

*COMPREHENSIVE  
ANNUAL FINANCIAL REPORT*

of the

**CITY OF JERSEY VILLAGE, TEXAS**

Year Ended  
September 30, 2011

**Officials Issuing Report:**

**Mike Castro  
City Manager**

**Isabel Kato  
Finance Director**

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Exhibit A

# CITY OF JERSEY VILLAGE, TEXAS

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***INTRODUCTORY SECTION***

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# City of Jersey Village

*Incorporated 1956*

*A Texas Star Community*

January 31, 2012

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, 2011

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 Belt Harris Pechacek, LLLP, 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, 2011 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, 2011 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 to the following principles:

- **Fiscal Responsibility** - Continue fiscally sound local government practices through active budget controls and a focus on strategic planning within the community.
- **Public Safety** - Provide a safe and secure environment resulting from a partnership between Jersey Village residents, the Police and Fire 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.
- **Emergency Preparedness** - Our Emergency Management plan is complete and all essential city staff members are in compliance with NIMS standards.
- **Economic Development** - The City will focus economic development efforts on increasing the commercial tax base through the attraction of companies and the expansion of existing businesses.
- **Quality Public Infrastructure and Recreational Facilities** - Provide continual cost effective maintenance and upgrades of streets, municipal utilities, and other municipal owned facilities to meet the service and capacity requirements of the community. The City of Jersey Village is arranging the launch of the Phase III Street Project during Fiscal Year 2011-2012.

## Profile of the Government

The City, which was formed in 1956, is located 15 miles northwest of downtown Houston. As of September 30, 2011 the City had a land area of 3.58 square miles and an estimated population of approximately 7,620. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statutes to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City of Jersey Village has adopted a Council-Manager form of government. The Council is comprised of a Mayor and five Council members. The Mayor and Council members are all elected at large for a two-year term. Elections are staggered with the Mayor and two Council members elected together in odd years and the three remaining members in the following even year. The City Manager is appointed by the Council and is responsible for implementation of Council policy and all day-to-day operations of the City.

The City provides a full range of municipal services including public safety (police and fire protection); residential solid waste sanitation services, water and wastewater services, public improvements, repair and maintenance of infrastructure, recreational and community activities and general administrative services. The City also owns and operates a public golf course. As an independent political subdivision

of the State of Texas governed by an elected Mayor and Council, the City is considered a primary government.

In accordance with standards established by the Governmental Accounting Standards Board, the City reports all funds and account groups for which the City, as the primary government, is accountable. The Jersey Village Crime Control and Prevention District (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 8.5 percent is lower than the U.S. unemployment rate of 9 percent. The area of Houston-Galveston Brazoria is also lower than the State of Texas level at 8.1 percent. According to the U.S. Bureau of Labor Statistics, From September 2010 to September 2011, local nonfarm employment rose 2.6 percent compared to the national increase of 1.1 percent. Among the 12 largest metropolitan areas in the country, Houston-Sugar Land-Baytown ranked first in the rate of over-the-year growth, but second in the number of jobs added, behind Dallas-Fort Worth Arlington.

	2011	2010	2009
United States	9.0%	9.6%	9.5%
Texas	8.5%	9.1%	8.1%
Jersey Village	8.1%	8.2%	8.5%

**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 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) 2010-2011 was a year of accomplishments for the City of Jersey Village. The list below highlights some of the more significant city activities this past year:

- **The City of Jersey Village completed the 2007 Street Project.**
- **After almost twenty years the City of Jersey Village together with Harris County finalized the Jones Road Extension project. This project greatly improves the traffic flow problem in this area of Northwest Harris County.**

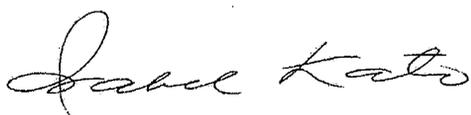
**Certificate of Achievement**

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, 2010. 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 is the fourteen 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.

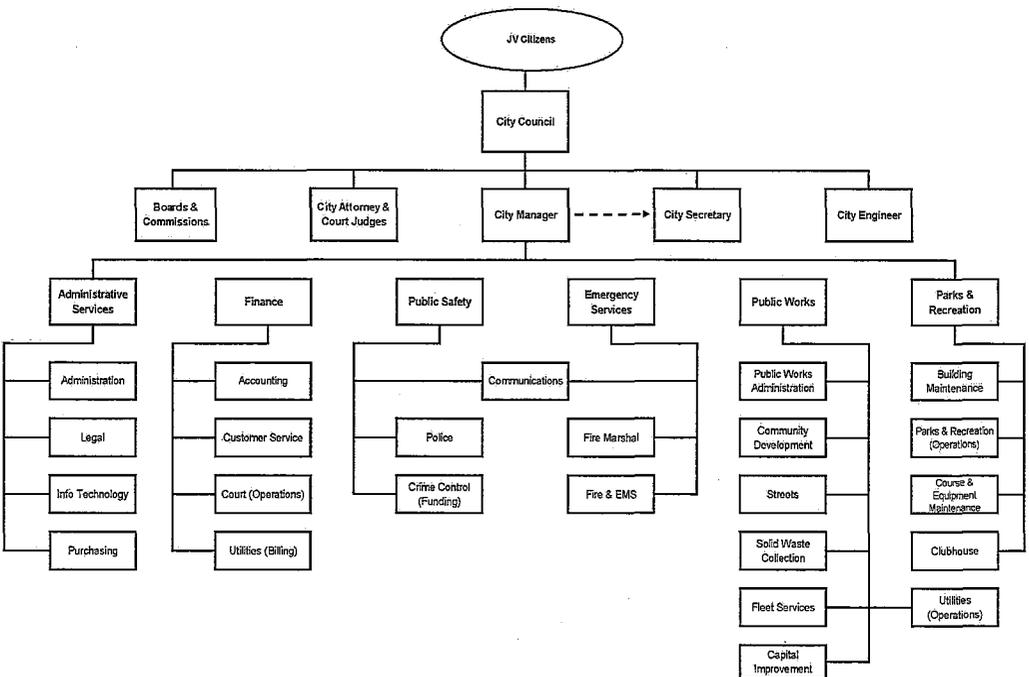
Respectfully submitted,



Isabel Kato  
Director of Finance

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**CITY OF JERSEY VILLAGE, TEXAS**  
**ORGANIZATIONAL CHART**  
 September 30, 2011



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

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, 2010

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.



*Linda C. Danson*

President

*Jeffrey R. Emmer*

Executive Director

**CITY OF JERSEY VILLAGE, TEXAS**  
**PRINCIPAL OFFICIALS**  
September 30, 2011

<b>City Officials</b>	<b>Elective Position</b>	<b>Term Expires</b>
Russell Hamley	Mayor	05/2013
Joyce Berube	Council Member	05/2012
Rod Erskine	Council Member	05/2013
Harry Beckwith III, PE	Council Member	05/2013
Mark Maloy	Council Member	05/2012
Jill Klein	Council Member	05/2012

<b>Key Staff</b>	<b>Position</b>
Mike Castro	City Manager
Lorri Coody	City Secretary
Robert J. Gervais	City Attorney
Michael Brown	Parks and Recreation Director
Mark Bitz	Fire Chief
Isabel Kato	Finance Director
Charles E. Foester	Police Chief
Ismael Segundo	Director of Public Works

***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City") as of September 30, 2011 and for the year ended, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2011, 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, the budgetary comparisons, and schedule of funding progress are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
January 31, 2012

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

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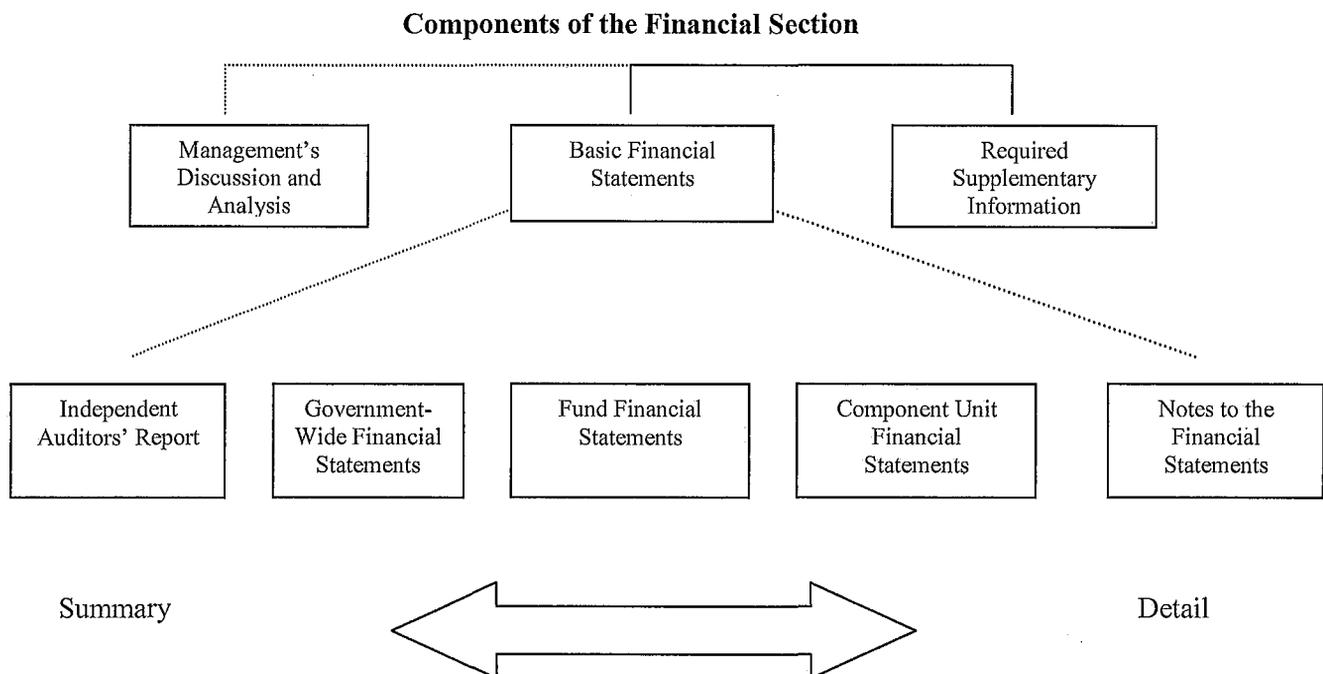
# CITY OF JERSEY VILLAGE, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Year Ended September 30, 2011

