

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2007

**City of
Jersey
Village**



Mayor

Russell Hamley

City Council

Joyce Berube

Greg Holden

Frances Wubbenhorst

Ernie English

Jill Klein

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

CITY OF JERSEY VILLAGE, TEXAS

**For the Fiscal Year Ended
September 30, 2007**

**Prepare by
Finance Department**

**Isabel Kato
Director of Finance**

CITY OF JERSEY VILLAGE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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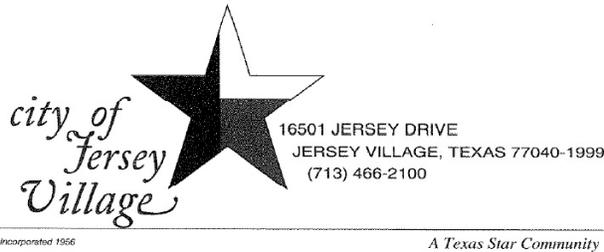
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INTRODUCTORY SECTION

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March 13, 2007

Honorable Mayor and City Council
City of Jersey Village
16501 Jersey 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 Comprehensive Annual Financial Report of the City of Jersey Village for the fiscal year ended September 30, 2007.

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 have been included.

The City's financial statements have been audited by Null Lairson, P.C., a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the financial statements for the year ended September 30, 2007 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As required by GAAP, management has provided a narrative introduction, overview, and analysis to accompany the basic financial statement 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. 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:

- **Fiscal Responsibility** - Establish a fiscally sound local government with budget control and focus on the strategic plans of the community. It will be a strong and diverse economic structure based on a friendly relationship and competitive tax environment.
- **Public Safety** - Provide a safe and secure environment resulting from a partnership between Jersey Village residents and the Police and Emergency Services Departments.
- **Flood Prevention and Mitigation** - The City will continue efforts to reduce flooding in the City and use its influence to encourage the Harris County Flood Control District to complete major flood mitigation programs affecting Jersey Village in a timely manner.
- **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 needs of the community. An \$8.5 million street bond was overwhelmingly approved by the citizens in 2007.

Profile of the Government

The City, which was formed in 1956, is located 15 miles northwest of downtown Houston. At September 30, 2007 the City had a land area of 3.58 square miles and an estimated population of approximately 7,254. 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 (year 2007) and the three remaining members in the following 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 (the District) is considered to meet the criteria of a component unit, and therefore, has been included in the report as a discretely presented component unit. The 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 district held a required election in May 2003 on the continuance of the District, which resulted in an overwhelming support to maintain the District for an additional ten years.

Local Economy. The Texas unemployment rate at 4.3 percent is now lower than the U.S. unemployment rate of 4.7 percent. Jersey Village is at the same level as the State of Texas at 4.3 percent, with a slight increase compared to previous years.

	2007	2006	2005
United States	4.7%	4.6%	5.1%
Texas	4.3%	4.5%	5.3%
Jersey Village	4.3%	4.0%	4.0%

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 Five-year Capital Improvement Plan and regularly prepares short term improvement plans for water, wastewater, drainage, municipal facilities and parks. These plans are prepared by staff or consultants and presented to the City Council for review and acceptance. The plans require funding sources to be identified for each project.

For the last several years, the policy of the City has been able to maintain its infrastructure base for streets, water and wastewater systems, and municipal facilities through an aggressive maintenance and improvement program. A portion of general fund revenues is allocated to the Capital Improvement Plan each year. Debt is issued when necessary to finance long-term capital improvements.

The City government is using new financial resources by including the issuance of street bonds to rehabilitate the paving, waterlines and storm sewer lines along the streets in the worst condition in the City.

Major Initiatives

Fiscal Year (FY) 2006-2007 was a year of accomplishment for the City of Jersey Village. The list below highlights the achievements of the City and demonstrates the scope and complexity involved in improving the delivery of services to the citizens of Jersey Village.

- Finance Department personnel initiated the process to recapture sales tax that had erroneously been paid to the City of Houston over a period of several years. The City was able to recapture four years of misdirected sales tax with an immediate impact of approximately \$ 900,000. The ongoing annual financial contribution of this recapture is approximately \$ 300,000.
- The city received a bond ratings upgrade from the Standard and Poor’s ratings agency. The upgrade resulted in a savings of approximately \$720,000 over the life of the roadway and drainage debt issuance. The immediate year savings was \$ 300,000. The upgrade reflects the confidence that the markets have in the financial management of the city.
- A general obligation bond election was held in conjunction with the city’s general election. The debt issuance was for \$ 8,500,000 of roadway, drainage and water line improvements. The proposal passed by an 85% to 15% margin.

- A major reorganization of the Municipal Court was implemented beginning mid-year. Although ongoing, the reorganization has reduced the amount of time for cases to be heard from six months to two months. Additionally, court resets and delays have been reduced by 90%. Although not a primary goal of the reorganization, court revenues have correspondingly increased with improved efficiency of the Court operation.
- The transition to a new Fire Chief occurred without incident. The longstanding Fire Chief retired in January after thirteen years in the position. The new Fire Chief quickly implemented a transition program and began strategic planning with his staff.
- During this year, a high number of capital improvement projects (CIP) were budgeted and subsequently completed. Projects ranged from lift station improvements to parking enhancements at City Hall and the golf course. The amount of supplemental projects approved in the 2007 budget was the highest in the city in over a decade. Nearly all of these service enhancement projects will be completed by the initiation of the new fiscal year.
- A strategic planning and team-building program for staff was initiated with the help of Cy-Fair College. The two-day training seminar was well received by staff and will serve as a foundation for ongoing efforts to improve the overall operation of the city. Future efforts in this area will incorporate the development of values and an employee strategic plan.

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 comprehensive annual financial report for the year ended September 30, 2006. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This was the twelfth consecutive year that the City has received this prestigious award. We believe our current report 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 CAFR 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,



Isabel Kato
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Jersey Village
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2006

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



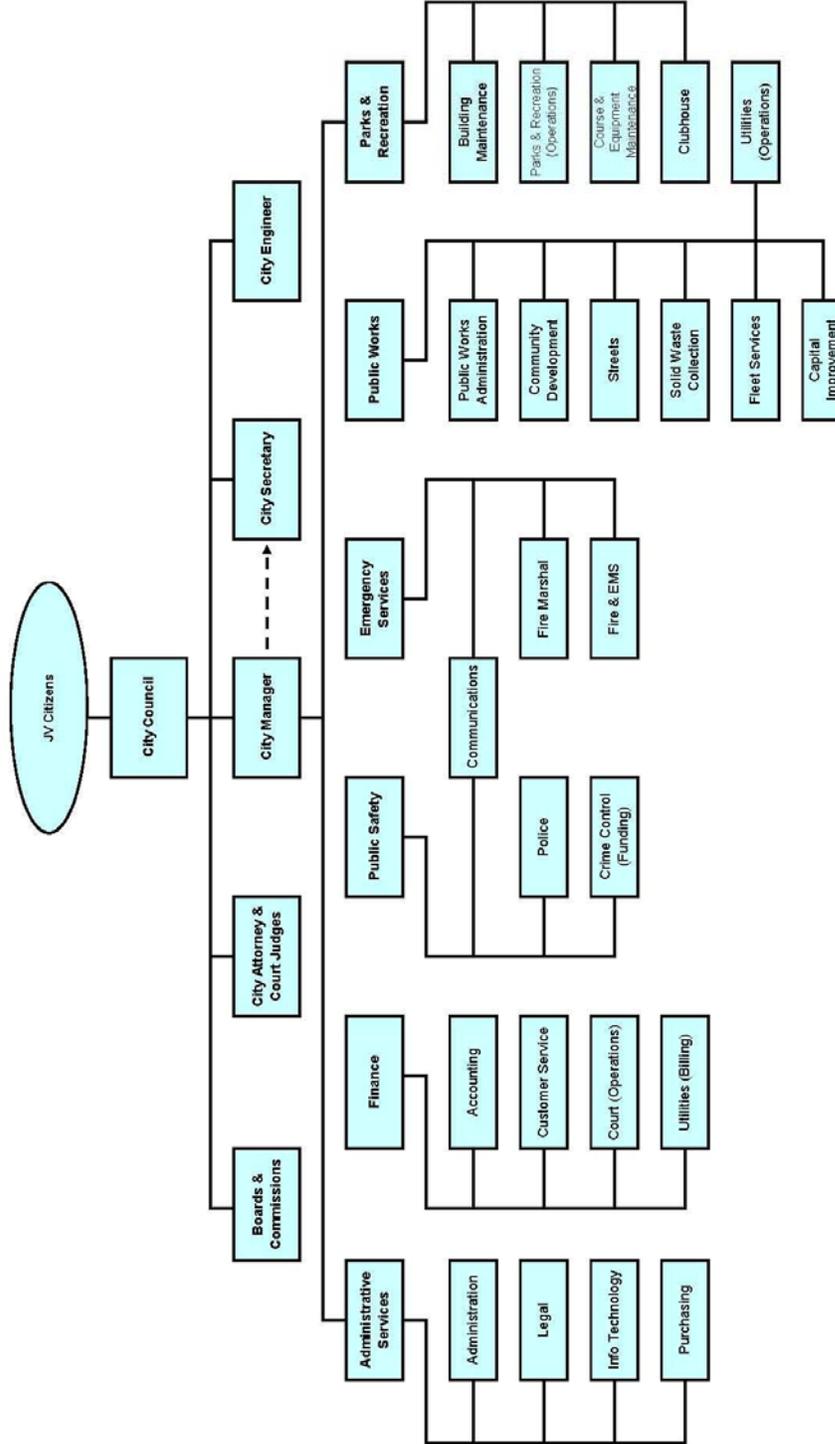
Charles S. Cox

President

Jeffrey R. Emer

Executive Director

**CITY OF JERSEY VILLAGE
ORGANIZATIONAL CHART**



PRINCIPAL CITY OFFICIALS

CITY OF JERSEY VILLAGE, TEXAS

For the Year Ended September 27, 2007

Elected Officials

Russell Hamley

Joyce Berube

Greg Holden

Frances Wubbenhorst

Ernie English

Jill Klein

Position

Mayor

Council Member – Position No. 1

Council Member – Position No. 2

Council Member – Position No. 3
Mayor Pro-Tem

Council Member – Position No. 4

Council Member – Position No. 5

Appointed Officials and Department Heads

Mike Castro

Lakeisha Cannon-Scott

Kenneth Wall

Ismael Segundo

Mark Bitz

Isabel Kato

Charles Wedemeyer

Michael Brown

Position

City Manager

City Secretary

City Attorney

Director of Public Works

Fire Chief

Director of Finance

Police Chief

Director of Parks and Recreation

FINANCIAL SECTION

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Houston, TX 77046
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Galveston, TX 77550
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Fax: (409) 762-1749

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, 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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely present component unit, each major fund and the aggregate remaining fund information of the City as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 10 as well as the budgetary comparison and pension system supplementary information on pages 53 through 58, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

To the Honorable Mayor and
Members of City Council
City of Jersey Village, Texas
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial information and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Null Laison, P.C." in a cursive style.

Houston, Texas
March 12, 2008

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Jersey Village (the "City"), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2007. It should be read in conjunction with the accompanying letter of transmittal and the accompanying basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through their user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, community development and culture and recreation. The business-type activities of the City include a Utility fund and a golf course.

The government-wide financial statements include not only the City of Jersey Village itself (known as the primary government), but also the legally separate crime control and prevention district for which the City of Jersey Village is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13 through 15 of this report.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories governmental and proprietary and utilize different accounting approaches.

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

Because the focus of 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 6 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, debt service and capital projects funds, which are considered to be major funds. Data from the other 3 governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

Proprietary Funds. The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds.

The City maintains two different types of proprietary 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 & Wastewater Utility and Jersey Meadow Golf Course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet and equipment replacement which is later charged to the individual funds.

The basic proprietary fund financial statements can be found on pages 20 through 22 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 42 of this report.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and general fund budgetary comparisons. Required supplementary information can be found on pages 45 through 47 of the City's Comprehensive Annual Financial Report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and supporting schedules can be found beginning on pages 52 through 53 of the City's Comprehensive Annual Financial Report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$41.7 million (net assets). Of this amount, \$19.2 million (unrestricted net assets) may be used to meet the ongoing obligations to citizens and creditors.

