.50%	5.48%
Population					
		7,901	7,898	7,928	7,929
Debt Per Capita					
	\$	2,255	\$ 3,079	\$ 2,861	\$ 2,613

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 12,175,000	\$ 10,995,000	\$ 9,785,000	\$ 8,540,000	\$ 7,250,000	\$ 5,925,000
-	-	-	-	-	-
-	-	-	-	-	-
736,321	646,096	555,871	465,646	375,421	285,196
12,911,321	11,641,096	10,340,871	9,005,646	7,625,421	6,210,196
-	-	-	-	-	-
\$ 12,911,321	\$ 11,641,096	\$ 10,340,871	\$ 9,005,646	\$ 7,625,421	\$ 6,210,196
\$ 410,008,680	\$ 410,008,680	\$ 544,610,844	\$ 565,349,554	\$ 676,912,818	\$ 659,145,870
3.15%	2.84%	1.90%	1.59%	1.13%	0.94%
7,970	7,992	8,017	8,074	7,921	7,746
\$ 1,620	\$ 1,457	\$ 1,290	\$ 1,115	\$ 963	\$ 802

CITY OF JERSEY VILLAGE, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Net Taxable Assessed Value				
All property	\$ 852,987,081	\$ 927,988,047	\$ 1,112,987,059	\$ 1,102,521,149
Net Bonded Debt				
Gross bonded debt	\$ 17,276,073	\$ 23,830,000	\$ 21,760,000	\$ 22,685,134
Less debt service funds	(500,482)	(463,978)	(456,038)	(441,734)
Net Bonded Debt	\$ 16,775,591	\$ 23,366,022	\$ 21,303,962	\$ 22,243,400
Ratio of Net Bonded Debt To Assessed Value	1.97%	2.52%	1.91%	2.02%
Population	7,862	7,901	7,898	7,929
Net Bonded Debt Per Capita	\$ 2,134	\$ 2,957	\$ 2,697	\$ 2,805

Fiscal Year					
2018	2019	2020	2021	2022	2023
<u>\$ 1,042,196,814</u>	<u>\$ 1,080,301,282</u>	<u>\$ 1,047,279,249</u>	<u>\$ 1,097,317,995</u>	<u>\$ 1,111,931,219</u>	<u>\$ 1,226,526,632</u>
\$ 12,911,321 <u>(393,737)</u>	\$ 11,641,096 <u>(331,179)</u>	\$ 10,340,871 <u>(328,687)</u>	\$ 9,005,646 <u>(344,428)</u>	\$ 7,625,421 <u>(298,538)</u>	\$ 6,210,196 <u>(326,620)</u>
<u>\$ 12,517,584</u>	<u>\$ 11,309,917</u>	<u>\$ 10,012,184</u>	<u>\$ 8,661,218</u>	<u>\$ 7,326,883</u>	<u>\$ 5,883,576</u>
1.20%	1.05%	0.96%	0.79%	0.66%	0.48%
7,970	7,992	8,017	8,074	7,921	7,746
\$ 1,571	\$ 1,415	\$ 1,249	\$ 1,073	\$ 925	\$ 760

CITY OF JERSEY VILLAGE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
For the Year Ended September 30, 2023

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Cypress-Fairbanks Independent School District	\$ 3,549,625	1.339%	\$ 48,097
Harris County	\$ 4,516,321,399	0.377%	17,658,817
Harris County Department of Education	\$ 48,705,432	0.005%	24,353
Lone Star College District	\$ 981,148,706	0.108%	10,596,406
Harris County Flood Control District	\$ 1,256,208,000	0.335%	3,643,003
Port of Houston Authority	\$ 45,481,250	0.009%	54,578
Harris County Hospital District	\$ 315,567	0.162%	512
Subtotal, overlapping debt	\$ 6,851,729,979		32,025,254
City Direct Debt	\$ 6,210,196	100%	6,210,196
Total Direct and Overlapping Debt			<u>\$ 38,235,450</u>

Source: Various governmental units mentioned above

(1) Estimated Percentage Applicable obtained from Municipal Advisory Council of Texas.

CITY OF JERSEY VILLAGE, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Gross Revenues (1)	\$ 4,001,738	\$ 4,152,908	\$ 4,595,167	\$ 4,518,707
Operating Expenses (2)	2,356,645	2,728,013	2,655,492	\$ 2,974,499
Net Revenues Available for Debt Service	<u>\$ 1,645,093</u>	<u>\$ 1,424,895</u>	<u>\$ 1,939,675</u>	<u>\$ 1,544,208</u>
Debt Service Requirements (3)				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Coverage	0.00	0.00	0.00	0.00