The purpose of the Management's Discussion and Analysis ("MD&A") is to give the readers an objective and easily readable analysis of the financial activities of the City of Jersey Village, Texas (the "City") for the year ending September 30, 2011. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Governmental Accounting Standards Board (GASB) Statement No. 34 establishes the content of the minimum requirements for the MD&A. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

### THE STRUCTURE OF OUR ANNUAL REPORT



The comprehensive annual financial report is presented as compliant with the financial reporting model in effect pursuant to GASB Statement No. 34. This financial reporting model requires governments to present certain basic financial statements as the MD&A and certain other Required Supplementary Information (RSI). The basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements.

#### Government-Wide Statements

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

**CITY OF JERSEY VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For The Year Ended September 30, 2011

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 is financially accountable. Financial information on the component unit is reported separately from the financial information presented for the primary government itself.

The Statement of Net Assets presents information on all of the City's assets and liabilities. The difference between the two is 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. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

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

The Statement of Net Assets and the Statement of Activities divide the City into two classes of activities:

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

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

## **FUND FINANCIAL STATEMENTS**

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

### **Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental 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*.

**CITY OF JERSEY VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended September 30, 2011**

The City maintains nine 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 fund, debt service, and capital project funds, which are considered to be major funds. The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

**Proprietary Funds**

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

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

**Notes to Financial Statements**

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

**Other Information**

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI that GASB Statement No. 34 requires includes budgetary comparison schedules for the general fund and red light camera fund, as well as the schedule of funding progress for Texas Municipal Retirement System. RSI can be found after the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. For the City, assets exceed liabilities by \$58,422,989 as of September 30, 2011.

As required by GASB Statement No. 34, a comparative analysis of government-wide data has been presented as a component of the MD&A for the year ending September 30, 2011. The largest portion of the City's net assets, 75 percent, reflects its investments in capital assets (e.g., land, buildings, equipments, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

**CITY OF JERSEY VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For The Year Ended September 30, 2011

**Statement of Net Assets:**

The following table reflects the condensed Statement of Net Assets:

**SUMMARY OF STATEMENT OF NET ASSETS**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 17,961,843	\$ 21,701,305	\$ 4,605,322	\$ 4,364,517	\$ 22,567,165	\$ 26,065,822
Capital assets, net	41,230,360	37,427,520	17,991,847	17,831,127	59,222,207	55,258,647
<b>Total Assets</b>	<b>59,192,203</b>	<b>59,128,825</b>	<b>22,597,169</b>	<b>22,195,644</b>	<b>81,789,372</b>	<b>81,324,469</b>
Long-term liabilities	21,675,224	22,923,296	107,521	95,873	21,782,745	23,019,169
Other liabilities	1,368,661	3,243,944	214,977	462,283	1,583,638	3,706,227
<b>Total Liabilities</b>	<b>23,043,885</b>	<b>26,167,240</b>	<b>322,498</b>	<b>558,156</b>	<b>23,366,383</b>	<b>26,725,396</b>
Net Assets:						
Invested in capital assets, net of related debt	25,644,695	21,384,544	17,991,847	17,831,127	43,636,542	39,215,671
Restricted	1,706,438	6,751,632	-	-	1,706,438	6,751,632
Unrestricted	8,797,185	4,825,409	4,282,824	3,806,361	13,080,009	8,631,770
<b>Total Net Assets</b>	<b>\$ 36,148,318</b>	<b>\$ 32,961,585</b>	<b>\$ 22,274,671</b>	<b>\$ 21,637,488</b>	<b>\$ 58,422,989</b>	<b>\$ 54,599,073</b>

A portion of the City's net assets, \$1,706,438 or 3 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, \$13,080,009 or 22 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net assets increased by \$3,823,916 during the current fiscal year, an increase of 7 percent in comparison to the prior year. This increase is largely the result of an increase in charges for services which was primarily due to an increase of water and sewer revenue.

**CITY OF JERSEY VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For The Year Ended September 30, 2011

**Statement of Activities:**

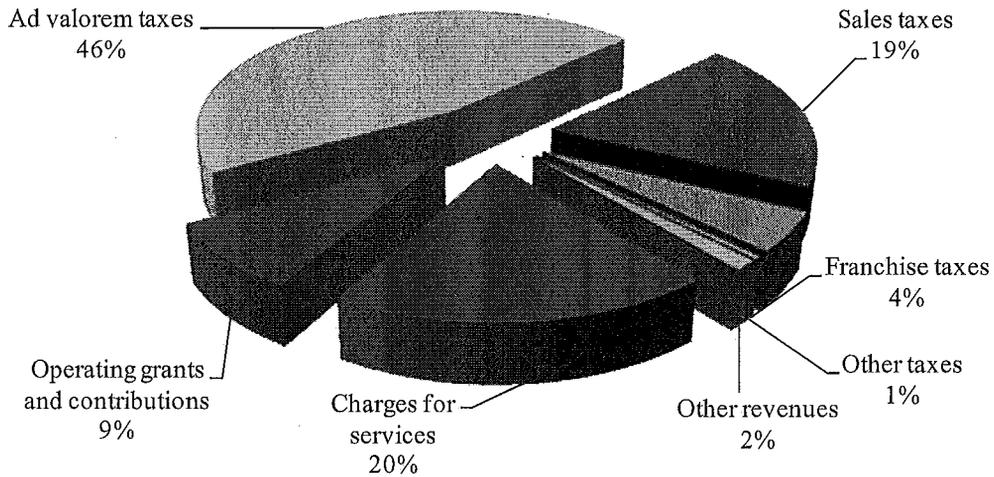
The following table provides a summary of the City's changes in net assets:

	CHANGES IN NET ASSETS					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,591,748	\$ 2,620,858	\$ 5,608,010	\$ 4,226,895	\$ 8,199,758	\$ 6,847,753
Operating grants and contributions	1,118,822	3,439,600	-	-	1,118,822	3,439,600
General revenues:						
Ad valorem taxes	6,137,027	6,198,169	-	-	6,137,027	6,198,169
Sales taxes	2,565,651	2,411,159	-	-	2,565,651	2,411,159
Franchise taxes	667,970	632,605	-	-	667,970	632,605
Other taxes	49,584	66,567	-	-	49,584	66,567
Investment earnings	23,718	36,792	2,657	5,614	26,375	42,406
Other revenues	172,696	275,580	-	-	172,696	275,580
<b>Total Revenues</b>	<u>13,327,216</u>	<u>15,681,330</u>	<u>5,610,667</u>	<u>4,232,509</u>	<u>18,937,883</u>	<u>19,913,839</u>
<b>Expenses</b>						
General government	1,852,750	2,046,283	-	-	1,852,750	2,046,283
Public safety	5,038,540	5,136,312	-	-	5,038,540	5,136,312
Public works	2,460,625	2,391,025	-	-	2,460,625	2,391,025
Parks and recreation	197,711	525,477	-	-	197,711	525,477
Interest and fiscal agent fees on long-term debt	1,025,458	1,220,035	-	-	1,025,458	1,220,035
Water and sewer systems	-	-	2,798,185	2,092,496	2,798,185	2,092,496
Golf course	-	-	1,740,698	1,628,516	1,740,698	1,628,516
<b>Total Expenses</b>	<u>10,575,084</u>	<u>11,319,132</u>	<u>4,538,883</u>	<u>3,721,012</u>	<u>15,113,967</u>	<u>15,040,144</u>
<b>Increase (Decrease) in Net Assets     Before Transfers</b>	2,752,132	4,362,198	1,071,784	511,497	3,823,916	4,873,695
Transfers	434,601	420,476	(434,601)	(420,476)	-	-
<b>Change in Net Assets</b>	3,186,733	4,782,674	637,183	91,021	3,823,916	4,873,695
Beginning Net Assets	32,961,585	28,178,911	21,637,488	21,546,467	54,599,073	49,725,378
<b>Ending Net Assets</b>	<u>\$ 36,148,318</u>	<u>\$ 32,961,585</u>	<u>\$ 22,274,671</u>	<u>\$ 21,637,488</u>	<u>\$ 58,422,989</u>	<u>\$ 54,599,073</u>