By far the largest portion of the City's net assets (73% percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CONDENSED SCHEDULE OF NET ASSETS

Amounts in (000's)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 18,786	\$ 7,995	\$ 4,148	\$ 4,200	\$ 22,934	\$ 12,195
Capital assets	28,964	29,089	17,685	17,673	46,649	46,762
Total Assets	47,750	37,084	21,833	21,873	69,583	58,957
Current liabilities	729	653	253	634	982	1,287
Long-term liabilities	25,936	18,472	952	1,052	26,888	19,524
Total Liabilities	26,665	19,125	1,205	1,686	27,870	20,811
Net assets:						
Invested in capital assets, net of related debt	13,472	12,657	16,785	16,673	30,257	29,330
Restricted	1,482	1,353	694	803	2,176	2,156
Unrestricted	6,131	3,949	3,149	2,711	9,280	6,660
Total Net Assets	\$ 21,085	\$ 17,959	\$ 20,628	\$ 20,187	\$ 41,713	\$ 38,146

An additional portion of the City's net assets (5% percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The government's net assets increased by \$3.6 million during the current fiscal year primarily due to governmental activities revenues exceeding governmental expenses.

The following table summarizes the changes in net assets for the City for the years ended September 30, 2007 and 2006.

CONDENSED SCHEDULE OF CHANGES IN NET ASSETS

Amounts in (000's)

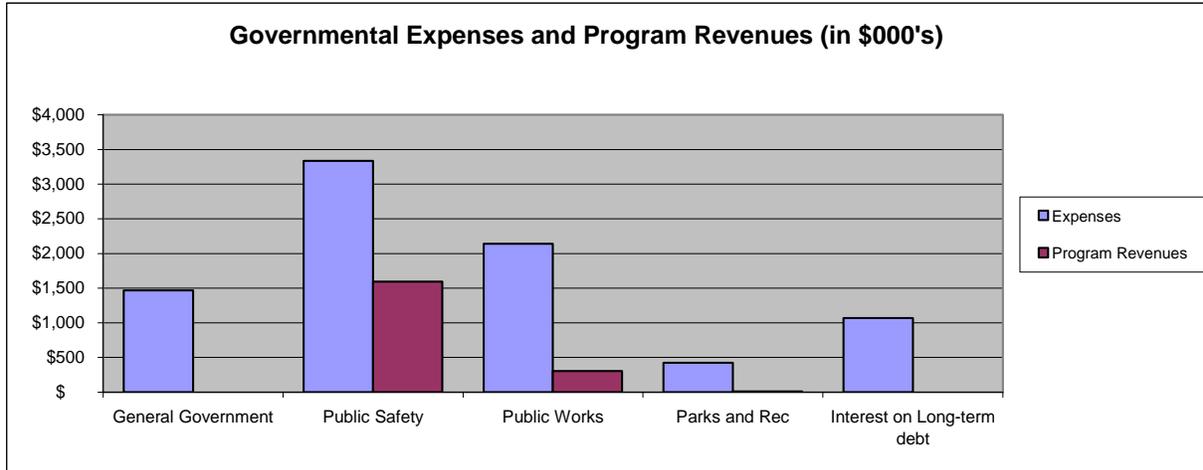
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenue						
Charges for services	\$ 1,910	\$ 1,369	\$ 3,690	4,059	\$ 5,600	\$ 5,428
Operating grants and contributions	537	797			537	797
Capital grants						
General revenues						
Property taxes	4,991	4,092			4,991	4,092
Franchise and other taxes	554	569			554	569
Sales tax	2,602	1,877			2,602	1,877
Unrestricted investment earnings	576	377	149	112	725	489
Miscellaneous	75	100			75	100
Total Revenues and Transfers	11,245	9,181	3,839	4,170	15,084	13,351
Expenses						
General Government	1,468	1,478			1,468	1,478
Public Safety	3,334	3,138			3,334	3,138
Public Works	2,139	1,929			2,139	1,929
Parks and Recreation	424	504			424	504
Interest on Long-term debt	1,069	1,070			1,069	1,070
Utility			1,650	1,898	1,650	1,898
Golf Course			1,433	1,325	1,433	1,325
Total Expenses	8,434	8,120	3,083	3,224	11,517	11,344
Increase in net assets before transfers	2,811	1,061	756	946	3,567	2,008
Transfers	315		(315)			
Increase (decrease) in net assets	3,126	1,061	441	946	3,567	2,008
Beginning net assets	17,959	16,898	20,187	19,241	38,146	36,138
Ending Net Assets	\$ 21,085	\$ 17,959	\$ 20,628	\$ 20,187	\$ 41,713	\$ 38,146

Property tax revenues and Sales Tax Revenue earnings grew during the year ended September 30, 2007 due to the increase in property tax rates, assessed valuations and the recapture of sales taxes that were erroneously paid to the City of Houston.

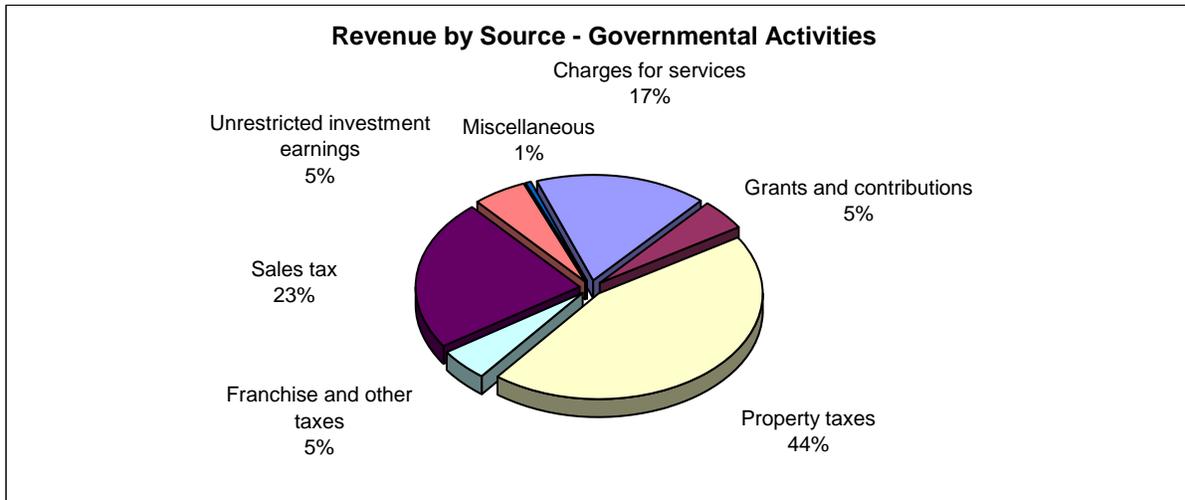
The most notable changes in expenses for the year can be found in General Government. This increase was due to an increase in personal services because of additional positions and retirements of long term employees.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities. Governmental activities increased the City's net assets by \$3.1 million. A comparison of program expenses to program revenues and revenues by source for governmental activities follows:

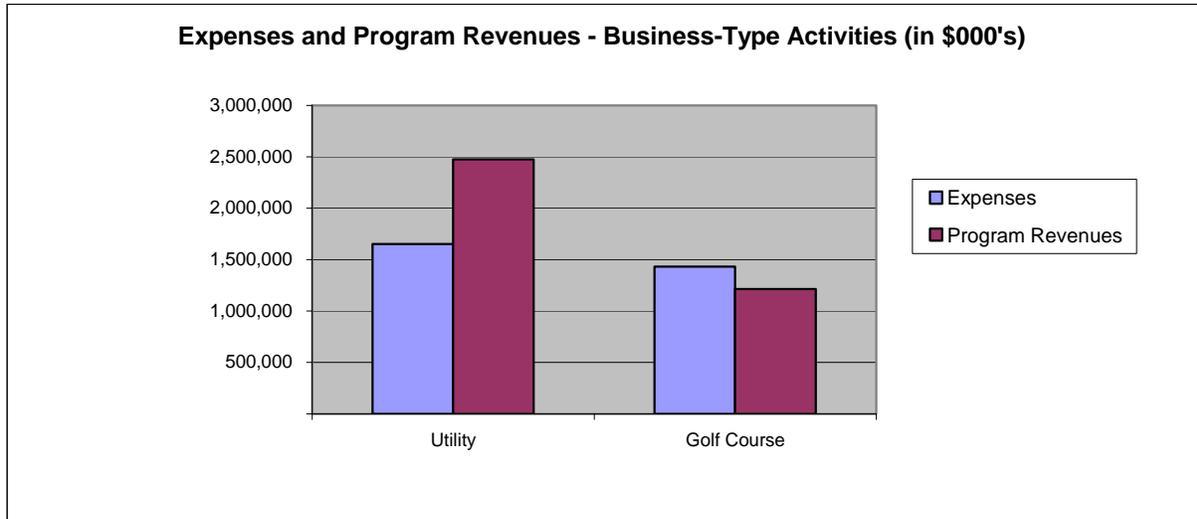


Revenue sources for governmental activities were distributed as follows:



CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities. The net assets of the City's business-type activities increased by \$441,000. This was a modest increase compared to previous year due to a cooler and wetter summer. A comparison between expenses and program revenues (charges for services) relating to Utility and golf course operations follows.



Revenue sources for business-type activities consisted almost entirely of charges for services.

Financial Analysis of the Government's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16.9 million, an increase of approximately \$10.2 million from the prior year. This increase is due primarily to capital project funds containing unspent debt and a new bond issuance proceeds.

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5.1 million. Both the unreserved fund balance and the total fund balance increased by approximately \$1.7 million compared to last year. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 70% of total general fund expenditures.

The Debt Service fund had a total fund balance of approximately \$728,000, all of which is reserved for the payment of debt service. The net increase in fund balance from the prior year of approximately \$69,000 was due to more revenues collected than debt service payments by the fund.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements.

Unrestricted net assets of the Utility Enterprise fund at the end of the year amounted to approximately \$2 million and represents approximately 126% of annual operating expenses for the fund.

Unrestricted net assets of the Golf Course fund at the end of the year amounted to approximately \$249,000 or 16% of annual operating and non-operating expenses for the fund.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to \$110,000 primarily in the following functions:

\$ 24,500	Increase for General Government
\$ 39,650	Increase for Public Safety
\$ 46,000	Increase for Public Works

These differences were mainly for Police overtime, street lighting, and the additional cost of judges and Municipal Court staff overtime. All these costs increases were not contemplated in the original budget.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2007 amounted to \$46.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, park facilities, water and wastewater plants and service lines, machinery and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was approximately \$166,000. The following table shows capital asset activity for the 2007 fiscal year (in 000's):

	Balance at September 30, 2007	Balance at September 30, 2006
Governmental Activities:		
Capital assets, not being depreciated:		
Land	\$ 1,956	\$ 1,956
Construction in progress	226	36
Capital assets being depreciated:		
Infrastructure	20,823	21,019
Buildings and improvements	4,457	4,543
Machinery and equipment	1,501	1,248
Total Governmental Activities	\$ 28,964	\$ 28,803
Business-type Activities:		
Capital assets, not being depreciated:		
Land	\$ 1,360	\$ 1,360
Construction in progress	391	381
Capital assets being depreciated:		
Infrastructure	12,145	12,096
Buildings and improvements	3,553	3,835
Machinery and equipment	229	1
Total Business-type Activities	\$ 17,678	\$ 17,673

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

At the end of fiscal year 2007, the City had invested in a broad range of capital assets, including police equipment, information technology, streets and utilities. During the year, major capital additions included the construction of roadways within the City.

Additional information on capital asset activity can be found in note 4 to the financial statements.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$24.9 million. Of this amount, \$23.9 million is backed by the full faith and credit of the City, and the remainder represents revenue bonds secured solely by specified revenue sources.

The City's total debt increased by, approximately \$7.5 million during the fiscal year. The key factor in this increase was the new street bond issuance of \$8.5 million net by regular debt service payments throughout the year.

The City and its Utility Enterprise Fund both maintain a rating of A2 from Moody's Investor Services and an increase from A to A+ from Standard & Poor's.

The City has no legal debt limit provision in its charter.