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 4,670,098	\$ 4,496,215	\$ 4,739,888	\$ 4,754,704	\$ 5,134,910	\$ 5,677,238
3,079,683	2,646,874	3,211,814	3,616,160	3,778,529	4,746,741
<u>\$ 1,590,415</u>	<u>\$ 1,849,341</u>	<u>\$ 1,528,074</u>	<u>\$ 1,138,544</u>	<u>\$ 1,356,381</u>	<u>\$ 930,497</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
0.00	0.00	0.00	0.00	0.00	0.00

CITY OF JERSEY VILLAGE, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Fiscal Year Ended Sep. 30	Population (1)	Personal Income (4)	Per Capita Personal Income	Median Age	School Enrollment (2)	Unemployment Rate (3)
2014	7,901	\$ 347,500,000	\$ 43,982	37.8	4,500	5.0%
2015	7,898	\$ 348,000,000	\$ 44,062	39.0	4,500	4.9%
2016	7,928	\$ 349,000,000	\$ 46,000	43.6	4,600	4.9%
2017	7,929	\$ 378,195,480	\$ 47,304	44.7	4,650	4.1%
2018	7,970	\$ 410,008,680	\$ 51,444	38.3	4,677	3.9%
2019	7,992	\$ 476,083,440	\$ 59,570	38.5	4,690	3.9%
2020	8,017	\$ 544,610,844	\$ 67,932	39.0	4,500	9.6%
2021	8,074	\$ 565,349,554	\$ 70,021	39.0	4,155	5.6%
2022	7,921	\$ 676,912,818	\$ 85,458	40.0	4,151	3.9%
2023	7,746	\$ 659,145,870	\$ 85,095	41.0	4,235	3.8%

Data sources:

(1) Bureau of the Census

(2) The school enrollment reflects enrollment in schools located within the City limits.

(3) Texas Workforce Commission

(4) Personal income is available on www.clrsearch.com/Jersey-Village-Demographics/TX.

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jersey Village High School	363	1	8.33%	270	2	8.96%
Joe Myers Toyota	224	2	5.14%	195	4	6.47%
City of Jersey Village	156	3	3.58%	144	6	4.78%
Joe Myers Ford	148	4	3.39%	272	1	9.03%
Sonic-LS Chevrolet	146	5	3.35%	200	3	6.64%
Sam's East, Inc.	144	6	3.30%	165	5	5.47%
Foundry Methodist	126	7	2.89%	132	7	4.38%
Post Elementary School	120	8	2.75%	102	9	3.38%
Joe Myers Mazda	65	9	1.49%	111	8	3.68%
CEMEX	62	10	1.42%		N/A	0.00%
Jersey Village Baptist Church*		N/A	0.00%	44	10	1.46%
Total	1,554		35.64%	1,635		54.25%

Source: Personnel department of each employer above

*Name changed to Champion Forest Baptist Church

CITY OF JERSEY VILLAGE, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>General Fund:</u>										
Administrative										
Administration	3	3	3	2	2	2	2	2	2	2
Information Technology	2	2	2	2	3	3	3	3	3	3
Municipal Court	4	4	4	4	4	4	3	3	3	3
City Secretary	1	1	1	1	1	1	1	1	1	1
Finance	4	4	4	4	4	4	4	4	4	4
Public Safety										
Police	30	30	30	30	29	29	29	30	30	34
Fire	6	6	6	6	6	6	6	10	12	21
Communications	7	7	7	7	7	9	9	9	9	9
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Streets	3	3	3	3	3	3	3	3	3	3
Community Development	4	4	4	4	4	5	5	5	4	4
Fleet Services	2	2	2	2	2	2	2	2	2	2
Parks and Recreation										
Parks	8	8	8	8	9	10	10	9	10	10
General Fund Total	76	76	76	75	76	80	79	83	85	98
<u>Enterprise Fund:</u>										
Utilities	5	5	5	5	5	5	5	5	5	5
Golf Course	4	4	4	4	3	13	13	13	14	14
Enterprise Fund Total	9	9	9	9	8	18	18	18	19	19
<u>Special Revenue Fund:</u>										
Police	1	1	-	1	1	1	1	1	-	-
Special Revenue Fund Total	1	1	-	1	1	1	1	1	-	-
Total City Positions	<u>86</u>	<u>86</u>	<u>85</u>	<u>85</u>	<u>85</u>	<u>99</u>	<u>98</u>	<u>102</u>	<u>104</u>	<u>117</u>

NOTES:

Around 20-35 temporary and seasonal employees are hired during the summer months as pool personnel and front desk personnel. This count is not reflected above.
 On-call firefighters (9) are not included.