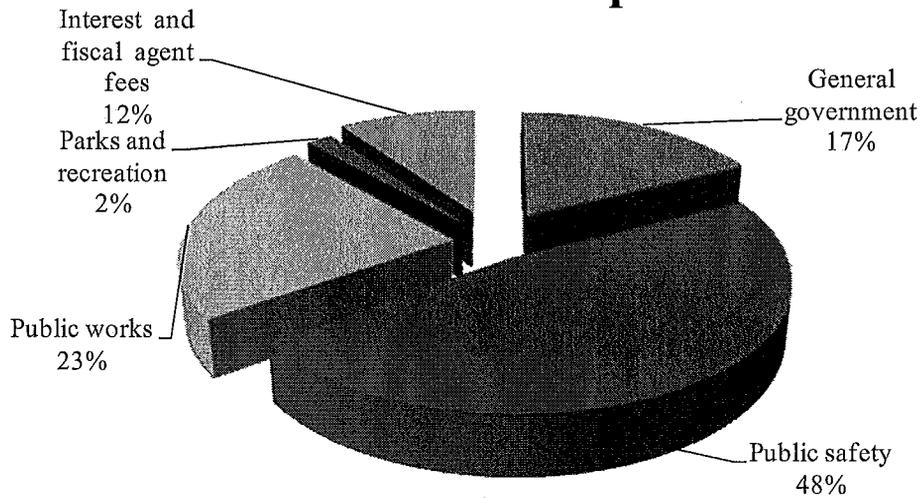
**CITY OF JERSEY VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For The Year Ended September 30, 2011

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

**Governmental Revenues**

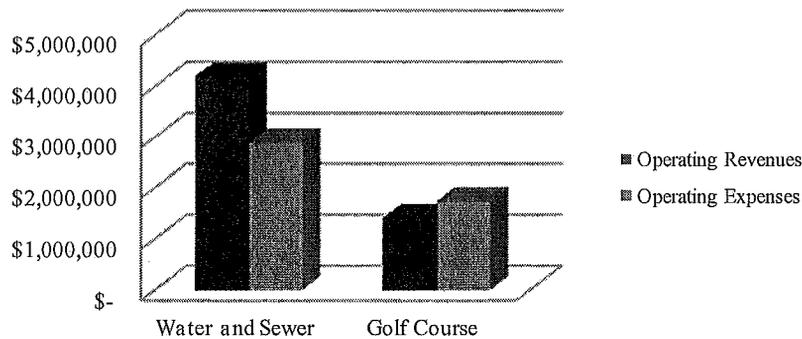


**Governmental Expenses**



**CITY OF JERSEY VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For The Year Ended September 30, 2011

**Business-type Activities**



For the year ended September 30, 2011, revenues from governmental activities totaled \$13,327,216. Overall, governmental revenues decreased by 15 percent from prior year. This decrease in overall governmental revenues was due to a decrease in operating grants and contributions. The City's investment earnings are steadily declining with a decrease of 38 percent from the prior year due to falling interest rates. The City continues to invest its funds in TexPool.

For the year ended September 30, 2011, expenses for governmental activities totaled \$10,575,084, which is comparable to the prior year.

Operating revenues for business-type activities increased from the prior year. Charges for services increased \$1,381,115 or 33 percent due to higher water consumption in the current year. Operating expenses for business-type activities increased by 22 percent due to increases in water and sewer systems maintenance and repairs, as well as consumption.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

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

The City's governmental funds reflect a combined fund balance of \$13,977,354. Of the total governmental fund balance \$3,197,867 is restricted for various purposes and \$10,779,487 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current year the unassigned fund balance of the general fund was \$10,779,487, while total fund balance reached \$10,798,679. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 132.4 percent of total general fund expenditures. The general fund demonstrated an overall increase of \$1,136,547 as a result of higher overall revenues than anticipated and an overall reduction in expenditures.

The debt service fund has a total fund balance of \$399,560, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$13,992. This decrease can be attributed to payment of principal and interest of outstanding debt.

**CITY OF JERSEY VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For The Year Ended September 30, 2011

The capital projects fund experienced a decrease in fund balance of \$703,836 due to the completion of a project in the current year.

The Jones Road Extension capital project fund had a decrease in fund balance as a result of an increase in capital outlay.

The red light camera fund experienced an increase in fund balance of \$112,978 due to revenue collected from fines.

*Proprietary Funds* – The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

There had been a planned decrease in budgeted fund balance in the amount of \$338,935 in the general fund. However, the net change in fund balance was \$1,136,547, resulting in a positive variance of \$1,475,482 from budgeted as amended over actual.

Actual general fund budgeted revenues exceeded original and amended revenues by \$707,201 during 2011. This positive variance includes the positive variances of \$144,610 for fine revenues, \$111,709 for ad valorem revenues, and \$195,651 for sales taxes.

Actual expenditures were less than budgeted amounts by \$663,881 for the fiscal year. The greatest positive variance was in police as a result of personnel vacancies within the department and legal.

### **CAPITAL ASSETS**

At the end of year 2011, the City's governmental activities funds had invested \$41,230,360 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$3,802,840. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34 with an increase in depreciation expense of \$1,098,770.

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

- Capital outlay of \$3,020,220 for the Jones Road extension
- Construction in progress of the storm water detection basin for \$500,000

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

### **LONG-TERM DEBT**

At the end of the current year, the City had total governmental activities long-term debt outstanding of \$21,110,665. Of this amount, \$15,280,000 was general obligation bonds, \$5,525,000 was certificates of obligation, and \$305,665 represented capital leases.

During the year, the City had a reduction in the overall long-term debt of \$1,248,072, which includes redemption of revenue bonds at year end.

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

**CITY OF JERSEY VILLAGE, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For The Year Ended September 30, 2011

Current underlying ratings on debt issues are as follows:

	<b>Moody's Investors Service</b>	<b>Standard and Poor's</b>
Water revenue bonds	A3	AA
General obligation bonds	A2	AA

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

According to an article published by the Houston Chronicle, during 2010-2011 the Houston regional economy grew faster than any other in North America. Houston and Dallas were the only two major metropolitan economies on the continent to rank among the worlds' most robust in 2010-2011. According to the article, the Global Metro Monitor rankings use such factors as population, employment and per-capita income to present a snapshot of the world's economic. The report released calculated Houston to be No. 19 globally in terms of growth and Dallas no. 36, no other region in North America finished in the top 40.

Overall, revenues for the fiscal year 2011-2012 were projected to stay flat when compared to fiscal year 2010-2011. The General Fund portion of the property tax revenue is estimated to be approximately \$3.6 million. The ad valorem tax rate continues at .7425 cent per hundred dollar assessed valuation. Of this tax rate, 46.2594 cents is utilized for maintenance and operation activities of the general fund, and the remaining amount, 27.9906 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 for property tax reduction.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Isabel Kato, Finance Director, 16501 Jersey Drive, Jersey Village, TX, 77040, telephone 713-466-2104, or for general City information, visit the City's website at [www.ci.jersey-village.tx.us](http://www.ci.jersey-village.tx.us).

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***BASIC FINANCIAL STATEMENTS***

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# CITY OF JERSEY VILLAGE, TEXAS

## STATEMENT OF NET ASSETS

September 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Jersey Village Crime Control
<b><u>Assets</u></b>				
Cash and equity in pooled cash and investments	\$ 18,126,943	\$ 2,126,962	\$ 20,253,905	\$ 1,189,686
Receivables, net of allowances	1,202,088	551,124	1,753,212	137,704
Internal balances	(1,867,015)	1,867,015	-	-
Due from component unit	274,656	-	274,656	-
Inventory	-	60,221	60,221	-
Deferred charges	225,171	-	225,171	-
Capital assets:				
Non-depreciable capital assets	2,456,455	1,365,361	3,821,816	-
Depreciable capital assets, net	38,773,905	16,626,486	55,400,391	-
<b>Total Assets</b>	<b>59,192,203</b>	<b>22,597,169</b>	<b>81,789,372</b>	<b>1,327,390</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	1,297,199	112,122	1,409,321	-
Customer deposits	-	95,645	95,645	-
Due to primary government	-	-	-	274,656
Accrued bond interest	71,462	-	71,462	-
Unearned revenue	-	7,210	7,210	-
Noncurrent liabilities:				
Due within one year	1,446,909	43,008	1,489,917	-
Due in more than one year	20,228,315	64,513	20,292,828	-
<b>Total Liabilities</b>	<b>23,043,885</b>	<b>322,498</b>	<b>23,366,383</b>	<b>274,656</b>
<b><u>Net Assets</u></b>				
Invested in capital assets, net of related debt	25,644,695	17,991,847	43,636,542	-
Restricted for:				
Capital projects	276,514	-	276,514	-
Debt service	405,114	-	405,114	-
Special revenue projects	1,024,810	-	1,024,810	-
Jersey Village crime control	-	-	-	1,052,734
Unrestricted	8,797,185	4,282,824	13,080,009	-
<b>Total Net Assets</b>	<b>\$ 36,148,318</b>	<b>\$ 22,274,671</b>	<b>\$ 58,422,989</b>	<b>\$ 1,052,734</b>

See Notes to Financial Statements.