Additional information on long-term debt activity can be found in note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City Council provided staff with their vision for the future of the City and specific policy guidance with which to propose the fiscal year 2007 Budget. The City's general fund revenue is principally made up of property taxes, sales taxes and franchise fees. The revenues projections for the budget are based on historical data, estimates from the finance department and individual department heads, but they have been projected conservatively.

Overall revenues for the fiscal year 2008 are projected at 62.3% increase over fiscal year 2007. Much of this increase can be attributed to an increase of the property values, the projected increase of the sales tax revenues due to the audit conducted by the Finance department and the \$8.5 million street bond issuance. The General Fund portion of the Property Tax revenue is estimated to be approximately \$3.2 million. The ad valorem tax rate continues at .7425 cent per hundred dollar assessed valuation. Of this tax rate, 45.0 cents is utilized for maintenance and operation activities of the General Fund, and the remaining amount, 29.25 cents, is used for the Debt Service Fund. The City's portion of the sales tax rate is one and one-half cents, with an additional half cent for Crime Control and Prevention. The General Fund receives one and one-half cent with the additional half cent as an instrument of property tax reduction

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Department, at the City of Jersey Village, 16501 Jersey Drive, Jersey Village Texas 77040.

BASIC FINANCIAL STATEMENTS

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CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET ASSETS

September 30, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Governmental Activities
ASSETS				
Cash and equivalents	\$ 18,355,606	\$ 2,291,175	\$ 20,646,781	\$ 729,264
Receivables	1,221,529	220,698	1,442,227	138,782
Prepaid items	82,645		82,645	
Internal balances	(913,811)	913,811		
Due from component unit	39,569		39,569	
Inventories		28,561	28,561	
Deferred charges, bond issuance costs				
Restricted cash and equivalents		693,817	693,817	
Capital assets				
Capital assets, not being depreciated	2,182,827	1,750,973	3,933,800	
Capital assets, net of depreciation	26,781,298	15,934,027	42,715,325	
Total Capital Assets	28,964,125	17,685,000	46,649,125	
Total Assets	47,749,663	21,833,062	69,582,725	868,046
LIABILITIES				
Accounts payable and accrued expenses	660,991	164,636	825,627	
Due to primary government				39,569
Unearned revenues				
Accrued interest	68,105	2,698	70,803	
Customer deposits		85,991	85,991	
Long-term liabilities				
Due within one year		105,000	105,000	
Due in more than one year	25,936,471	846,906	26,783,377	
Total Liabilities	26,665,567	1,205,231	27,870,798	39,569
NET ASSETS				
Invested in capital assets, net of related debt	13,471,717	16,785,000	30,256,717	
Restricted for:				
Capital projects	51,859	693,817	745,676	
Debt service	659,548		659,548	
Tourism	568,640		568,640	
Public safety	201,020		201,020	
Unrestricted	6,131,312	3,149,014	9,280,326	828,477
Total Net Assets	\$ 21,084,096	\$ 20,627,831	\$ 41,711,927	\$ 828,477

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2007

Functions/Programs	Expenses	Program Revenue	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General Government	\$ 1,468,130	\$	\$
Public Safety	3,333,653	1,591,587	537,281
Public Works	2,138,804	305,375	
Parks and Recreation	424,043	12,818	
Interest on Long-term debt	1,068,800		
Total governmental activities	<u>8,433,430</u>	<u>1,909,780</u>	<u>537,281</u>
Business-type Activities			
Utility	1,650,015	2,476,398	
Golf Course	1,432,630	1,213,498	
Total business-type activities	<u>3,082,645</u>	<u>3,689,896</u>	
Total primary government	<u>\$ 11,516,075</u>	<u>\$ 5,599,676</u>	<u>\$ 537,281</u>
Component Unit			
Crime Control and Prevention District	<u>\$ 629,058</u>	<u>\$</u>	<u>\$</u>

General revenues:

Taxes:

 Property taxes

 Sales and use taxes

 Franchise and other taxes

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Governmental Activities
\$ (1,468,130)	\$	\$ (1,468,130)	
(1,204,785)		(1,204,785)	
(1,833,429)		(1,833,429)	
(411,225)		(411,225)	
<u>(1,068,800)</u>		<u>(1,068,800)</u>	
(5,986,369)		(5,986,369)	
	826,383	826,383	
	<u>(219,132)</u>	<u>(219,132)</u>	
	607,251	607,251	
<u>(5,986,369)</u>	<u>607,251</u>	<u>(5,379,118)</u>	
			\$ (629,058)
4,991,356		4,991,356	
2,601,786		2,601,786	924,636
553,692		553,692	
575,549	148,665	724,214	33,023
74,950		74,950	
<u>315,000</u>	<u>(315,000)</u>		
9,112,333	(166,335)	8,945,998	957,659
3,125,964	440,916	3,566,880	328,601
<u>17,958,132</u>	<u>20,186,915</u>	<u>38,145,047</u>	<u>499,876</u>
<u>\$ 21,084,096</u>	<u>\$ 20,627,831</u>	<u>\$ 41,711,927</u>	<u>\$ 828,477</u>

CITY OF JERSEY VILLAGE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2007

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 5,307,005	\$ 650,289	\$ 10,366,939	\$ 651,832	\$ 16,976,065
Receivables, net of allowance for doubtful accounts					
Property and sales taxes	617,037	126,124			743,161
Other	478,368				478,368
Due from other funds	39,569	14,272		147,754	201,595
Prepaid items		82,645			82,645
Total Assets	<u>6,441,979</u>	<u>873,330</u>	<u>10,366,939</u>	<u>799,586</u>	<u>18,481,834</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	568,069		114,415	(21,933)	660,551
Due to other funds	152,802	19,553	13,925		186,280
Deferred revenue	576,143	126,124			702,267
Total Liabilities	<u>1,297,014</u>	<u>145,677</u>	<u>128,340</u>	<u>(21,933)</u>	<u>1,549,098</u>
Fund balances:					
Reserved for:					
Construction			10,238,599	51,859	10,290,458
Debt service		727,653			727,653
Public safety	12,331			201,020	213,351
Tourism				568,640	568,640
Unreserved	5,132,634				5,132,634
Total Fund Balances	<u>5,144,965</u>	<u>727,653</u>	<u>10,238,599</u>	<u>821,519</u>	<u>16,932,736</u>
Total Liabilities and Fund Balances	<u>\$ 6,441,979</u>	<u>\$ 873,330</u>	<u>\$ 10,366,939</u>	<u>\$ 799,586</u>	<u>\$ 18,481,834</u>

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

September 30, 2007

Total fund balance, governmental funds \$ 16,932,736

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities, including those reported in the City's internal service fund, are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. 28,964,125

Certain other long-term assets such as property taxes receivable are not available to pay current period expenditures and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. 702,267

Some liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the government-wide financial statements.

General obligation bonds	(17,342,650)
Accreted interest on premium compound interest bonds	(1,551,661)
Certificates of obligation	(6,770,000)
Capital lease payable	(66,696)
Compensated absences	(205,464)
Accrued interest	(68,105)

The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets. 489,544

Net Assets of Governmental Activities in the Statement of Net Assets \$ 21,084,096

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2007

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property taxes	\$ 2,903,017	\$ 2,087,184	\$	\$	\$ 4,990,201
Sales and use taxes	2,515,187			86,599	2,601,786
Franchise taxes	553,692				553,692
Licenses and permits	204,244				204,244
Charges for services	344,911				344,911
Fines and forfeitures	945,821			62,264	1,008,085
Investment earnings	263,666	64,282	147,410	30,435	505,793
Intergovernmental	499,322				499,322
Other	153,192				153,192
Total Revenues	<u>8,383,052</u>	<u>2,151,466</u>	<u>147,410</u>	<u>179,298</u>	<u>10,861,226</u>
EXPENDITURES					
Current:					
General government	1,515,290			110,585	1,625,875
Public safety	3,322,709			4,941	3,327,650
Public works	1,636,502		13,538		1,650,040
Parks and recreation	498,124				498,124
Capital Outlay			184,392	164,912	349,304
Debt Service:					
Principal		862,094			862,094
Interest and other charges		1,220,365	104,223		1,324,588
Total Expenditures	<u>6,972,625</u>	<u>2,082,459</u>	<u>302,153</u>	<u>280,438</u>	<u>9,637,675</u>
Revenues over/(under) expenditures	<u>1,410,427</u>	<u>69,007</u>	<u>(154,743)</u>	<u>(101,140)</u>	<u>1,223,551</u>
OTHER FINANCING SOURCES (USES)					
General obligation debt			8,500,000		8,500,000
Premium on debt			127,500		127,500
Transfers in	315,000				315,000
Total Other Financing Sources and (Uses)	<u>315,000</u>		<u>8,627,500</u>		<u>8,942,500</u>
Changes in fund balance	<u>1,725,427</u>	<u>69,007</u>	<u>8,472,757</u>	<u>(101,140)</u>	<u>10,166,051</u>
Fund balances - beginning of year	<u>3,419,538</u>	<u>658,646</u>	<u>1,765,842</u>	<u>922,659</u>	<u>6,766,685</u>
Fund balances - End of Year	<u>\$ 5,144,965</u>	<u>\$ 727,653</u>	<u>\$ 10,238,599</u>	<u>\$ 821,519</u>	<u>\$ 16,932,736</u>

See Notes to Basic Financial Statements.

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, 2007

Net change in fund balances - total governmental funds: \$ 10,166,051

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays \$601,350 exceeded depreciation -\$693,324 in the current period. (91,974)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 383,172

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the net amount of debt repayments and proceeds during the current fiscal year. (7,765,406)

Payments for certain liabilities accrued in previous years are reflected as expenditures in the fund financial statements. These same amounts are treated as a decrease in long-term liabilities in the Statement of Activities.

Compensated absences 69,539
Interest on debt 400,219

Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and information technology, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (35,637)

Change in net assets of governmental activities \$ 3,125,964

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2007

	Enterprise Funds			Governmental Activities
	Utility	Golf Course	Total	Internal Service Fund
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,990,262	\$ 300,913	\$ 2,291,175	\$ 1,416,059
Accounts receivable, net	220,698		220,698	
Due from other funds	19,669	4,585	24,254	
Inventories		28,561	28,561	
Restricted cash and equivalents	693,817		693,817	
Total Current Assets	2,924,446	334,059	3,258,505	1,416,059
Non-current assets:				
Capital Assets:				
Land	445,240	915,000	1,360,240	
Construction in progress	390,733		390,733	
Infrastructure	16,795,233		16,795,233	
Buildings and improvements	27,841	5,684,292	5,712,133	
Equipment and furniture	352,486	621,711	974,197	2,965,163
Less accumulated depreciation	(4,794,639)	(2,752,897)	(7,547,536)	(1,979,598)
Total Non-current Assets	13,216,894	4,468,106	17,685,000	985,565
Total Assets	16,141,340	4,802,165	20,943,505	2,401,624
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	74,072	90,485	164,557	36,958
Accrued interest	2,698		2,698	8,005
Customer deposits	86,070		86,070	
Compensated absences - current portion	5,000		5,000	
Capital lease obligation - current portion				13,543
Bonds payable- current portion	100,000		100,000	
Total current liabilities	267,840	90,485	358,325	58,506
Non-current liabilities:				
Compensated absences	52,169	(5,263)	46,906	
Capital lease obligation				53,153
Bonds payable	800,000		800,000	
Total Non-current Liabilities	852,169	(5,263)	846,906	53,153
Total Liabilities	1,120,009	85,222	1,205,231	111,659
NET ASSETS				
Invested in capital assets, net of related debt	12,316,894	4,468,106	16,785,000	918,869
Restricted for capital projects	693,817		693,817	
Unrestricted	2,010,620	248,837	2,259,457	1,371,096
Total Net Assets	\$ 15,021,331	\$ 4,716,943	\$ 19,738,274	\$ 2,289,965