CITY OF JERSEY VILLAGE, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Function/Program				
Police				
Physical arrests	778	849	1034	919
Parking violations	20	47	32	26
Traffic violations	9,553	9,702	11,687	7,455
Fire				
Calls for service	1,216	1,123	1,188	1,312
Water				
Service calls	2,014	211	1,641	2,295
Water main breaks	4	2	4	6
Average daily consumption (thousands of gallons)	1,285.0	1,285.0	1,265.0	1,194.0
Total consumption (thousands of gallons)	469.2	469.2	461.8	466.4
Peak daily consumption (thousands of gallons)	4.9	4.9	3.2	1.8
Sewer				
Average daily sewage treatment (thousands of gallons)	0.3	0.3	0.3	0.3
Peak daily consumption (thousands of gallons)	0.5	0.8	0.8	0.8

Source: Various City departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
803	715	418	466	686	364
37	20	17	20	33	194
11,624	12,282	8,540	4,529	7,631	12,534
1,360	1,248	1,303	1,514	1,574	1,980
1,989	1,511	996	1,049	1,932	1,933
2	3	12	15	2	3
1,056.0	1,224.0	1,194.0	1,194.0	1,454.0	1,454.0
378.9	449.5	311.8	311.8	530.7	530.7
3.2	3.2	1.8	1.8	3.0	3.0
0.4	0.7	0.8	0.8	6.4	6.4
0.5	0.9	1.1	1.1	7.4	7.4

CITY OF JERSEY VILLAGE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Police				
Stations	1	1	1	1
Patrol units	16	16	16	16
Fire				
Stations	1	1	1	1
Volunteers	33	40	43	34
Other public works				
Streets (miles - centerlines)	29.6	29.6	29.6	29.6
Streetlights	47	47	47	47
Parks and recreation				
Parks	4	4	4	4
Parks acreage	12.1	12.1	12.1	12.1
Swimming pools	1	1	1	1
Water				
Water wells	4	4	4	4
Water mains (miles)	36.6	36.6	36.6	35.8
Fire hydrants	468	468	468	455
Storage capacity (thousands of gallons)	2,550	2,550	2,550	2,550
Sewer				
Sanitary sewers (miles)	36.2	36.2	36.2	35.2
Storm sewers (miles)	21.7	21.7	21.7	20.7
Treatment capacity (thousands of gallons)	800	800	800	800

Source: Various City departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
16	16	16	16	18	18
1	1	1	1	1	1
31	35	37	22	18	12
29.6	29.6	29.6	29.6	29.6	29.6
47	47	47	47	47	47
4	4	4	4	4	4
12.1	12.1	12.1	12.1	12.1	12.1
1	1	1	1	1	1
4	4	3	3	3	3
35.8	35.8	35.8	35.8	35.8	35.8
455	455	455	455	455	455
2,550	2,550	2,550	2,550	2,550	2,550
35.2	35.2	35.2	35.2	35.2	35.2
20.7	20.7	20.7	20.7	20.7	20.7
800	800	800	800	800	800



16327 Lakeview Dr. Jersey Village, TX 77040

SINGLE AUDIT REPORTS

**CITY OF JERSEY VILLAGE,
TEXAS**

**For the Year Ended
September 30, 2023**

CITY OF JERSEY VILLAGE, TEXAS

SINGLE AUDIT REPORTS

For the Year Ended September 30, 2023

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
April 29, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Jersey Village, Texas' (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 29, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
April 29, 2024

CITY OF JERSEY VILLAGE, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended September 30, 2023

No prior findings.

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2023

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

What were the results of the auditors' determination of whether the financial statements of the auditee were prepared in accordance with generally accepted accounting principles?	Unmodified
Is a 'going concern' emphasis-of-matter paragraph included in the audit report?	No
Is a significant deficiency in internal control disclosed?	No
Is a material weakness in internal control disclosed?	No
Is material noncompliance disclosed?	No

Federal Programs

Type of audit report issued on compliance for each major program	Unmodified
Is a significant deficiency in internal control over major programs disclosed?	No
Is a material weakness in internal control over major programs disclosed?	No
Does the auditors' report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending federal awards which are not included in this audit?	No
What is the dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
Did the auditee qualify as low-risk auditee?	Yes
Did the audit disclose any audit findings that the auditor is required to report under Uniform Guidance 2 CFR §200.516 Audit Findings paragraph (a)?	No

Major Program Information and Audit Findings

Identification of major programs:

<u>Assistance Listing (AL) Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Number of Audit Findings</u>
97.029	Flood Mitigation Assistance	0

II. FINANCIAL STATEMENT FINDINGS

None identified.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None identified.

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Pass-through Texas Division of Emergency Management:</i>			
Hazard Mitigation Grant Programs	97.039	DR-4332-0008	\$ 789,398
<i>Pass-through Texas Water Development Board:</i>			
Flood Mitigation Assistance	97.029	2000012430	1,117,927
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			1,907,325
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Pass-through Texas General Land Office:</i>			
Community Development Block Grant	14.228	B-16-DL-48-0001	17,476
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			17,476
U.S. DEPARTMENT OF TREASURY			
<i>Direct Award:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	N/A	372,463
TOTAL U.S. DEPARTMENT OF TREASURY			372,463
TOTAL FEDERAL AWARDS EXPENDED			\$ 2,297,264

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
For the Year Ended September 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the City. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

The City elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.