# CITY OF JERSEY VILLAGE, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2011

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government</b>			
<b>Governmental Activities</b>			
General government	\$ 1,852,750	\$ -	\$ -
Public safety	5,038,540	2,258,325	1,118,822
Public works	2,460,625	-	-
Parks and recreation	197,711	333,423	-
Interest on long-term debt	1,025,458	-	-
<b>Total Governmental Activities</b>	<b>10,575,084</b>	<b>2,591,748</b>	<b>1,118,822</b>
<b>Business-type Activities</b>			
Utility	2,798,185	4,194,006	-
Golf course	1,740,698	1,414,004	-
<b>Total Business-Type Activities</b>	<b>4,538,883</b>	<b>5,608,010</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 15,113,967</b>	<b>\$ 8,199,758</b>	<b>\$ 1,118,822</b>
<b>Component unit</b>			
Jersey Village crime control	\$ 1,050,050	\$ -	\$ -
	<b>\$ 1,050,050</b>	<b>\$ -</b>	<b>\$ -</b>

**General Revenues:**

- Ad valorem taxes
- Sales taxes
- Franchise taxes
- Other taxes
- Investment earnings
- Other revenues
- Transfers

**Total General Revenues and Transfers**

**Change in Net Assets**

Beginning Net Assets

Ending Net Assets

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Assets			Component Unit Jersey Village Crime Control
Primary Government			
Governmental Activities	Business-type Activities	Total	
\$ (1,852,750)	\$ -	\$ (1,852,750)	\$ -
(1,661,393)	-	(1,661,393)	-
(2,460,625)	-	(2,460,625)	-
135,712	-	135,712	-
(1,025,458)	-	(1,025,458)	-
<u>(6,864,514)</u>	<u>-</u>	<u>(6,864,514)</u>	<u>-</u>
-	1,395,821	1,395,821	-
-	(326,694)	(326,694)	-
-	1,069,127	1,069,127	-
<u>(6,864,514)</u>	<u>1,069,127</u>	<u>(5,795,387)</u>	<u>-</u>
-	-	-	(1,050,050)
-	-	-	(1,050,050)
6,137,027	-	6,137,027	-
2,565,651	-	2,565,651	820,663
667,970	-	667,970	-
49,584	-	49,584	-
23,718	2,657	26,375	1,205
172,696	-	172,696	-
434,601	(434,601)	-	-
<u>10,051,247</u>	<u>(431,944)</u>	<u>9,619,303</u>	<u>821,868</u>
3,186,733	637,183	3,823,916	(228,182)
<u>32,961,585</u>	<u>21,637,488</u>	<u>54,599,073</u>	<u>1,280,916</u>
<u>\$ 36,148,318</u>	<u>\$ 22,274,671</u>	<u>\$ 58,422,989</u>	<u>\$ 1,052,734</u>

# CITY OF JERSEY VILLAGE, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2011

	General	Debt Service	Capital Projects	Jones Road Extension
<b>Assets</b>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 11,634,547	\$ 534,051	\$ 1,360,858	\$ -
Receivables, net	1,055,659	131,810	3,301	-
Due from other funds	625,500	567,450	-	281,212
Due from component unit	274,656	-	-	-
<b>Total Assets</b>	<b>\$ 13,590,362</b>	<b>\$ 1,233,311</b>	<b>\$ 1,364,159</b>	<b>\$ 281,212</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 572,912	\$ -	\$ 13,701	\$ 4,698
Retainage payable	-	-	36,158	-
Due to other funds	1,795,470	674,553	674,925	-
Deferred revenue	423,301	159,198	-	-
<b>Total Liabilities</b>	<b>2,791,683</b>	<b>833,751</b>	<b>724,784</b>	<b>4,698</b>
Fund Balances:				
Restricted:				
Debt service	-	399,560	-	-
Capital purchases	-	-	639,375	276,514
Park improvements	1,198	-	-	-
Tourism	-	-	-	-
Public safety	17,994	-	-	-
Court technology	-	-	-	-
Unassigned	10,779,487	-	-	-
<b>Total Fund Balances</b>	<b>10,798,679</b>	<b>399,560</b>	<b>639,375</b>	<b>276,514</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,590,362</b>	<b>\$ 1,233,311</b>	<b>\$ 1,364,159</b>	<b>\$ 281,212</b>

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

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

Capital assets, non-depreciable

Capital assets, net depreciable

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.

Current assets and liabilities net of capital leases

Capital assets, net depreciable

Capital leases

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

Accrued interest payable

Non-current liabilities due in one year

Non-current liabilities due in more than one year

Deferred charges for issuance costs

**Net Assets of Governmental Activities**

See Notes to Financial Statements.

<u>Red Light Camera</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
\$ 503,071	\$ 950,220	\$ 14,982,747
-	11,318	1,202,088
1,015,800	44,818	2,534,780
-	-	274,656
<u>\$ 1,518,871</u>	<u>\$ 1,006,356</u>	<u>\$ 18,994,271</u>
\$ 661,263	\$ 738	\$ 1,253,312
-	-	36,158
-	-	3,144,948
-	-	582,499
<u>661,263</u>	<u>738</u>	<u>5,016,917</u>
-	-	399,560
-	-	915,889
-	-	1,198
-	687,642	687,642
857,608	90,765	966,367
-	227,211	227,211
-	-	10,779,487
<u>857,608</u>	<u>1,005,618</u>	<u>13,977,354</u>
<u>\$ 1,518,871</u>	<u>\$ 1,006,356</u>	
		2,456,455
		37,793,070
		582,499
		1,879,620
		980,835
		(297,446)
		(71,462)
		(1,378,974)
		(19,998,804)
		225,171
		<u>\$ 36,148,318</u>

**CITY OF JERSEY VILLAGE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Jones Road Extension</u>
<b>Revenues</b>				
Ad valorem taxes	\$ 3,961,709	\$ 2,147,236	\$ -	\$ -
Sales taxes	2,565,651	-	-	-
Franchise taxes	667,970	-	-	-
Other taxes	-	-	-	-
Permits, licenses, and fees	99,301	-	-	-
Fines and forfeitures	764,110	-	-	-
Charges for services	333,423	-	-	-
Intergovernmental	709,821	-	409,001	-
Investment earnings	16,400	918	2,264	-
Other revenue	87,549	-	-	-
<b>Total Revenues</b>	<b>9,205,934</b>	<b>2,148,154</b>	<b>411,265</b>	<b>-</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	1,726,075	-	-	-
Public safety	3,909,767	-	-	-
Public works	1,971,735	-	916,649	-
Parks and recreation	534,455	-	-	-
Capital outlay	-	-	494,807	3,020,220
<b>Debt service:</b>				
Principal	-	689,520	-	-
Interest and fiscal agent fees	-	1,538,227	-	-
<b>Total Expenditures</b>	<b>8,142,032</b>	<b>2,227,747</b>	<b>1,411,456</b>	<b>3,020,220</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,063,902</b>	<b>(79,593)</b>	<b>(1,000,191)</b>	<b>(3,020,220)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	360,000	65,601	296,355	-
Transfers (out)	(287,355)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>72,645</b>	<b>65,601</b>	<b>296,355</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,136,547</b>	<b>(13,992)</b>	<b>(703,836)</b>	<b>(3,020,220)</b>
Beginning Fund Balances	9,662,132	413,552	1,343,211	3,296,734
<b>Ending Fund Balances</b>	<b>\$ 10,798,679</b>	<b>\$ 399,560</b>	<b>\$ 639,375</b>	<b>\$ 276,514</b>

See Notes to Financial Statements.

<u>Red Light Camera</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
\$ -	\$ -	\$ 6,108,945
-	-	2,565,651
-	-	667,970
-	49,584	49,584
-	-	99,301
1,355,151	39,763	2,159,024
-	-	333,423
-	-	1,118,822
-	872	20,454
-	85,147	172,696
<u>1,355,151</u>	<u>175,366</u>	<u>13,295,870</u>
-	53,314	1,779,389
1,242,173	50,646	5,202,586
-	-	2,888,384
-	-	534,455
-	-	3,515,027
-	-	689,520
-	-	1,538,227
<u>1,242,173</u>	<u>103,960</u>	<u>16,147,588</u>
<u>112,978</u>	<u>71,406</u>	<u>(2,851,718)</u>
-	-	721,956
-	-	(287,355)
-	-	434,601
112,978	71,406	(2,417,117)
<u>744,630</u>	<u>934,212</u>	<u>16,394,471</u>
<u>\$ 857,608</u>	<u>\$ 1,005,618</u>	<u>\$ 13,977,354</u>

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**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, 2011**

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

Net changes in fund balances - total governmental funds	\$	(2,417,117)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital asset expenditures		5,410,277
Depreciation expense		(1,607,437)
<p>The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.</p>		
Principal payments		1,236,785
Amortization of bond issuance costs, premiums, and discounts		(16,769)
<p>Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.</p>		
		28,082
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		16,841
<p>Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The net revenue (expense) is reported with governmental activities.</p>		
		536,071
<b>Change in Net Assets of Governmental Activities</b>	<b>\$</b>	<b><u><u>3,186,733</u></u></b>

See Notes to Financial Statements.