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. 889,557

Total net assets per Government-wide Financial Statements \$ 20,627,831

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2007

	<u>Enterprise Funds</u>			<u>Governmental</u>
	<u>Utility</u>	<u>Golf Course</u>	<u>Total</u>	<u>Internal Service</u>
				<u>Fund</u>
OPERATING REVENUES				
Charges for services	\$ 2,476,398	\$ 1,213,498	\$ 3,689,896	\$ 437,030
Total Operating Revenues	<u>2,476,398</u>	<u>1,213,498</u>	<u>3,689,896</u>	<u>437,030</u>
OPERATING EXPENSES				
Personal services	260,640	600,624	861,264	
Supplies	486,686	165,418	652,104	
Repairs and maintenance	93,570	190,772	284,342	87,065
Contractual services	526,459	104,473	630,932	
Other	14,739	41,456	56,195	
Depreciation	215,265	304,379	519,644	476,338
Total Operating Expenses	<u>1,597,359</u>	<u>1,407,122</u>	<u>3,004,481</u>	<u>563,403</u>
Operating income (loss)	<u>879,039</u>	<u>(193,624)</u>	<u>685,415</u>	<u>(126,373)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	136,438	12,227	148,665	69,756
Interest expense	(50,750)	(816)	(51,566)	(5,618)
Gain on disposal of capital assets				
Total non-operating revenue (expenses)	<u>85,688</u>	<u>11,411</u>	<u>97,099</u>	<u>64,138</u>
Income (loss) before transfers	<u>964,727</u>	<u>(182,213)</u>	<u>782,514</u>	<u>(62,235)</u>
Transfers in	245,000		245,000	
Transfers out	(560,000)		(560,000)	
Change in Net Assets	<u>649,727</u>	<u>(182,213)</u>	<u>467,514</u>	<u>(62,235)</u>
Total net assets - beginning of year	14,371,604	4,899,156	19,270,760	2,352,200
Total Net Assets - End of Year	<u>\$ 15,021,331</u>	<u>\$ 4,716,943</u>	<u>\$ 19,738,274</u>	<u>\$ 2,289,965</u>
Change in net assets, per above			467,514	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(26,598)	
Change in Business-Type Activities in Net Assets per Government-Wide Financial Statements			\$ 440,916	

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2007

	Enterprise Funds			Governmental Activities
	Utility	Golf Course	Total	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 2,556,889	\$ 1,213,498	\$ 3,770,387	\$ 437,030
Disbursed for personal services	(234,984)	(626,545)	(861,529)	
Disbursed for goods and services	(1,490,440)	(536,453)	(2,026,893)	(53,268)
Cash Flows Provided By Operating Activities	831,465	50,500	881,965	383,762
Cash Flows From Noncapital Financing				
Ttransfers in	245,000		245,000	
Ttransfers out	(560,000)		(560,000)	
Decrease (increase) in due from other funds	(19,669)	(4,585)	(24,254)	
Cash Flows Used in Noncapital Financing Activities	(334,669)	(4,585)	(339,254)	
Cash Flows From Capital And Related Financing Activities				
Proceeds from capital leases				73,125
Acquisition and construction of capital assets	(502,389)	(29,143)	(531,532)	(436,601)
Debt principal payments	(100,000)		(100,000)	(73,936)
Interest paid on debt	(50,750)	(815)	(51,565)	(4,853)
Cash Flows Used in Capital and Related Financing Activities	(653,139)	(29,958)	(683,097)	(442,265)
Cash Flows From Investing Activities				
Interest earned on investments	136,438	12,226	148,664	69,756
Cash Flows Used by Investing Activities	136,438	12,226	148,664	69,756
Increase (Decrease) In Cash	(19,905)	28,183	8,278	11,253
Cash balance at beginning of year	2,703,984	272,730	2,976,714	1,404,806
Cash Balance at End of Year	\$ 2,684,079	\$ 300,913	\$ 2,984,992	\$ 1,416,059
Cash	\$ 1,990,262	\$ 300,913	\$ 2,291,175	\$ 1,416,059
Restricted cash	693,817		693,817	
Total Cash	\$ 2,684,079	\$ 300,913	\$ 2,984,992	\$ 1,416,059

See Notes to Financial Statements.

	Enterprise Funds			Governmental Activities
	Utility	Golf Course	Total	Internal Service Fund
Cash Flows From Operating Activities				
Operating income (loss)	\$ 879,039	\$ (193,624)	\$ 685,415	\$ (126,373)
Adjustment to reconcile net income to net cash provided by operating activities				
Depreciation	215,265	304,379	519,644	476,338
Changes in operating assets and liabilities				
Decrease (increase) in accounts receivable	76,546		76,546	
Decrease (increase) in inventory		(18,492)	(18,492)	
Decrease (increase) in prepaid expenses				
Increase (decrease) in customer deposits	3,945		3,945	
Increase (decrease) in accounts payable	(368,986)	(15,842)	(384,828)	33,797
Increase (decrease) in accrued compensated absences	25,656	(25,921)	(265)	
Cash Flows Provided By Operating Activities	\$ 831,465	\$ 50,500	\$ 881,965	\$ 383,762

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Jersey Village, Texas (the “City”) was incorporated in 1956 and adopted a Home-Rule Charter in August 1986. The Charter 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 the City Council and is responsible for the administration of the City.

The City provides the following services: public safety, public works, parks and recreation, water and wastewater and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

In conformity with GAAP, the financial statements of component units have been included in the financial reporting entity as discretely presented component units.

Jersey Village Crime Control and Prevention District

The seven member board of the Jersey Village Crime Control and Prevention District (the “District”) are appointed by City Council. The District provides additional crime control and prevention to the City. The District’s budget requires the approval of City Council. The operations of the District are reported in a single governmental fund.

The component unit identified above is included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The City appoints the organizations' board and is either able to impose its will on them or a financial benefit/burden exists.

Complete financial statements of the individual component units are not prepared.

The financial reporting entity consists of the primary government and other organizations for which the primary government is financially accountable.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information about the City as a whole. These statements include all nonfiduciary activities of the primary government and its component units. For the most part the effect of interfund activity has been removed from these statements. 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 for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recognized 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.

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 government 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.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General property taxes are recorded as receivables when levied and as revenue in the period for which they were levied and become available. Property taxes receivables have been recorded as deferred revenues at year-end. Property taxes collected within 60 days subsequent to September 30, 2007, have not been recorded as revenue as the amount is not considered material. Franchise taxes and sales taxes relating to underlying transactions that occurred prior to September 30, 2007, have been recorded as receivables and revenue. Licenses and permits, and fines and forfeitures are not susceptible to accrual since they are not measurable until received. Revenue on federal and state cost-reimbursement grants is accrued when the related expenditures are incurred. Interest is recorded when earned.

The City reports the following major governmental funds:

The *General Fund* is used to account for all financial transactions that are not accounted for in another fund. The principal sources of revenue of the General Fund are property taxes, sales and use taxes, franchise taxes, licenses and permits, and fines and forfeitures. Expenditures are for general government, public safety, public works and other community services.

The *Debt Service Fund* is used to account for the payment of interest and principal on all general long-term debt of the City except for capital leases which are accounted for in the General Fund. The primary source of revenue for the Debt Service Fund is general property taxes.

The *Capital Projects Fund* is used to account for the proceeds of general obligation debt and the corresponding expenditures primarily consisting of construction projects.

The City has two major proprietary funds:

The *Utility Enterprise Fund* is used to account for operations of the water and wastewater division and the construction of related facilities. The fund is financed and operated in a manner similar to private business enterprises - where the intent of the City is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation) and other City funds.

The *Golf Course Fund* is used to account for the operations of the City's municipal golf course. The fund follows the same basis of accounting as the Utility Enterprise Fund.

Additionally the City reports the following fund type:

The *Internal Service Fund* is used to account for the purchase of vehicles and equipment by one department to other departments, on a cost reimbursement basis.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Private-sector standards for accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. The City has elected not to follow private sector guidance issued subsequent to that date.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operational 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 not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a Statement of Net Assets and a Statement of Activities. It requires the reclassification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are as follows:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through contractual provisions or enabling legislation.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

D. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and balances in a privately managed public funds investment pool ("TexPool"). 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.

E. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Utility fund have not been recognized as of the end of the year as they are considered immaterial.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Due to and from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. These receivables and payables are, for the most part, eliminated from the Government-Wide Statement of Net Assets and are recorded as “due from other funds” or “due to other funds” in the fund financial statements.

G. Inventory and Prepaid Items

Inventories are valued at costs using the first in/first out (FIFO) method. 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.

H. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of one year. All purchased Capital assets are valued at cost where historical records exist. Donated Capital assets are valued at their estimated fair value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements, including public domain and equipment are capitalized and Proprietary Fund Capital assets are depreciated over the remaining useful lives of the related Capital assets using the straight line method, as applicable.

<u>Asset</u>	<u>Estimated Useful Lives</u>
Equipment	5-20 years
Vehicles	5-7 years
Buildings and improvements	20 years
Water and sewer system	40 years
Infrastructure	75 years

I. Compensated Absences

Employees earn vacation based on years of service with the City and may accumulate unused time up to a maximum of 20 days. In accordance with GAAP, the liability for accumulated vacation as of September 30, 2007 has been recorded as a liability in the Government-Wide Statement of Net Assets. 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.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. General Property Taxes

All taxes due the City on real or personal property are payable at the Office of the City Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is October 1, or as soon thereafter as practicable. Taxes are due upon receipt and all taxes not paid prior to February 1 are deemed delinquent and are subject to such penalty and interest set forth by the Property Tax Code. All property located within the City limits on the first day of January of each year are charged with a special lien in favor of the City from such date for taxes due thereon.

K. Debt Service

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. The full amount estimated to be required for debt service on the general obligation debt is provided by the debt service tax together with interest earned in the Debt Service Fund.

L. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

M. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period and are deferred and amortized in the Government-wide Statement of Activities. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts and issuance costs are recorded as deferred charges.

N. Fund Equity

In the fund financial statements, the City reserves or designates all or portions of fund equity in the various governmental fund financial statements. The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Revenues and Expenditures/Expenses

In the fund financial statements revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses in the Government-Wide Statement of Activities are recognized in essentially the same manner as used in commercial accounting.

P. Post-employment Healthcare Benefits

The City does not provide post-employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and the City incurs no direct costs.

Q. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual amounts could vary from those estimates.

NOTE 2 – DEPOSITS (CASH) AND INVESTMENTS

Authorization for Deposits and Investments

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the City.

In accordance with applicable statutes, the City has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the City incurs for banking services received. The City may place funds with the depository in interest and non-interest bearing accounts. State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent. City policy requires the collateralization level to be at least 102% of market value of principal and accrued interest.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS (CASH) AND INVESTMENTS (continued)

The Council has adopted a written investment policy regarding the investment of City funds as required by the Public Funds Investment Act (Chapter 2256, Texas Government Code). The investments of the City are in compliance with the City’s investment policy. The City’s investment policy is more restrictive than the PFIA requires. It is the City’s policy to restrict its direct investments to obligations of the U.S. Government or U.S. Government Agencies, fully collateralized certificates of deposit, bankers acceptances, mutual funds, repurchase agreements and local government investment pools. The maximum maturity allowed is two years from date of purchase. The City’s investment policy does not allow investments in commercial paper, collateralized mortgage obligations, floating rate investments or swaps.

Deposit and Investment Amounts

The City’s cash and investments are classified as: cash and cash equivalents and restricted cash and investments. The cash and cash equivalents include cash on hand, deposits with financial institutions and in a privately-managed public funds investment pool account (TexPool). The restricted cash and investments are assets restricted for specific use.

The following schedule shows the City’s recorded cash and investments at year-end:

	Demand Deposits	Public Funds Investment Pool (TexPool)	Total
Primary government			
Unrestricted	\$ 2,279,684	\$ 18,367,097	\$ 20,646,781
Restricted	16,851	676,966	693,817
Discretely Presented Component Unit	34,921	694,343	729,264
	<u>\$ 2,331,456</u>	<u>\$ 19,738,406</u>	<u>\$ 22,069,862</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS (CASH) AND INVESTMENTS (continued)

Investment Risks

Interest Rate Risk

At year-end, the City’s investments (TexPool) had a weighted average maturity of sixty days.

The City measures interest rate risk using the weighted average maturity method for the portfolio. The City’s investment policy specifies a maximum weighted average maturity of 365 days or 12 months based on the stated maturity date for each investment in the portfolio.

To the extent possible, the City attempts to match investments with anticipated cash flow requirements. The City does not directly invest in securities with a stated maturity date more than two years or 730 days from date of purchase. The settlement date is considered the date of purchase.

Concentration of Credit Risk

The City had investments in authorized investment pools comprised 100 percent of the total investment portfolio at year-end. The City investment policy allows these investment levels for the portfolio.

At year-end balances in TexPool, a privately managed public funds investment pool, were rated AAAM by Standard & Poor’s.

Restricted Assets

The Enterprise Funds have restricted certain cash and investments for customer deposits, and construction.

<u>Purpose</u>	<u>Amount</u>
Customer deposits	\$ 86,070
Construction	607,747
	<u>\$ 693,817</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 – RECEIVABLES

Amounts recorded as receivables as of September 30, 2007 for the government’s individual major and nonmajor funds, including the applicable allowance for uncollectible accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Water and Wastewater</u>	<u>Total</u>
Receivables:				
Property taxes	\$ 198,929	\$ 129,197	\$	\$ 328,126
Sales and franchise taxes	422,911			422,911
Customers			220,698	220,698
Other	<u>478,368</u>			<u>478,368</u>
Gross receivables	1,100,208	129,197	220,698	1,450,103
Less: allowance for uncollectibles	<u>(4,803)</u>	<u>(3,073)</u>		<u>(7,876)</u>
Net total receivables	<u>\$ 1,095,405</u>	<u>\$ 126,124</u>	<u>\$ 220,698</u>	<u>\$ 1,442,227</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable - general fund	\$ 194,126
Delinquent property taxes receivable - debt service fund	126,124
Adjudicated court fines and forfeitures	<u>382,017</u>
	<u>\$ 702,267</u>

Property Taxes

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The Harris County Central Appraisal District ("HCCAD") establishes appraised values. Taxes are levied by the City Council based on the appraised values and operating needs of the City.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS

A summary of activity for capital assets capitalized by the City for the year ended September 30, 2007 follows:

	Balance at September 30, 2006	Additions	Balance at September 30, 2007
Governmental Activities:			
Capital assets, not being depreciated:			
Land	\$ 1,956,455	\$	\$ 1,956,455
Construction in progress	35,910	190,462	226,372
Total capital assets, not being depreciated	<u>1,992,365</u>	<u>190,462</u>	<u>2,182,827</u>
Capital assets being depreciated:			
Infrastructure	25,419,981	151,695	25,571,676
Buildings and improvements	6,222,190	86,215	6,308,405
Machinery and equipment	3,224,783	902,682	4,127,465
Total capital assets being depreciated	<u>34,866,954</u>	<u>1,140,592</u>	<u>36,007,546</u>
Less accumulated depreciation for:			
Infrastructure	(4,400,515)	(347,938)	(4,748,453)
Building and improvements	(1,679,205)	(171,880)	(1,851,085)
Machinery and equipment	(1,976,866)	(649,844)	(2,626,710)
Total accumulated depreciation	<u>(8,056,586)</u>	<u>(1,169,662)</u>	<u>(9,226,248)</u>
Total capital assets being depreciated, net	26,810,368	(29,070)	26,781,298
Governmental Activities Capital Assets, Net	<u><u>\$ 28,802,733</u></u>	<u><u>\$ 161,392</u></u>	<u><u>\$ 28,964,125</u></u>

	Balance at September 30, 2006	Additions	Balance at September 30, 2007
Business-type Activities:			
Capital assets, not being depreciated:			
Land	\$ 1,360,240	\$	\$ 1,360,240
Construction in progress	380,735	9,998	390,733
Total capital assets, not being depreciated	<u>1,740,975</u>	<u>9,998</u>	<u>1,750,973</u>
Capital assets being depreciated:			
Infrastructure	16,540,819	254,414	16,795,233
Buildings and improvements	5,693,490	18,643	5,712,133
Machinery and equipment	725,720	10,500	736,220
Total capital assets being depreciated	<u>22,960,029</u>	<u>283,557</u>	<u>23,481,563</u>
Less accumulated depreciation for:			
Infrastructure	(4,445,234)	(205,261)	(4,650,495)
Building and improvements	(1,858,403)	(292,979)	(2,151,382)
Machinery and equipment	(724,255)	(21,404)	(745,659)
Total accumulated depreciation	<u>(7,027,892)</u>	<u>(519,644)</u>	<u>(7,547,536)</u>
Total capital assets being depreciated, net	15,932,137	(236,087)	15,934,027
Business-type Activities Capital Assets, Net	<u><u>\$ 17,673,112</u></u>	<u><u>\$ (226,089)</u></u>	<u><u>\$ 17,685,000</u></u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS (continued)

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

Governmental Activities:

General	\$	118,448
Public safety		166,599
Public works		368,218
Parks and recreation		40,059
Internal service fund assets		476,338
	<u>\$</u>	<u>1,169,662</u>

Business-type Activities:

Water and sewer	\$	215,265
Golf course		304,379
	<u>\$</u>	<u>519,644</u>

Construction in progress for the various projects and remaining commitments under these construction contracts at September 30, 2007, are as follows:

Governmental Activities	<u>Authorized Contract</u>	<u>Contract Expenditures</u>
Jogging Trail Granite and Edging	\$ 20,000	\$ 13,538
Jones Road Ext Drainage	700,000	20,691
Jones Road Ext Engineering	216,771	156,233
Total	<u>\$ 936,771</u>	<u>\$ 190,462</u>

Business-type Activities	<u>Authorized Contract</u>	<u>Contract Expenditures</u>
Water model	\$ 35,000	\$ 6,698
Water Plant Rehabilitation	200,000	3,300
Total	<u>\$ 235,000</u>	<u>\$ 9,998</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental and business type activities. These instruments include general obligation bonds, certificates of obligation and revenue bonds. Future ad valorem tax revenues, water and sewer system revenues or liens on property and equipment secure these debt obligations.

During the year ended September 30, 2007, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General obligation bonds	\$ 9,246,644	\$ 8,500,000	\$ (522,094)	\$ 17,224,550	\$ 540,054
Premium on bonds		127,500		127,500	
Accreted interest on premium compound interest bonds	1,773,380	141,187	(362,906)	1,551,661	379,946
Certificates of obligation	7,110,000		(340,000)	6,770,000	380,000
Capital lease payable	67,416	73,215	(73,936)	66,695	13,543
Compensated absences Governmental activity	275,003	34,091	(103,630)	205,464	13,500
Long-term liabilities	<u>\$ 18,472,443</u>	<u>\$ 8,875,993</u>	<u>\$ (1,402,566)</u>	<u>\$ 25,945,870</u>	<u>\$ 1,327,043</u>
Business-type Activities					
Revenue bonds	\$ 1,000,000	\$	\$ (100,000)	900,000	\$ 100,000
Compensated absences Business-type activity	52,171	7,261	(7,855)	51,577	5,000
Long-term liabilities	<u>\$ 1,052,171</u>	<u>\$ 7,261</u>	<u>\$ (107,855)</u>	<u>\$ 951,577</u>	<u>\$ 105,000</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT (continued)

Annual debt service requirements to retire outstanding general obligation bonds are as follows:

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2008	\$ 540,054	\$ 1,236,279	\$ 1,776,333
2009	557,732	1,147,894	1,705,626
2010	469,317	1,306,297	1,775,614
2011	377,447	1,289,412	1,666,859
2012	975,000	716,171	1,691,171
2013	1,040,000	653,282	1,693,282
2014	1,110,000	585,248	1,695,248
2015	655,000	506,628	1,161,628
2016	685,000	474,349	1,159,349
2017	715,000	440,318	1,155,318
2018	740,000	407,460	1,147,460
2019	770,000	376,012	1,146,012
2020	800,000	343,447	1,143,447
2021	830,000	309,802	1,139,802
2022	865,000	274,845	1,139,845
2023	895,000	239,001	1,134,001
2024	930,000	201,238	1,131,238
2025	970,000	160,863	1,130,863
2026	1,610,000	106,038	1,716,038
2027	1,690,000	35,913	1,725,913
	<u>\$ 17,224,550</u>	<u>\$ 10,810,497</u>	<u>\$ 28,035,047</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT (continued)

Annual debt service requirements to retire outstanding certificates of obligation are as follows:

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2008	\$ 380,000	\$ 375,807	\$ 755,807
2009	390,000	351,043	741,043
2010	230,000	330,438	560,438
2011	245,000	313,812	558,812
2012	260,000	296,138	556,138
2013	275,000	277,412	552,412
2014	295,000	257,463	552,463
2015	310,000	236,287	546,287
2016	330,000	214,094	544,094
2017	350,000	194,000	544,000
2018	370,000	176,000	546,000
2019	395,000	156,875	551,875
2020	420,000	136,500	556,500
2021	445,000	114,875	559,875
2022	475,000	91,875	566,875
2023	500,000	67,500	567,500
2024	535,000	41,625	576,625
2025	565,000	14,125	579,125
	<u>\$ 6,770,000</u>	<u>\$ 3,645,869</u>	<u>\$ 10,415,869</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT (continued)

Annual debt service requirements to retire outstanding revenue bonds are as follows:

Year Ending September 30	Business-type Activities		
	Principal	Interest	Total
2008	\$ 100,000	\$ 43,750	\$ 143,750
2009	100,000	37,625	137,625
2010	100,000	32,500	132,500
2011	100,000	27,500	127,500
2012	100,000	22,500	122,500
2013	100,000	17,500	117,500
2014	100,000	12,500	112,500
2015	100,000	7,500	107,500
2016	100,000	2,500	102,500
	<u>\$ 900,000</u>	<u>\$ 203,875</u>	<u>\$ 1,103,875</u>

Capital Lease Payable

Capital lease payments on equipment purchased in the capital replacement internal service fund are as follows:

Year Ending September 30	Governmental Activities	
	Total	
2008	\$ 16,600	
2009	16,600	
2010	16,600	
2011	16,600	
2012	8,300	
	<u>74,700</u>	total payments required
	<u>8,005</u>	less interest payable
	<u>\$ 66,695</u>	principal payable

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT (continued)

The following is a summary of the terms of obligations of certificates of obligation, general obligation bonds and revenue bonds outstanding as of September 30, 2007:

Governmental Activities

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
1991 General Obligation Refunding Bonds	\$ 3,924,991	6.25% to 8.10%	\$ 1,874,550
1996 General Obligation Refunding Bonds	1,225,000	4.75% to 6.25%	260,000
2000 General Obligation Refunding Bonds	1,255,000	5.00% to 7.00%	380,000
2002 General Obligation Bonds	2,300,000	4.75% to 6.75%	1,890,000
2003 General Obligation Bonds	5,000,000	3.00% to 4.80%	4,320,000
2007 General Obligation Bonds	8,500,000	4.25% to 6.25%	8,500,000
			<u>17,224,550</u>
Certificates of Obligation			
1994 Tax and Revenue Certificates of Obligation	1,900,000	5.00% to 6.50%	350,000
2000 Tax and Revenue Certificates of Obligation	6,960,000	5.00% to 7.00%	6,420,000
			<u>6,770,000</u>
Capital Lease	73,215	5.05%	66,695
Total Governmental Activities			<u>\$ 24,061,245</u>

Business-type activities

Series	Original Issue	Interest Rate	Debt Outstanding
Revenue Bonds			
2000 Contract Revenue Refunding Bonds	\$ 1,600,000	5.00% to 7.00%	\$ 900,000

Legal Compliance

A number of limitations and restrictions are contained in the various bond ordinances. The City has complied with all significant limitations and restrictions.

A summary of permanent improvement bonds authorized, but unissued at September 30, 2007 follows:

Purpose	Date Authorized	Amount Authorized	Amount Unissued
Fire Station	February 2002	<u>\$ 2,500,000</u>	<u>\$ 200,000</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

Contributions

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

The City's total payroll in fiscal year 2007 was \$ 4.1 million and the City's contributions were based on a payroll of \$ 3.8 million. Contributions made by employees totaled \$266,427, and the City made contributions of \$ 493,771 during the fiscal year ended September 30, 2007.

Three year trend information is presented below:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Contributed</u>
2005	457,525	100%
2006	484,973	100%
2007	493,771	100%

Note: Annual covered payroll and annual required contributions are presented on a calendar year basis

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

A schedule of funding progress for TMRS for the three most recent actuarial valuations may be found in the required supplementary information section of the City's Comprehensive Annual Financial Report. All assumptions for the December 31, 2006 valuations are contained in the 2006 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. The following is a summary of the actuarial assumptions:

Amortization method	Level percent of payroll
Remaining amortization period	25 years - Open
Asset valuation method	Amortized cost
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increase	None
Includes inflation at	3.50%
Cost-of-living adjustments	None

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8 – 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; injuries to employees; and natural disasters. Risk control techniques have been established to reasonably ensure that the City's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned by or under control of the City. Furthermore, supervisory personnel are held responsible for monitoring risk control techniques on an operational basis.