# CITY OF JERSEY VILLAGE, TEXAS

## STATEMENT OF NET ASSETS (Page 1 of 2)

### PROPRIETARY FUNDS

September 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total	
<b>Assets</b>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 1,924,995	\$ 201,967	\$ 2,126,962	\$ 3,144,196
Accounts receivable, net	528,167	22,957	551,124	-
Inventory	-	60,221	60,221	-
Due from other funds	754,669	420,400	1,175,069	-
<b>Total Current Assets</b>	<b>3,207,831</b>	<b>705,545</b>	<b>3,913,376</b>	<b>3,144,196</b>
Noncurrent assets:				
Capital assets:				
Land	445,240	915,000	1,360,240	-
Construction in process	5,121	-	5,121	-
Buildings and improvements	422,460	5,720,600	6,143,060	-
Furniture and equipment	864,382	643,450	1,507,832	4,726,205
Water and sewer system	18,739,039	-	18,739,039	-
Less: accumulated depreciation	(5,826,464)	(3,936,981)	(9,763,445)	(3,745,370)
<b>Total Capital Assets (Net)</b>	<b>14,649,778</b>	<b>3,342,069</b>	<b>17,991,847</b>	<b>980,835</b>
<b>Total Noncurrent Assets</b>	<b>14,649,778</b>	<b>3,342,069</b>	<b>17,991,847</b>	<b>980,835</b>
<b>Total Assets</b>	<b>\$ 17,857,609</b>	<b>\$ 4,047,614</b>	<b>\$ 21,905,223</b>	<b>\$ 4,125,031</b>

See Notes to Financial Statements.

# CITY OF JERSEY VILLAGE, TEXAS

## STATEMENT OF NET ASSETS (Page 2 of 2)

### PROPRIETARY FUNDS

September 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total	
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 56,856	\$ 55,266	\$ 112,122	\$ 7,729
Customer deposits	95,276	369	95,645	-
Compensated absences	19,958	23,050	43,008	-
Capital lease	-	-	-	67,935
Unearned revenue	-	7,210	7,210	-
Due to other funds	400,001	-	400,001	164,900
<b>Total Current Liabilities</b>	<b>572,091</b>	<b>85,895</b>	<b>657,986</b>	<b>240,564</b>
Noncurrent liabilities:				
Compensated absences	29,938	34,575	64,513	-
Capital lease due in more than one year	-	-	-	229,511
<b>Total Noncurrent Liabilities</b>	<b>29,938</b>	<b>34,575</b>	<b>64,513</b>	<b>229,511</b>
<b>Total Liabilities</b>	<b>602,029</b>	<b>120,470</b>	<b>722,499</b>	<b>470,075</b>
<b>Net Assets</b>				
Invested in capital asset	14,249,777	3,342,069	17,591,846	980,835
Unrestricted	3,005,803	585,075	3,590,878	2,674,121
<b>Total Net Assets</b>	<b>\$ 17,255,580</b>	<b>\$ 3,927,144</b>	<b>\$ 21,182,724</b>	<b>\$ 3,654,956</b>

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

1,091,947

Total Net Assets per Government-wide Financial Statements.

\$ 22,274,671

See Notes to Financial Statements.

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**CITY OF JERSEY VILLAGE, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**

For the Year Ended September 30, 2011

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Golf Course</u>	<u>Total</u>	
<b><u>Operating Revenues</u></b>				
Charges for sales and services	\$ 4,144,283	\$ 1,414,004	\$ 5,558,287	\$ 910,725
Other revenues	49,723	-	49,723	-
<b>Total Operating Revenues</b>	<u>4,194,006</u>	<u>1,414,004</u>	<u>5,608,010</u>	<u>910,725</u>
<b><u>Operating Expenses</u></b>				
Costs of sales and services	2,291,762	701,312	2,993,074	15,559
Personnel	330,910	740,433	1,071,343	-
Depreciation	274,592	298,953	573,545	399,725
<b>Total Operating Expenses</b>	<u>2,897,264</u>	<u>1,740,698</u>	<u>4,637,962</u>	<u>415,284</u>
<b>Operating Income (Loss)</b>	<u>1,296,742</u>	<u>(326,694)</u>	<u>970,048</u>	<u>495,441</u>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Investment earnings	2,177	480	2,657	3,264
Interest expense	(2,375)	-	(2,375)	(23,281)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(198)</u>	<u>480</u>	<u>282</u>	<u>(20,017)</u>
<b>Income (Loss) Before Transfers</b>	1,296,544	(326,214)	970,330	475,424
Transfers (out)	(434,601)	-	(434,601)	-
<b>Change in Net Assets</b>	861,943	(326,214)	535,729	475,424
Beginning Net Assets	16,393,637	4,253,358		3,179,532
<b>Ending Net Assets</b>	<u>\$ 17,255,580</u>	<u>\$ 3,927,144</u>		<u>\$ 3,654,956</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>101,454</u>	
Change in Net Assets of Business-type Activities			<u>\$ 637,183</u>	

See Notes to Financial Statements.

# CITY OF JERSEY VILLAGE, TEXAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total	
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers and users	\$ 3,771,448	\$ 1,398,255	\$ 5,169,703	\$ 910,725
Payments to suppliers	(2,133,686)	(968,056)	(3,101,742)	148,305
Payments to employees	(326,631)	(732,960)	(1,059,591)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	1,311,131	(302,761)	1,008,370	1,059,030
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfer to other funds	(434,601)	-	(434,601)	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	(434,601)	-	(434,601)	-
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Acquisition and construction of capital assets	(734,265)	-	(734,265)	(535,070)
Principal paid on capital lease	-	-	-	(64,151)
Interest paid on capital debt	(2,375)	-	(2,375)	(23,281)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	(736,640)	-	(736,640)	(622,502)
<b><u>Cash Flows from Investing Activities</u></b>				
Interest received	2,177	480	2,657	3,264
<b>Net Cash Provided by Investing Activities</b>	2,177	480	2,657	3,264
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	142,067	(302,281)	(160,214)	439,792
Beginning Cash and Cash Equivalents	1,782,928	504,248	2,287,176	2,704,404
<b>Ending Cash and Cash Equivalents</b>	\$ 1,924,995	\$ 201,967	\$ 2,126,962	\$ 3,144,196

See Notes to Financial Statements.

# CITY OF JERSEY VILLAGE, TEXAS

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 1,296,742	\$ (326,694)	\$ 970,048	\$ 495,441
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	274,592	298,953	573,545	399,725
<b>Changes in Operating Assets and Liabilities:</b>				
<b>(Increase) Decrease in Current Assets:</b>				
Accounts receivable	(192,557)	2,559	(189,998)	-
Inventory	-	(14,667)	(14,667)	-
Due from other funds	(230,001)	(264,900)	(494,901)	-
<b>Increase (Decrease) in Current Liabilities:</b>				
Accounts payable and accrued liabilities	(241,925)	(1,844)	(243,769)	(1,036)
Customer deposits	104	-	104	-
Compensated absence	4,175	7,473	11,648	-
Unearned revenue	-	(3,641)	(3,641)	-
Due to other funds	400,001	-	400,001	164,900
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,311,131</b>	<b>\$ (302,761)</b>	<b>\$ 1,008,370</b>	<b>\$ 1,059,030</b>

See Notes to Financial Statements.

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# **CITY OF JERSEY VILLAGE, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS**

For The Year Ended September 30, 2011

### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

The City of Jersey Village, Texas (the "City") was incorporated in 1956. The City has operated since 1986 under a "Home Rule Charter" which provides for a Council-Manager form of government. .

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget. .

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

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Jersey Village Crime Control and Prevention District, although legally separate, is considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

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

#### **Discretely Presented Component Unit**

##### **Jersey Village Crime Control and Prevention District**

The Jersey Village Crime Control and Prevention District (the "District") has been included in the reporting entity as a discretely presented component unit. The District is a not-for-profit entity created to provide additional crime control and prevention to the City. The District's Board of Directors is appointed by and serves at the discretion of City Council. The City Council approves the District's budget and its operations are reported in a single governmental fund. A sales and use tax of one half of one percent is levied to fund the District's budget.

# **CITY OF JERSEY VILLAGE, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

For The Year Ended September 30, 2011

### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information about the City as a whole. These statements include all 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 presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented 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. In the fund financial statements, the accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Following is a description of the various funds:

#### **Governmental Funds**

Governmental funds are those funds through which most governmental functions are typically financed.

##### **General Fund**

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and public service.

##### **Debt Service Fund**

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

##### **Capital Projects Funds**

The capital projects funds are used to account for the expenditures of resources accumulated from the sale of bonds and related interest earnings for capital improvement projects. The capital projects funds include the capital project fund and Jones Road extension fund.

# **CITY OF JERSEY VILLAGE, TEXAS**

## ***NOTES TO FINANCIAL STATEMENTS (Continued)***

**For The Year Ended September 30, 2011**

### **Special Revenue Funds**

The special revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The nonmajor special revenue funds include the hotel occupancy tax, asset forfeiture, and restricted court fee funds. The red light camera fund is included as a major fund. The red light camera fund accounts for activities related to red light camera fines and fees collected in the court department.

### **Proprietary Fund Types**

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB.

The proprietary fund types used by the City include the following:

#### **Enterprise Funds**

The utility enterprise fund is used to account for the operations that provide water and wastewater collection, and wastewater treatment operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The utility enterprise fund is considered a major fund for reporting purposes.