The primary technique used for risk financing is the City's participation in Texas Municipal League risk pool that has lessened the cost of insurance. Should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the City. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

All risk activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF JERSEY VILLAGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND (UNAUDITED)
For the year ended September 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property taxes	\$ 2,809,575	\$ 2,809,575	\$ 2,903,017	\$ 93,442
Sales and use taxes	1,646,000	1,646,000	2,515,187	869,187
Franchise taxes	562,800	562,800	553,692	(9,108)
Licenses and permits	179,500	179,500	204,244	24,744
Charges for services	341,500	341,500	344,911	3,411
Fines and forfeitures	745,000	745,000	945,821	200,821
Investment earnings	160,050	160,050	263,666	103,616
Intergovernmental	624,869	624,869	499,322	(125,547)
Other	57,400	57,400	153,192	95,792
Total Revenues	<u>7,126,694</u>	<u>7,126,694</u>	<u>8,383,052</u>	<u>1,256,358</u>
EXPENDITURES				
Current:				
General government				
City administration	388,458	395,958	382,333	13,625
Legal	155,300	155,300	118,139	37,161
Information technology	384,605	384,605	291,624	92,981
Purchasing	26,500	26,500	25,920	580
Finance	247,186	247,186	241,167	6,019
Customer service	123,291	123,291	92,268	31,023
Court	344,534	361,534	363,839	(2,305)
Public Safety				
Police	2,126,845	2,161,845	2,051,852	109,993
Dispatch	517,992	517,992	474,276	43,716
Fire	824,040	828,690	796,581	32,109
Public Works				
Public works administration	191,451	191,451	167,515	23,936
Code enforcement	268,009	268,009	255,774	12,235
Streets	431,702	470,702	432,546	38,156
Buildings and grounds	195,285	195,285	197,595	(2,310)
Sanitation	284,200	291,200	294,302	(3,102)
Fleet services	340,262	340,262	288,770	51,492
Parks and recreation				
Parks and recreation	600,973	600,973	498,124	102,849
Total Expenditures	<u>7,450,633</u>	<u>7,560,783</u>	<u>6,972,625</u>	<u>588,158</u>
Excess (deficiency) of revenues over expenditures	<u>(323,939)</u>	<u>(434,089)</u>	<u>1,410,427</u>	<u>1,844,516</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	315,000	315,000	315,000	
Net change in fund balances	(8,939)	(119,089)	1,725,427	1,844,516
Fund balances - beginning	<u>3,419,538</u>	<u>3,419,538</u>	<u>3,419,538</u>	
Fund balances - ending	<u>\$ 3,410,599</u>	<u>\$ 3,300,449</u>	<u>\$ 5,144,965</u>	<u>\$ 1,844,516</u>

CITY OF JERSEY VILLAGE

NOTES TO REQUIRED SUPPLEMENTARY BUDGET INFORMATION (UNAUDITED)

For the Year Ended September 30, 2007

Annual budgets are adopted for the General, Special Revenue, and Debt Service funds on a basis consistent with generally accepted accounting principles (GAAP), except for the Capital Projects Fund, which adopts a project length budget, and the Enterprise Funds, which adopts a financial plan. City Council approves the annual budget for the component units included in the City's financial reporting entity

The original budget is adopted by the City Council prior to the beginning of the fiscal year. The legal level of control is the total approved budget for each department. Management may transfer funds between one function or activity to another function or activity within the same department without Council approval. Council must approve all requests which would require an increase in total budgeted appropriations through a formal budget amendment. The final amended budget is used in this report. Appropriations lapse at the end of the year.

During the year ended September 30, 2007, the City of Jersey Village has complied with all budgetary requirements with the exception of the municipal court department in which expenditures exceeded appropriations by \$2,305, as well as the public works department for buildings and grounds and sanitation in which expenditures exceeded appropriations by \$2,310 and \$3,102 respectively for the year.

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year-end) are completed. Such encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities. No material encumbrances were outstanding at September 30, 2007.

CITY OF JERSEY VILLAGE

REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION (unaudited)

September 30, 2007

Actuarial Valuation Date Dec. 31	2004	2005	2006
Actuarial Value of Assets	4,508,385	5,143,409	6,050,963
Actuarial Accrued Liability	6,601,046	7,262,165	8,298,971
Percentage Funded	68%	71%	73%
Unfunded Actuarial Accrued Liability (UAAL)	2,092,661	2,118,756	2,248,008
Annual Covered Payroll	3,173,576	3,485,423	3,679,397
(UAAL) as a Percentage of Covered Payroll	66%	61%	61%

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

This group of funds is used to account for specific revenue sources that are required to finance specified activities.

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

Court Security/Technology Fees – This fund accounts for activities related to collection of security and technology fees collected in the court department.

CAPITAL PROJECTS FUNDS

Jones Road Extension - This fund is used to account for financial resources to be used for the construction of the Jones Road extension, which are principally contributions from other governments.

CITY OF JERSEY VILLAGE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2007

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	
	<u>Hotel Occupancy Tax</u>	<u>Court Security and Tech Fees</u>	<u>Jones Road Extension</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 563,018	\$ 88,814	\$	\$ 651,832
Due from other funds	5,622	90,273	51,859	147,754
Total Assets	<u>\$ 568,640</u>	<u>\$ 179,087</u>	<u>\$ 51,859</u>	<u>\$ 799,586</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$	\$ (21,933)	\$	\$ (21,933)
Total Liabilities		<u>(21,933)</u>		<u>(21,933)</u>
Fund balances:				
Reserved for:				
Capital Projects			51,859	51,859
Tourism	568,640			568,640
Public safety		201,020		201,020
Total Fund Balances	<u>568,640</u>	<u>201,020</u>	<u>51,859</u>	<u>821,519</u>
Total Liabilities and Fund Balances	<u>\$ 568,640</u>	<u>\$ 179,087</u>	<u>\$ 51,859</u>	<u>\$ 799,586</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, 2007

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Hotel Occupancy Tax</u>	<u>Court Security and Tech Fees</u>	<u>Jones Road Extension</u>	
REVENUES				
Hotel occupancy tax	\$ 86,599	\$	\$	\$ 86,599
Fines and forfeitures		62,264		62,264
Investment earnings	30,435			30,435
Total Revenues	<u>117,034</u>	<u>62,264</u>		<u>179,298</u>
EXPENDITURES				
Current:				
General government	110,585			110,585
Public safety		4,941		4,941
Capital Outlay			164,912	164,912
Total Expenditures	<u>110,585</u>	<u>4,941</u>	<u>164,912</u>	<u>280,438</u>
Changes in fund balance	6,449	57,323	(164,912)	(101,140)
Fund balances - beginning	<u>562,191</u>	<u>143,697</u>	<u>216,771</u>	<u>922,659</u>
Fund balances - End of Year	<u>\$ 568,640</u>	<u>\$ 201,020</u>	<u>\$ 51,859</u>	<u>\$ 821,519</u>

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BUDGETARY COMPARISON SCHEDULES

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2007

		Hotel Occupancy Tax		
		Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
	Hotel occupancy tax	\$ 64,000	\$ 86,599	\$ 22,599
	Fines and forfeitures			
	Investment earnings	20,000	30,436	10,436
	Total Revenues	<u>84,000</u>	<u>117,035</u>	<u>33,035</u>
EXPENDITURES				
	Current:			
	General government	40,000	110,585	(70,585)
	Public safety			
	Total Expenditures	<u>40,000</u>	<u>110,585</u>	<u>(70,585)</u>
	Changes in Fund Balance	44,000	6,450	(37,550)
	Fund balances - beginning	<u>562,190</u>	<u>562,190</u>	
	Fund balances - End of Year	<u>\$ 606,190</u>	<u>\$ 568,640</u>	<u>\$ (37,550)</u>

Court Security and Tech Fees

Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 45,474	\$ 62,264	\$ 16,790
<u>45,474</u>	<u>62,264</u>	<u>16,790</u>
27,138	4,941	22,197
<u>27,138</u>	<u>4,941</u>	<u>22,197</u>
18,336	57,323	38,987
<u>143,697</u>	<u>143,697</u>	
<u>\$ 162,033</u>	<u>\$ 201,020</u>	<u>\$ 38,987</u>

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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes:			
Property taxes	\$ 2,011,000	\$ 2,087,184	\$ 76,184
Investment earnings	40,000	64,282	24,282
Total Revenues	<u>2,051,000</u>	<u>2,151,466</u>	<u>100,466</u>
EXPENDITURES			
Debt Service:			
Principal	862,094	862,094	
Interest and other charges	1,221,905	1,220,365	1,540
Total Expenditures	<u>2,083,999</u>	<u>2,082,459</u>	<u>1,540</u>
Changes in Fund Balance	(32,999)	69,007	102,006
Fund balances - beginning of year	<u>658,646</u>	<u>658,646</u>	
Fund balances - end of year	<u>\$ 625,647</u>	<u>\$ 727,653</u>	<u>\$ 102,006</u>

UNAUDITED STATISTICAL SECTION

This part of the City of Jersey Village, Texas' comprehensive annual 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 government's overall financial health.

Contents	Page
Financial Trends	61
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	68
<i>These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax and sales tax.</i>	
Debt Capacity	73
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	76
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	78
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF JERSEY VILLAGE, TEXAS**NET ASSETS BY COMPONENT***Last Three Fiscal Years***(Accrual Basis of Accounting)*

	Fiscal Year		
	2005	2006	2007
Governmental Activities			
Invested in capital assets, net of related debt	\$ 11,990,213	\$ 12,656,907	\$ 13,471,717
Restricted	1,413,814	1,352,105	1,481,067
Unrestricted	3,192,703	3,949,120	6,131,312
Total Governmental Activities Net Assets	\$ 16,596,730	\$ 17,958,132	\$ 21,084,096
Business-type Activities			
Invested in capital assets, net of related debt	\$ 16,647,872	\$ 16,673,112	\$ 16,785,000
Restricted	632,164	803,354	693,817
Unrestricted	2,260,402	2,710,449	3,149,014
Total Business-type Activities Net Assets	\$ 19,540,438	\$ 20,186,915	\$ 20,627,831
Primary Government			
Invested in capital assets, net of related debt	\$ 28,638,085	\$ 29,330,019	\$ 30,256,717
Restricted	2,045,978	2,155,459	2,174,884
Unrestricted	5,453,105	6,659,569	9,280,326
Total Primary Government Net Assets	\$ 36,137,168	\$ 38,145,047	\$ 41,711,927

* Only three years of information is currently available. In future years as new information becomes available, this schedule will expand to include ten years of data.