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

Additionally, the City reports the following fund types:

#### **Internal Service Funds**

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

### **C. Measurement Focus and Basis of Accounting**

The government-wide Statements of Net Assets and Statements of Activities and all proprietary funds are accounted for on a flow of economic resources measurement focus, accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet. Proprietary fund equity consists of net assets. Proprietary

**CITY OF JERSEY VILLAGE, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
For The Year Ended September 30, 2011

fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

The City utilizes the modified accrual basis of accounting in the governmental fund type and component units. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Property taxes, sales taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

The accrual basis of accounting is used for the proprietary fund types. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

The Statements of Net Assets, Statements of Activities, and financial statements of proprietary fund types are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized in the accounting period in which they are earned and expenses in the accounting period in which they are incurred.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

**D. Assets, Liabilities, and Net Assets or Fund Equity**

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and funds 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.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid

# **CITY OF JERSEY VILLAGE, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

For The Year Ended September 30, 2011

debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

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

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit
- Mutual funds of a specific type
- Statewide investment pools

### **2. Receivables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles.

### **Property taxes**

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

### **3. Inventories and Prepaid Items**

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

### **4. Capital Assets**

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

# CITY OF JERSEY VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For The Year Ended September 30, 2011

constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

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

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

### 5. Compensated Employee Absences

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

### 6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities Statement of Net Assets. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest are reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are

**CITY OF JERSEY VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For The Year Ended September 30, 2011**

deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with interest earned in the debt service fund. Though a portion of the general obligation debt was directly related to the purchase of water and sewer infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

**7. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Fund balances of governmental funds are classified as follows:

**Nonspendable** – represents amounts that cannot be spent because they are either not in nonspendable form (such as inventory or prepaid insurance) or are legally required to remain intact (such as principal of a permanent fund).

**Restricted** – represents amounts that are constrained by external parties, constitutional provisions, or by enabling legislation.

**Committed** – represents amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint. The commitment must be made prior to year end.

**Assigned** – represents amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority. Assignments can be made at any time.

**Unassigned** – represents amounts that are available for any purpose. Positive amounts are reported only in the general fund. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed, then assigned funds, and finally unassigned funds.

# CITY OF JERSEY VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For The Year Ended September 30, 2011

### 8. 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 the employees who elect coverage under the Act, and the City incurs no direct costs.

### 9. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except the capital projects funds, which adopt a project length budget. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control in the approved budget as defined by the charter is the department level in the general fund and all others are the fund level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended. An annual budget is adopted for the discretely presented component unit, the Jersey Village Crime Control and Prevention District. The hotel occupancy tax fund, court restricted fee fund, traffic safety fund, asset forfeiture fund, and red light camera fund are all special revenue funds that have adopted budgets.

### A. Excess of Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control as follows:

#### General fund

##### General Government:

Administration	\$	87,331
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##### Public works

Public works administration	\$	20,162
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Community development	\$	9,318
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Building and grounds	\$	15,375
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Fleet services	\$	3,509
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Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year-end) are completed. Such encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**CITY OF JERSEY VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For The Year Ended September 30, 2011

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2011, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 18,808,365	0.00
Total fair value	<u>\$ 18,808,365</u>	
Portfolio weighted average maturity		0.00

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

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2011, the City’s deposits were fully covered under the FDIC.

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

**TexPool**

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

TexPool operates in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

# CITY OF JERSEY VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For The Year Ended September 30, 2011

### B. Receivables

The following comprise receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>
Ad valorem taxes	\$ 471,180	\$ 134,330	\$ -	\$ -
Other taxes	221,842	-	-	-
Accounts	-	-	-	-
Intergovernmental	91,702	-	3,301	-
Other	473,197	-	-	11,318
Less allowance	(202,262)	(2,520)	-	-
Total	<u>\$ 1,055,659</u>	<u>\$ 131,810</u>	<u>\$ 3,301</u>	<u>\$ 11,318</u>

	<u>Water and Sewer</u>	<u>Golf Course</u>	<u>Component Unit</u>
Other taxes	\$ -	\$ -	\$ 137,704
Accounts	630,617	-	-
Intergovernmental	9,446	22,957	-
Other	-	-	-
Less allowance	(111,896)	-	-
Total	<u>\$ 528,167</u>	<u>\$ 22,957</u>	<u>\$ 137,704</u>

**CITY OF JERSEY VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For The Year Ended September 30, 2011

**C. Capital Assets**

A summary of changes in capital assets for the year end were as follows:

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

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)	
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,956,455	\$ -	\$ -	\$ 1,956,455
Construction in progress	2,319,912	500,000	(2,319,912)	500,000
Total capital assets not being depreciated	<u>4,276,367</u>	<u>500,000</u>	<u>(2,319,912)</u>	<u>2,456,455</u>
Other capital assets:				
Buildings and improvements	6,591,829	1,525,428	-	8,117,257
Machinery and equipment	5,441,748	1,074,402	-	6,516,150
Infrastructure	33,685,656	4,630,359	-	38,316,015
Total other capital assets	<u>45,719,233</u>	<u>7,230,189</u>	<u>-</u>	<u>52,949,422</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,080,541)	(234,770)	-	(3,315,311)
Machinery and equipment	(4,149,355)	(885,681)	-	(5,035,036)
Infrastructure	(5,338,184)	(486,986)	-	(5,825,170)
Total accumulated depreciation	<u>(12,568,080)</u>	<u>(1,607,437)</u>	<u>-</u>	<u>(14,175,517)</u>
Other capital assets, net	<u>33,151,153</u>	<u>5,622,752</u>	<u>-</u>	<u>38,773,905</u>
<b>Totals</b>	<u>\$ 37,427,520</u>	<u>\$ 6,122,752</u>	<u>\$ (2,319,912)</u>	<u>41,230,360</u>
			Less associated debt	<u>(15,585,665)</u>
			<b>Invested in Capital Assets, Net of Related Debt</b>	<u>\$ 25,644,695</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 90,554
Public safety	540,630
Public works	519,285
Parks and recreation	57,243
Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets	<u>399,725</u>
<b>Total Governmental Activities Depreciation Expense</b>	<u>\$ 1,607,437</u>

# CITY OF JERSEY VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For The Year Ended September 30, 2011

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,360,240	\$ -	\$ -	\$ 1,360,240
Construction in progress	137,005	5,121	(137,005)	5,121
Total capital assets not being depreciated	<u>1,497,245</u>	<u>-</u>	<u>(137,005)</u>	<u>1,365,361</u>
Other capital assets:				
Buildings	6,077,189	65,871	-	6,143,060
Water and sewer system	18,098,761	640,278	-	18,739,039
Machinery and equipment	1,347,832	160,000	-	1,507,832
Total other capital assets	<u>25,523,782</u>	<u>866,149</u>	<u>-</u>	<u>26,389,931</u>
Less accumulated depreciation for:				
Buildings	(3,041,133)	(522,984)	-	(3,564,117)
Water and sewer system	(5,119,252)	(20,324)	-	(5,139,576)
Machinery and equipment	(1,029,515)	(30,237)	-	(1,059,752)
Total accumulated depreciation	<u>(9,189,900)</u>	<u>(573,545)</u>	<u>-</u>	<u>(9,763,445)</u>
Other capital assets, net	<u>16,333,882</u>	<u>292,604</u>	<u>-</u>	<u>16,626,486</u>
<b>Totals</b>	<u>\$ 17,831,127</u>	<u>\$ 292,604</u>	<u>\$ (137,005)</u>	<u>\$ 17,991,847</u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 274,592
Golf course	<u>298,953</u>
<b>Total Business-type Activities Depreciation Expense</b>	<u>\$ 573,545</u>

# CITY OF JERSEY VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For The Year Ended September 30, 2011

### D. Long-Term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<b>Governmental Activities:</b>					
Bonds, notes and other payables:					
General obligation bonds	\$ 15,657,447	\$ -	\$ 377,447	\$ 15,280,000 *	\$ 975,000
Premium on bonds	225,171	-	-	225,171	-
Accreted interest on premium compound interest bonds	534,474	23,079	557,553	-	-
Certificates of obligation	5,770,000	-	245,000	5,525,000	260,000
Capital leases	385,529	-	79,864	305,665 *	76,154
	<u>22,572,621</u>	<u>23,079</u>	<u>1,259,864</u>	<u>21,335,836</u>	<u>1,311,154</u>
Other liabilities:					
Compensated absences	350,675	73,264	84,551	339,388	135,755
<b>Total Governmental Activities</b>	<u>\$ 22,923,296</u>	<u>\$ 96,343</u>	<u>\$ 1,344,415</u>	<u>\$ 21,675,224</u>	<u>\$ 1,446,909</u>
				<u>\$ 20,228,315</u>	
<b>Business-type Activities:</b>					
Compensated absences	\$ 95,873	\$ 11,648	\$ -	\$ 107,521	\$ 43,008
<b>Total Business-Type Activities</b>	<u>\$ 95,873</u>	<u>\$ 11,648</u>	<u>\$ -</u>	<u>\$ 107,521</u>	<u>\$ 43,008</u>
				<u>\$ 64,513</u>	
<b>*Debt associated with governmental activity capital assets</b>				<u>\$ 15,585,665</u>	

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

# CITY OF JERSEY VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For The Year Ended September 30, 2011

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

Description	Interest Rates	Balance
<b>Governmental Activities</b>		
<b>General Obligation Bonds</b>		
Series 1991	6.25-8.10%	\$ 1,840,000
Series 2002	4.75-6.75%	1,505,000
Series 2003	3.00-4.80%	3,515,000
Series 2007	4.25-6.25%	8,420,000
<b>Total General Obligation Bonds</b>		<b>15,280,000</b>
 <b>Certificates of Obligation</b>		
Series 2000	5.00-7.00%	5,525,000
<b>Total Certificates of Obligation</b>		<b>5,525,000</b>
<b>Total Bond and Certificates of Obligation</b>		<b>20,805,000</b>
 <b>Capital Leases</b>		
Police MDT computers	5.05%	8,179
Pumper		297,486
<b>Total Capital Leases</b>		<b>305,665</b>
<b>Total Governmental Activities Long-Term Debt</b>		<b>\$ 21,110,665</b>