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET ASSETS

*Last Three Fiscal Years**

(Accrual Basis of Accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses			
Governmental Activities:			
General Government	\$ 1,481,038	\$ 1,477,941	\$ 1,468,130
Public Safety	3,194,005	3,138,036	3,333,653
Public Works	1,221,349	1,929,475	2,138,804
Parks and Recreation	448,331	504,496	424,043
Interest on Long-term debt	1,084,399	1,069,897	1,068,800
Total Expenses	<u>7,429,122</u>	<u>8,119,845</u>	<u>8,433,430</u>
Business-type activities:			
Utility	1,817,192	1,898,491	1,650,015
Golf Course	1,351,738	1,325,256	1,432,630
Total business type activities expenses	<u>3,168,930</u>	<u>3,223,747</u>	<u>3,082,645</u>
Total Primary Government Expenses	<u><u>\$ 10,598,052</u></u>	<u><u>\$ 11,343,592</u></u>	<u><u>\$ 11,516,075</u></u>
 Program Revenue			
Governmental Activities:			
Charges for Services:			
Public Safety	\$ 849,213	\$ 970,346	\$ 1,591,587
Public Works	474,590	387,003	305,375
Parks and Recreation	19,631	12,008	12,818
Operating grants and contributions			
Public Safety	628,155	796,947	537,281
Total governmental activities program revenues	<u>1,971,589</u>	<u>2,166,304</u>	<u>2,447,061</u>
Business-type activities:			
Charges for services:			
Utility	2,775,172	2,840,707	2,476,398
Golf Course	1,023,564	1,217,798	1,213,498
Capital grants and contributions			
Utility	17,750		
Total business-type activities program revenues	<u>3,816,486</u>	<u>4,058,505</u>	<u>3,689,896</u>
Total Primary Government Program Revenues	<u><u>\$ 5,788,075</u></u>	<u><u>\$ 6,224,809</u></u>	<u><u>\$ 6,136,957</u></u>
 Net (Expense)/Revenue			
Governmental activities	\$ (5,457,533)	\$ (5,953,541)	\$ (5,986,369)
Business-type activities	647,556	834,758	607,251
Total Primary Government Net Expense	<u><u>\$ (4,809,977)</u></u>	<u><u>\$ (5,118,783)</u></u>	<u><u>\$ (5,379,118)</u></u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Taxes:			
Property taxes	\$ 4,009,942	\$ 4,091,728	\$ 4,991,356
Sales and use taxes	1,654,267	1,877,182	2,601,786
Franchise taxes	546,626	569,016	553,692
Investment earnings	210,047	377,156	575,549
Miscellaneous	240,822	99,861	74,950
Transfers	300,000	300,000	315,000
Total Governmental Activities	<u>6,961,704</u>	<u>7,314,943</u>	<u>9,112,333</u>
Business-type Activities:			
Investment earnings	41,335	111,719	148,664
Transfers	(300,000)	(300,000)	(315,000)
Total business-type activities	<u>(258,665)</u>	<u>(188,281)</u>	<u>(166,336)</u>
Total Primary Government	<u>\$ 6,703,039</u>	<u>\$ 7,126,662</u>	<u>\$ 8,945,997</u>
Change in Net Assets			
Governmental activities	\$ 1,504,171	\$ 1,361,402	\$ 3,125,964
Business-type activities	388,891	646,477	440,915
Total Primary Government	<u>\$ 1,893,062</u>	<u>\$ 2,007,879</u>	<u>\$ 3,566,879</u>

* Only three years of information is currently available. In future years as new information becomes available, this schedule will expand to include ten years of data.

CITY OF JERSEY VILLAGE, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	1998	1999	2000	2001
General fund				
Reserved	\$	\$	\$	\$
Unreserved	1,767,654	2,122,327	2,922,921	3,256,300
Total Governmental Activities Net Assets	<u>\$ 1,767,654</u>	<u>\$ 2,122,327</u>	<u>\$ 2,922,921</u>	<u>\$ 3,256,300</u>
All other governmental funds				
Reserved for:				
Capital projects funds	\$ 635,577	\$ 2,139,333	\$ 1,765,028	\$ 2,111,055
Debt service funds	332,636	2,649,218	1,083,233	1,039,866
Special revenue funds	413,502	476,958	157,339	234,333
Total Other Governmental Activities Net Assets	<u>\$ 1,381,715</u>	<u>\$ 5,265,510</u>	<u>\$ 3,005,601</u>	<u>\$ 3,385,254</u>

Fiscal Year					
2002	2003	2004	2005	2006	2007
\$	\$	\$ 12,331	\$ 12,331	\$ 12,331	\$ 12,331
2,439,991	2,140,243	2,631,207	2,970,740	3,407,207	5,132,634
<u>\$ 2,439,991</u>	<u>\$ 2,140,243</u>	<u>\$ 2,643,538</u>	<u>\$ 2,983,071</u>	<u>\$ 3,419,538</u>	<u>\$ 5,144,965</u>
\$ 3,594,474	\$ 5,727,644	\$ 1,144,292	\$ 2,009,328	\$ 1,982,613	\$ 10,290,458
1,066,580	1,281,908	1,300,302	721,258	658,646	727,653
315,801	484,036	556,097	604,274	718,219	769,660
<u>\$ 4,976,855</u>	<u>\$ 7,493,588</u>	<u>\$ 3,000,691</u>	<u>\$ 3,334,860</u>	<u>\$ 3,359,478</u>	<u>\$ 11,787,771</u>

CITY OF JERSEY VILLAGE, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	1998	1999	2000	2001
Revenues				
Taxes:				
Property taxes	\$ 2,098,134	\$ 2,620,888	\$ 2,974,775	\$ 3,934,213
Sales and use taxes	774,230	1,364,501	2,123,942	2,827,228
Franchise taxes	327,880	370,615	432,499	539,322
Licenses and permits	120,499	87,731	123,410	110,332
Charges for services	176,192	165,902	165,102	156,252
Fines and forfeitures	250,481	365,854	472,585	468,848
Investment earnings	215,028	257,625	386,234	393,051
Intergovernmental	736,954	51,021	101,079	63,959
Other	47,118	186,891	120,225	91,942
Total Revenues	<u>4,746,516</u>	<u>5,471,028</u>	<u>6,899,851</u>	<u>8,585,147</u>
Expenditures				
General government	919,141	794,586	950,181	976,486
Public safety	1,372,878	1,795,737	1,991,631	2,351,412
Public works	955,147	981,523	1,412,506	1,577,219
Parks and recreation	232,094	241,396	256,004	258,745
Capital outlay	539,329	1,970,872	435,820	984,526
Debt service:				
Principal	300,000	1,965,000	750,000	910,000
Interest and other charges	161,946	343,393	515,144	857,003
Total Expenditures	<u>4,480,536</u>	<u>8,092,507</u>	<u>6,311,286</u>	<u>7,915,391</u>
Excess of revenues over (under) expenditures	265,980	(2,621,479)	588,566	669,756
Other Financing Sources (Uses)				
Transfers in	831,687	1,345,429	1,196,494	2,435,431
Transfers out	(300,000)	(637,570)	(200,000)	(892,454)
Bonds issued				
Premium on bonds issued				
Total other financing sources (uses)	<u>531,687</u>	<u>(406,538)</u>	<u>996,494</u>	<u>1,542,977</u>
Net Change in Fund Balances	<u>\$ 797,667</u>	<u>\$ (3,028,017)</u>	<u>\$ 1,585,059</u>	<u>\$ 2,212,734</u>
Debt service as a percentage of noncapital expenditures	11.7%	37.7%	21.5%	25.5%

Fiscal Year					
2002	2003	2004	2005	2006	2007
\$ 5,055,432	\$ 4,207,729	\$ 3,958,147	\$ 4,028,810	\$ 4,050,597	\$ 4,990,201
2,855,939	2,113,957	1,844,121	1,626,360	1,877,182	2,601,786
587,643	544,676	552,453	574,534	569,016	553,692
123,202	112,958	147,798	350,250	224,160	204,244
94,653	220,056	210,915	299,832	341,956	344,911
409,250	509,726	691,302	686,037	801,103	1,008,085
198,752	119,206	89,968	181,962	320,418	505,793
25,578	457,206	1,031,083	621,895	788,292	499,322
316,269	115,472	107,337	254,398	110,654	153,192
<u>9,666,718</u>	<u>8,400,986</u>	<u>8,633,124</u>	<u>8,624,078</u>	<u>9,083,378</u>	<u>10,861,226</u>
1,039,668	1,174,471	1,382,334	1,456,322	1,437,939	1,625,875
2,986,696	3,179,843	2,816,576	3,110,449	3,107,644	3,327,650
1,587,215	1,561,295	1,629,596	1,646,731	1,637,561	1,650,040
313,056	334,432	404,845	420,755	473,937	498,124
2,821,769	3,563,075	3,670,023	753,134	146,249	349,304
582,476	780,755	930,224	814,163	840,729	862,094
1,317,997	1,266,880	1,378,073	1,313,432	1,278,233	1,324,588
<u>10,648,877</u>	<u>11,860,751</u>	<u>12,211,671</u>	<u>9,514,985</u>	<u>8,922,292</u>	<u>9,637,675</u>
(982,159)	(3,459,765)	(3,578,548)	(890,907)	161,086	1,223,551
2,494,774	1,060,857	968,824	858,069	300,000	315,000
(2,391,448)	(652,025)	(245,529)			
	5,000,068				8,500,000
					127,500
<u>103,326</u>	<u>5,408,899</u>	<u>723,295</u>	<u>858,069</u>	<u>300,000</u>	<u>8,942,500</u>
<u>\$ (878,833)</u>	<u>\$ 1,949,134</u>	<u>\$ (2,855,252)</u>	<u>\$ (32,838)</u>	<u>\$ 461,086</u>	<u>\$ 10,166,051</u>
24.3%	24.7%	27.0%	24.3%	24.4%	24.2%

CITY OF JERSEY VILLAGE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
*Last Nine Fiscal Years**

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Real Property</u>		<u>Personal Property</u>	<u>Less Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>
		<u>Residential Property</u>	<u>Commercial Property</u>	<u>Other</u>		
1999	1998	\$ 242,233,610	\$ 35,993,410	\$ 56,363,481	\$ 15,611,010	\$ 318,979,491
2000	1999	250,758,630	68,204,900	135,655,321	25,897,070	428,721,781
2001	2000	269,209,440	62,253,600	271,854,852	18,640,820	584,677,072
2002	2001	297,588,440	79,353,002	395,211,139	21,728,260	750,424,321
2003	2002	308,330,370	95,083,450	256,408,930	40,518,110	619,304,640
2004	2003	331,019,170	98,890,810	199,526,120	50,772,980	578,663,120
2005	2004	340,114,760	98,084,380	198,318,040	51,449,640	585,067,540
2006	2005	345,838,390	104,484,208	280,588,903	130,703,740	600,207,761
2007	2006	429,288,150	144,597,984	223,098,917	134,005,267	662,979,784

* Only the last nine years of data is available

All properties are assessed at 100% of actual taxable value. The difference between market value and taxable value is the value of exemptions given for statutory purposes.

Source: Tax department of the City.

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 0.6841	\$ 318,979,491	100.00%
0.6841	428,721,781	100.00%
0.6750	584,677,072	100.00%
0.6750	750,424,321	100.00%
0.6750	619,304,640	100.00%
0.6750	578,663,120	100.00%
0.6750	585,067,540	100.00%
0.6750	600,207,761	100.00%
0.7425	662,979,784	100.00%

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

City of Jersey Village								
Fiscal Year	Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Cypress-Fairbanks ISD	Harris County	Port of Houston Authority	Harris County Flood Control District	Harris County Hospital District
1998	\$ 0.52966	\$ 0.15442	\$ 0.68408	\$ 1.77000	0.41870	\$ 0.02000	\$ 0.07967	\$ 0.12381
1999	0.53279	0.15129	0.68408	1.77000	0.41660	0.02132	0.08000	0.12381
2000	0.40535	0.27873	0.68408	1.70900	0.39840	0.02040	0.08000	0.14650
2001	0.41856	0.25644	0.67500	1.70900	0.35902	0.01830	0.06173	0.20268
2002	0.42452	0.25048	0.67500	1.74500	0.38393	0.01826	0.04758	0.19021
2003	0.34673	0.32827	0.67500	1.79000	0.38814	0.01989	0.04174	0.19021
2004	0.33780	0.33720	0.67500	1.79000	0.38803	0.02000	0.04174	0.19021
2005	0.36545	0.30955	0.67500	1.80000	0.39990	0.01474	0.03320	0.19021
2006	0.33943	0.33557	0.67500	1.80000	0.39990	0.01470	0.03320	0.19220
2007	0.43264	0.30986	0.74250	1.65400	0.40239	0.01302	0.03241	0.19216

Source: Tax department records of various taxing authorities.

Note: Tax rate per \$100 assessed valuation.

* Overlapping rates are those of local and county governments that apply to property owners within the City of Jersey Village.