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

Year	<b>Governmental Activity</b>		
Ending	Principal	Interest	Total
Sep. 30			
2012	\$ 1,235,000	\$ 1,012,309	\$ 2,247,309
2013	1,315,000	930,694	2,245,694
2014	1,405,000	842,711	2,247,711
2015	965,000	742,915	1,707,915
2016	1,015,000	688,443	1,703,443
2017-2021	5,835,000	2,655,289	8,490,289
2022-2026	7,345,000	1,197,110	8,542,110
2027	1,690,000	35,913	1,725,913
<b>Total</b>	<b>\$ 20,805,000</b>	<b>\$ 8,105,384</b>	<b>\$ 28,910,384</b>

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

**CITY OF JERSEY VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For The Year Ended September 30, 2011

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

**Capital Leases**

The annual requirements to amortize capital leases outstanding at year end were as follows:

Year Ending Sep. 30	Governmental Activity		Total
	Principal	Interest	
2012	\$ 76,154	\$ 18,051	\$ 94,205
2013	72,074	13,833	85,907
2014	76,416	9,489	85,905
2015	81,021	4,883	85,904
<b>Total</b>	<b>\$ 305,665</b>	<b>\$ 46,256</b>	<b>\$ 351,921</b>

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and equipment	\$ 488,373
Less: Accumulated depreciation	(21,163)
<b>Total</b>	<b>\$ 467,210</b>

**Federal Arbitrage**

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

**CITY OF JERSEY VILLAGE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For The Year Ended September 30, 2011

**E. Interfund Transactions**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
General fund	Capital projects	\$ 225,500
Debt service fund	General fund	553,524
Debt service fund	Capital projects	13,925
Jones Road extension	General fund	281,212
Water and sewer fund	Debt service fund	524,553
Golf course fund	Debt service fund	150,000
Water and sewer fund	Capital projects	230,000
Golf course fund	Capital projects	5,500
Golf course fund	General fund	100,000
Nonmajor	Capital projects	200,000
Nonmajor	General fund	860,618
Water and sewer fund	General fund	116
		<u>\$ 3,144,948</u>

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

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
General	Water and sewer	\$ 360,000
Debt service	Water and sewer	65,601
Capital projects	Water and sewer	9,000
Capital projects	General	287,355
		<u>\$ 721,956</u>

Transfers to the general fund from the water and sewer fund were subsidies for administrative expenditures. Other amounts transferred between funds related to amounts collected by the nonmajor governmental funds for various governmental expenditures.

**F. Fund Equity**

As of September 30, 2011, \$914,853 of the City’s total fund balance is restricted by enabling legislation.

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League’s Intergovernmental Risk Pools (the “Pool”). The Pool

# **CITY OF JERSEY VILLAGE, TEXAS**

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

**For The Year Ended September 30, 2011**

purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

### **B. Contingent Liabilities**

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

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

### **Pension Plans**

#### **Texas Municipal Retirement System**

##### Plan Description

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System ("TMRS"), one of 833 administered by TMRS, an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and Required Supplementary Information (RSI) for TMRS. The report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8611; in addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

# CITY OF JERSEY VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For The Year Ended September 30, 2011

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

	<u>2011</u>	<u>2010</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100%	100%
	Repeating, Transfers	Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

### Benefits

Upon retirement, benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City financed monetary credits, with interest. City financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit. This is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence, and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions, with interest, and the employer-financed monetary credits, with interest, were used to purchase an annuity.

### Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 28-year amortization period. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., December 31, 2010 valuation is effective for rates beginning January 2012).

# CITY OF JERSEY VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For The Year Ended September 30, 2011

Three-year trend information for the annual pension cost (APC) is as follows:

Fiscal year	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 598,341	\$ 598,341	100.00%	\$ -
2010	\$ 671,733	\$ 671,733	100.00%	\$ -
2011	\$ 729,285	\$ 729,285	100.00%	\$ -

The required contribution rates for fiscal year 2010 were determined as part of the December 31, 2007 and 2008 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2009, also follows:

	2010	2009	2008
Actuarial Valuation Date	12/31/2009	12/31/2008	12/31/2007
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level % of Payroll	Level % of Payroll	Level % of Payroll
Remaining Amortization Period	28 Years - Closed period	29 Years - Closed period	30 Years - Closed period
Asset Valuation Method	10-year smoothed market	Amortized cost	Amortized cost
Investment Rate of Return	7.5%	7.5%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Includes Inflation at	3.00%	3.00%	3.00%
Cost of Living Adjustments	2.10%	2.10%	2.10%

The funded status as of December 31, 2009, the most recent valuation date, is as follows:

	2010
Actuarial Valuation Date	12/31/2009
Actuarial Value of Assets	\$ 8,198,413
Actuarial Accrued Liability	\$ 12,361,297
Percentage Funded	66.3%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 4,162,884
Annual Covered Payroll	\$ 4,705,580
UAAL as a Percentage of Covered Payroll	97.3%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

### D. Other Post Employment Benefits

#### TMRS - Supplemental Death Benefit Fund

##### Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the

# CITY OF JERSEY VILLAGE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For The Year Ended September 30, 2011

Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post employment benefit," or OPEB. The obligations of this plan are payable only from the SDBF and are not an obligation of, or a claim against, the Pension Trust Fund. For the year ended September 30, 2011, the City offered the supplemental death benefit to both active and retired employees.

### Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contribution rate to the TMRS SDBF, for the retiree portion, for the fiscal years ended 2011, 2010, and 2009 were \$470, \$566, and \$732 respectively. The City's contribution rates for the past three years are shown below:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual Req. Contrib. (Rate)	0.01%	0.01%	0.02%
Actual Contribution Made	0.01%	0.01%	0.02%
Percentage of ARC Contrib.	100.00%	100.00%	100.00%

***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF JERSEY VILLAGE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (Page 1 of 2)**  
For the Year Ended September 30, 2011

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ 3,850,000	\$ 3,850,000	\$ 3,961,709	\$ 111,709
Sales	2,370,000	2,370,000	2,565,651	195,651
Franchise	574,000	574,000	667,970	93,970
Permits, licenses, and fees	90,800	90,800	99,301	8,501
Charges for services	274,900	274,900	333,423	58,523
Fines	619,500	619,500	764,110	144,610
Investment earnings	20,005	20,005	16,400	(3,605)
Intergovernmental	674,528	674,528	709,821	35,293
Other revenues	25,000	25,000	87,549	62,549
<b>Total Revenues</b>	<b>8,498,733</b>	<b>8,498,733</b>	<b>9,205,934</b>	<b>707,201</b>
<b>Expenditures</b>				
General government:				
Administration	474,724	474,724	453,349	21,375
Legal	170,000	178,000	265,331	(87,331) *
Information technology	383,661	383,661	360,112	23,549
Purchasing	21,600	21,600	17,816	3,784
Finance	280,317	280,317	268,758	11,559
Customer service	110,898	110,898	99,709	11,189
Court	323,750	323,750	261,000	62,750
<b>Total Government Expenditures</b>	<b>1,764,950</b>	<b>1,772,950</b>	<b>1,726,075</b>	<b>46,875</b>
Public safety:				
Police	2,478,902	2,478,902	1,996,078	482,824
Dispatch	622,244	631,244	572,851	58,393
Fire	1,194,842	1,363,270	1,340,838	22,432
<b>Total Public Safety Expenditures</b>	<b>4,295,988</b>	<b>4,473,416</b>	<b>3,909,767</b>	<b>563,649</b>
Public works				
Public works administration	190,379	190,379	210,541	(20,162) *
Community development	278,390	278,390	287,708	(9,318) *
Streets	492,104	492,104	481,823	10,281
Building and grounds	240,659	252,659	268,034	(15,375) *
Sanitation	357,200	357,200	332,449	24,751
Fleet services	373,671	387,671	391,180	(3,509) *
<b>Total Public Works Expenditures</b>	<b>1,932,403</b>	<b>1,958,403</b>	<b>1,971,735</b>	<b>(13,332)</b>
Parks and recreation				
	601,144	601,144	534,455	66,689
<b>Total Expenditures</b>	<b>8,594,485</b>	<b>8,805,913</b>	<b>8,142,032</b>	<b>663,881</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(95,752)</b>	<b>(307,180)</b>	<b>1,063,902</b>	<b>1,371,082</b>

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

**GENERAL FUND (Page 2 of 2)**

For the Year Ended September 30, 2011

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 360,000	\$ 360,000	\$ 360,000	\$ -
Transfers (out)	(376,755)	(391,755)	(287,355)	104,400
<b>Total Other Financing Sources (Uses)</b>	<u>(16,755)</u>	<u>(31,755)</u>	<u>72,645</u>	<u>104,400</u>
<b>Net Change in Fund Balance</b>	<u>\$ (112,507)</u>	<u>\$ (338,935)</u>	1,136,547	<u>\$ 1,475,482</u>
Beginning Fund Balance			<u>9,662,132</u>	
<b>Ending Fund Balance</b>			<u>\$ 10,798,679</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. \*Expenditures exceeded appropriations at the legal level of control.