CITY OF JERSEY VILLAGE, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
*Current Year and Three Years Ago**

Taxpayer	Fiscal Year 2007			Fiscal Year 2004		
	Taxable Assessed Value	Rank	% of Total Assessed Valuation	Taxable Assessed Value	Rank	% of Total Assessed Valuation
Goodman Manufacturing	\$ 67,804,273	1	10.2%	\$ 14,783,680	3	2.6%
Joe Myers Dealership *	43,504,984	2	6.6%			0.0%
PCM Steeplechase LP	36,537,330	3	5.5%			0.0%
Prologis Dev SVCS	25,501,435	4	3.8%	15,234,680	2	2.6%
Beeler Sanders V LTD **	18,687,103	5	2.8%	60,105,260	1	10.4%
Trails Rock Holdings LP	15,231,404	6	2.3%			
Carson LMC LP	13,559,868	7	2.0%	13,133,000	4	2.3%
Sonic-LS Chevrolet LP	11,340,129	8	1.7%	11,540,280	6	2.0%
Baceline Value Fund I	11,000,000	9	1.7%			
National Oilwell Inc	7,627,150	10	1.2%			
Sam's / Walmart			0.0%	12,863,160	5	2.2%
Joe Myers Ford II LP			0.0%	11,204,890	7	1.9%
FMC Corp-Wellhead EQ			0.0%	9,834,690	8	1.7%
Enterprise Leasing			0.0%	8,296,450	9	1.4%
Joe Myers Toyota, Inc			0.0%	8,174,240	10	1.4%
	<u>250,793,676</u>		<u>37.8%</u>	<u>138,864,950</u>		<u>24.0%</u>
Other taxpayers	<u>412,186,108</u>		<u>62.2%</u>	<u>315,364,071</u>		<u>76.0%</u>
Total Assessed Valuation	<u>\$ 662,979,784</u>		<u>100.0%</u>	<u>\$ 578,663,120</u>		<u>100.0%</u>

Only the last three years of data are available.

Source: Tax department records of the City.

* Joe Myers Dealership value includes Joe Myers Ford and Toyota.

** Beeler Sanders V LTD sold part of their holdings to form Steeplechase LP.

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

Fiscal Year	Tax Year	Tax Rate (A)	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy	Amount	Amount	Percentage of Levy
1998	1997	\$ 0.68408	\$2,075,236	\$2,049,706	98.8%	\$ 21,743	\$2,071,449	99.8%
1999	1998	0.68408	2,653,532	2,620,888	98.8%	29,665	2,650,553	99.9%
2000	1999	0.68408	3,015,542	2,974,775	98.6%	38,392	3,013,167	99.9%
2001	2000	0.67500	3,965,845	3,891,013	98.1%	45,684	3,936,697	99.3%
2002	2001	0.67500	5,065,541	4,969,959	98.1%	38,686	5,008,645	98.9%
2003	2002	0.67500	4,150,683	4,107,030	98.9%	21,959	4,128,989	99.5%
2004	2003	0.67500	3,948,860	3,907,330	98.9%	29,298	3,936,628	99.7%
2005	2004	0.67500	3,959,202	3,921,515	99.0%	17,366	3,948,960	99.7%
2006	2005	0.67500	4,056,968	3,992,477	98.4%	28,625	4,021,102	99.1%
2007	2006	0.74250	4,922,625	4,865,891	98.8%		4,865,891	98.8%

Source: Tax department records of the City.

Note (A): The basis for property tax rates is per \$100 of the assessed valuation.

CITY OF JERSEY VILLAGE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Percentage of Actual Taxable value of Property	Percent of Personal Income*	Per Capita *
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Revenue Bonds	Total Primary Government			
1998	\$ 2,675,000	\$		\$	\$ 2,675,000	0.9%	1.4%	\$ 450
1999	8,348,869				8,348,869	2.6%	4.3%	1,400
2000	16,455,405			1,600,000	18,055,405	4.2%	8.3%	2,970
2001	15,764,019			1,500,000	17,264,019	3.0%	6.5%	2,426
2002	17,225,849		352,445	1,400,000	18,978,294	2.5%	7.4%	2,677
2003	10,746,760	8,195,000	252,539	1,300,000	20,494,299	3.3%	7.7%	2,871
2004	10,251,536	7,760,000	193,561	1,200,000	19,405,097	3.4%	6.9%	2,708
2005	9,757,373	7,440,000	131,893	1,100,000	18,429,266	3.1%	6.6%	2,577
2006	9,246,644	7,110,000	67,416	1,000,000	17,424,060	2.9%	6.2%	2,439
2007	18,257,373	7,440,000	140,631	900,000	26,738,004	4.0%	8.6%	3,686

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

* See the Schedule of Demographic and Economic Statistics for personal income and population data.

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

Fiscal Year	General Bonded Debt	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Percent of Personal Income*	Per Capita*
1998	\$ 2,675,000	\$ 371,512	\$ 2,303,488	0.8%	1.2%	\$ 388
1999	8,348,869	1,083,233	7,265,636	2.3%	3.7%	1,218
2000	16,455,405	1,039,866	15,415,539	3.6%	7.1%	2,535
2001	15,764,019	1,066,580	14,697,439	2.5%	5.5%	2,066
2002	17,225,849	1,281,907	15,943,942	2.1%	6.2%	2,249
2003	18,941,760	1,300,301	17,641,459	2.8%	6.7%	2,471
2004	18,011,536	982,984	17,028,552	2.9%	6.1%	2,377
2005	17,197,373	720,100	16,477,273	2.8%	5.9%	2,304
2006	16,356,644	658,646	15,697,998	2.6%	5.6%	2,198
2007	25,697,373	727,653	24,969,720	3.8%	8.0%	3,442

General bonded debt includes general obligation bonds and certificates of obligation.

* See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF JERSEY VILLAGE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT
As of September 30, 2007

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Estimated Debt Applicable to City</u>
Cypress-Fairbanks ISD	\$1,354,885,993	2.09%	\$ 28,317,117
Harris County	2,047,495,801	0.30%	6,142,487
Port of Houston Authority	343,965,000	0.30%	1,031,895
Harris County Flood Control District	111,929,698	0.30%	335,789
North Harris Mng CCD	175,531,414	0.76%	1,334,039
Total Net Overlapping Debt			<u>37,161,327</u>
City of Jersey Village			<u>24,969,720</u>
Total Direct and Overlapping Net Debt			<u><u>\$ 62,131,047</u></u>
Ratio of total direct and overlapping net debt to 2006 assessed valuation			<u>10.35%</u>
Direct and overlapping net debt per capita			<u><u>\$ 8,698</u></u>

Source - Texas Municipal Advisory Council

CITY OF JERSEY VILLAGE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income ¹	Median Age ²	Education Level in Years of Formal Schooling ³	School Enrollment ⁴	Unemployment Rate ⁵
1998	5,938	\$ 186,951,992	31,484	*	*	*	4.2%
1999	5,963	194,590,579	32,633	*	*	*	4.6%
2000	6,080	216,484,480	35,606	37.8	*	*	4.4%
2001	7,115	265,780,825	37,355	37.8	*	5,548	4.8%
2002	7,090	256,941,600	36,240	37.8	*	5,538	6.2%
2003	7,139	265,178,155	37,145	37.8	*	5,407	7.1%
2004	7,165	279,879,230	39,062	32.5	14	3,841	5.9%
2005	7,151	279,332,362	39,062	37.8	14	4,001	4.0%
2006	7,143	279,019,866	39,062	37.8	*	4,091	4.0%
2007	7,254	312,241,176	43,044	39.0	*	4,087	4.2%

Data Sources:

- 1-Texas Population Estimates Program and United States Census Bureau, 2000
- 2 - Bureau of Economic Analysis, Regional Information Department (Data for Harris County)
- 3 - United States Census Bureau, 2000 Census (Information unavailable prior to 2000)
- 4- CY-Fair Independent School District
- 5 - Texas Workforce Commission

Note: Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

* Information was unavailable

CITY OF JERSEY VILLAGE, TEXAS**PRINCIPAL EMPLOYERS***Current Year and Two Years Ago*

Employer	2007		2005	
	Employees	Rank	Employees	Rank
JV High School	280	1	309	1
Joe Myers Ford	150	2	220	2
Sam's East Inc.	180	3	200	3
Joe Myers Toyota	207	4	200	4
Sonic-LS Chevrolet	195	5	180	5
Foundry Methodist	115	6	135	6
City of Jersey Village	124	7	116	7
Post Elementary School	109	8	108	8
Joe Myers Mazda	65	9	62	9
Jersey Village Baptist Church	20	10	15	10
Total	<u>1,445</u>		<u>1,545</u>	

Source: Personnel department of each employer above.
Information only available for the past three years.

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

Function	1998	1999	2000	2001
General Government				
City Council*	6	6	6	6
Administrative	1	1	1	2
Information Technology				
Municipal Court	1	1	2	2
City Secretary	1	1	1	1
Finance	5	4	3	3
Public safety				
Police	15	20	22	24
Fire	1	2	3	3
Communications	2	2	3	3
Park and Recreation				
Parks	5	5	6	6
Golf Course	2	2	2	12
Public Works	2	2	3	3
Street	2	2	2	2
Community Development	3	3	3	3
Utilities	3	3	4	4
Fleet Services	1	1	1	2
Total	50	55	62	76

Source: City finance department.

* City Council are not full-time employees

2002	2003	2004	2005	2006	2007
6	6	6	6	6	6
1	3	4	2	3	3
	1	1	1	1	2
2	2	3	3	4	4
1	1	1	1	1	1
6	5	5	5	4	4
25	25	23	24	26	26
3	3	3	3	3	4
2	4	5	8	7	8
5	5	5	6	8	8
11	10	10	10	11	10
3	3	2	2	2	2
2	2	3	2	2	3
3	3	4	4	4	4
4	4	5	5	5	5
2	2	2	2	2	2
76	79	82	84	89	92

CITY OF JERSEY VILLAGE, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	1998	1999	2000	2001
Police				
Physical arrests	*	301	312	452
Parking violations	27	34	37	151
Traffic violations	7,557	9,238	11,146	10,214
Fire				
Number of calls answered	868	908	944	958
Highways and streets				
Potholes repaired	2	9	11	-
Sanitation				
Number of monthly pickups				
Residential	1,725	1,799	1,827	1,857
Multi-family				
Commercial				
Culture and recreation				
Athletic field permits	22	36	62	70
Community Cntr. Admissions	10	6	4	1
Water				
Service calls	*	*	*	910
Water main breaks				
Average daily consumption (thousands of gallons)	*	*	*	168
Sewer				
Average daily sewage treatment (thousands of gallons)	*	*	*	160

Source: Various City departments.

Note: Indicators are not available for the general government function.

* Information not available

2002	2003	2004	2005	2006	2007
470	428	452	420	475	565
82	167	73	161	246	136
9,359	16,832	15,632	14,978	16,831	15,504
952	906	892	910	915	1,028
8	3	4	7	2	9
1,889	1,919	1,911	1,953	1,994	2,020
133	73	53	69	86	50
1	3	3	6	6	69
1,046	1,080	920	1,142	1,050	1,239 3
124	190	115	112	125	125
123	190	147	192	125	157

CITY OF JERSEY VILLAGE, TEXAS
CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	1998	1999	2000	2001
Public Safety				
Police				
Stations	1	1	1	1
Patrol units	8	10	10	11
Fire				
Fire stations	1	1	1	1
Volunteers	42	43	37	33
Highways and streets				
Streets (miles)	22.46	25.80	25.80	25.80
Streetlights	9	9	9	10
Parks and Recreation				
Parks acreage	12.1	12.1	12.1	12.1
Parks	4	4	4	4
Water				
Water wells	3	3	2	4
Water mains (miles)	28.32	28.32	31.57	31.57
Fire hydrants	315	418	418	418
Maximum daily capacity (thousands of gallons)	1,550	2,050	2,050	2,050
Sewer				
Sanitary sewers (miles)	27.46	27.46	31.87	31.87
Storm sewers (miles)	13.44	16.54	16.54	16.54
Maximum daily treatment capacity (thousands of gallons)		800	800	800

Source: Various City departments.

Note: No capital asset indicators are available for the general government function.

* Information not available

2002	2003	2004	2005	2006	2007
1	1	1	1	1	1
13	14	14	14	15	15
1	1	1	1	1	1
36	40	34	34	37	29
25.80	27.30	27.30	28.20	28.84	28.84
10	10	10	11	11	11
12.1	12.1	12.1	12.1	12.1	12.1
4	4	4	4	4	4
4	4	4	4	4	4
31.57	31.57	31.57	34.38	35.85	35.85
418	434	434	445	445	455
2,050	2,050	2,050	2,550	2,550	2,550
31.87	31.87	34.22	34.80	35.21	35.21
16.54	16.54	16.54	18.24	20.19	20.19
800	800	800	800	800	800

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