**CITY OF JERSEY VILLAGE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**RED LIGHT CAMERA**

For the Year Ended September 30, 2011

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines	\$ 1,500,000	\$ 1,355,151	\$ (144,849)
<b>Total Revenues</b>	1,500,000	1,355,151	(144,849)
<b><u>Expenditures</u></b>			
Public safety	1,265,398	1,242,173	23,225
<b>Total Expenditures</b>	1,265,398	1,242,173	23,225
<b>Excess of Revenues Over Expenditures</b>	234,602	112,978	(121,624)
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers (out)	-	-	-
<b>Net Change in Fund Balance</b>	\$ 234,602	112,978	\$ (121,624)
Beginning Fund Balance		744,630	
<b>Ending Fund Balance</b>		\$ 857,608	

# CITY OF JERSEY VILLAGE, TEXAS

## SCHEDULE OF FUNDING PROGRESS TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2011

The City's annual covered payroll and pension costs are actuarially valued on a calendar year basis. Because the City makes all the annually required contributions, no net pension obligation (NPO) exists. The information presented below represents the City's Schedule of Funding Progress.

Fiscal year	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarial Valuation date	12/31/2009	12/31/2009	12/31/2008	12/31/2007	12/31/2006
Actuarial Value of Assets	\$ 8,198,413	\$ 8,198,413	\$ 7,265,727	\$ 6,587,473	\$ 6,050,963
Actuarial Accrued Liability	\$ 12,361,297	\$ 12,361,297	\$ 11,262,148	\$ 8,735,365	\$ 8,298,971
Percentage Funded	66.3%	66.3%	64.5%	75.4%	72.9%
Unfunded Actuarial					
Accrued Liability	\$ 4,162,884	\$ 4,162,884	\$ 3,996,421	\$ 2,147,892	\$ 2,248,008
Annual Covered Payroll	\$ 4,705,580	\$ 4,470,857	\$ 4,237,005	\$ 3,701,318	\$ 3,679,397
Unfunded Actuarial Accrued Liability					
(UAAL) % of Covered Payroll	88.5%	93.1%	94.3%	58.0%	61.1%
Net Pension Obligation (NPO)					
at the Beginning of Period	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	729,285	671,733	598,341	532,504	493,771
Contributions Made	729,285	671,733	598,341	532,504	493,771
<b>NPO at the End of Period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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***COMBINING STATEMENTS  
AND SCHEDULES***

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**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, 2011

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Ad valorem taxes	\$ 2,145,002	\$ 2,147,236	\$ 2,234
Investment earnings	2,000	918	(1,082)
<b>Total Revenues</b>	2,147,002	2,148,154	1,152
<b><u>Expenditures</u></b>			
Debt service:			
Principal	689,520	689,520	-
Interest and fiscal agent fees	1,545,151	1,538,227	6,924
<b>Total Expenditures</b>	2,234,671	2,227,747	6,924
<b>Excess of Revenues Over Expenditures</b>	(87,669)	(79,593)	8,076
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers in	65,601	65,601	-
<b>Net Change in Fund Balance</b>	\$ (22,068)	(13,992)	\$ 8,076
Beginning Fund Balance		413,552	
<b>Ending Fund Balance</b>		\$ 399,560	

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# **CITY OF JERSEY VILLAGE, TEXAS**

## ***NONMAJOR GOVERNMENTAL FUNDS***

September 30, 2011

### **SPECIAL REVENUE FUNDS**

**Special Revenue Funds** are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

#### **Hotel Occupancy Fund**

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

#### **Court Security and Technology Fees Fund**

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

#### **Asset Forfeiture**

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

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# CITY OF JERSEY VILLAGE, TEXAS

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

September 30, 2011

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Hotel Occupancy Tax	Court Security and Technology Fees	Asset Forfeiture	
<b><u>Assets</u></b>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 676,324	\$ 183,131	\$ 90,765	\$ 950,220
Account receivable	11,318	-	-	11,318
Due from other funds	-	44,818	-	44,818
<b>Total Assets</b>	<b>\$ 687,642</b>	<b>\$ 227,949</b>	<b>\$ 90,765</b>	<b>\$ 1,006,356</b>
<b><u>Liabilities and Fund Balance</u></b>				
Liabilities:				
Accounts payable	\$ -	\$ 738	\$ -	\$ 738
<b>Total Liabilities</b>	<b>-</b>	<b>738</b>	<b>-</b>	<b>738</b>
Fund balances:				
Restricted:				
Public safety	-	-	90,765	90,765
Tourism	687,642	-	-	687,642
Court technology	-	227,211	-	227,211
<b>Total Fund Balances</b>	<b>687,642</b>	<b>227,211</b>	<b>90,765</b>	<b>1,005,618</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 687,642</b>	<b>\$ 227,949</b>	<b>\$ 90,765</b>	<b>\$ 1,006,356</b>

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**CITY OF JERSEY VILLAGE, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2011

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Hotel Occupancy Tax	Court Security and Technology Fees	Asset Forfeiture	
<b>Revenues</b>				
Occupancy tax	\$ 49,584	\$ -	\$ -	\$ 49,584
Fines	-	39,763	-	39,763
Investment earnings	862	-	10	872
Other revenue	-	-	85,147	85,147
<b>Total Revenues</b>	<b>50,446</b>	<b>39,763</b>	<b>85,157</b>	<b>175,366</b>
<b>Expenditures</b>				
Current:				
Public safety	-	50,646	-	50,646
Operating expense	53,314	-	-	53,314
<b>Total Expenditures</b>	<b>53,314</b>	<b>50,646</b>	<b>-</b>	<b>103,960</b>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>(2,868)</b>	<b>(10,883)</b>	<b>85,157</b>	<b>71,406</b>
<b>Net Change in Fund Balances</b>	<b>(2,868)</b>	<b>(10,883)</b>	<b>85,157</b>	<b>71,406</b>
Beginning Fund Balances	690,510	238,094	5,608	934,212
<b>Ending Fund Balances</b>	<b>\$ 687,642</b>	<b>\$ 227,211</b>	<b>\$ 90,765</b>	<b>\$ 1,005,618</b>

**CITY OF JERSEY VILLAGE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended September 30, 2011

	<u>Hotel Occupancy Tax</u>		
	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Occupancy tax	\$ 80,000	\$ 49,584	\$ (30,416)
Investment earnings	1,498	862	(636)
<b>Total Revenues</b>	<u>81,498</u>	<u>50,446</u>	<u>(31,052)</u>
<b><u>Expenditures</u></b>			
Operating expenses	56,000	53,314	2,686
<b>Total Expenditures</b>	<u>56,000</u>	<u>53,314</u>	<u>2,686</u>
<b>Net Change in Fund Balance</b>	<u>\$ 25,498</u>	<u>(2,868)</u>	<u>\$ (28,366)</u>
Beginning Fund Balance		<u>690,510</u>	
<b>Ending Fund Balance</b>		<u>\$ 687,642</u>	

**CITY OF JERSEY VILLAGE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2011

	Court Security and Technology Fees		
	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines	\$ 35,000	\$ 39,763	\$ 4,763
<b><u>Expenditures</u></b>			
Public safety	56,150	50,646	5,504
<b>Net Change in Fund Balance</b>	<b>\$ (21,150)</b>	<b>(10,883)</b>	<b>\$ (10,267)</b>
Beginning Fund Balance		238,094	
<b>Ending Fund Balance</b>		<b>\$ 227,211</b>	

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**CITY OF JERSEY VILLAGE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended September 30, 2011

	<u>Asset Forfeiture</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	
<b>Revenues</b>			
Investment earnings	\$ 15	\$ 10	\$ (5)
Other revenue	-	85,147	85,147
<b>Total Revenues</b>	<u>15</u>	<u>85,157</u>	<u>85,142</u>
<b>Net Change in Fund Balance</b>	<u>\$ 15</u>	<u>85,157</u>	<u>\$ (85,142)</u>
Beginning Fund Balance		<u>5,608</u>	
<b>Ending Fund Balance</b>		<u>\$ 90,765</u>	

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## ***STATISTICAL SECTION***

This part of the City's 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 City's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	86
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	96
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	106
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	114
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	117
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

# CITY OF JERSEY VILLAGE, TEXAS

## NET ASSETS BY COMPONENT

Last Seven Years (1)

	Year			
	2005	2006	2007	2008
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 11,990,213	\$ 12,656,907	\$ 13,471,717	\$ 14,251,751
Restricted	1,413,814	1,352,105	1,481,067	1,359,131
Unrestricted	3,192,703	3,949,120	6,131,312	8,462,478
<b>Total Governmental Activities Net Assets</b>	<b>\$ 16,596,730</b>	<b>\$ 17,958,132</b>	<b>\$ 21,084,096</b>	<b>\$ 24,073,360</b>
 <b>Business-Type activities</b>				
Invested in capital assets, net of related debt	\$ 16,647,872	\$ 16,673,112	\$ 16,785,000	\$ 17,233,210
Restricted	632,164	803,354	693,817	742,993
Unrestricted	2,260,402	2,710,449	3,149,014	3,314,011
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 19,540,438</b>	<b>\$ 20,186,915</b>	<b>\$ 20,627,831</b>	<b>\$ 21,290,214</b>
 <b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 28,638,085	\$ 29,330,019	\$ 30,256,717	\$ 31,484,961
Restricted	2,045,978	2,155,459	2,174,884	2,102,124
Unrestricted	5,453,105	6,659,569	9,280,326	11,776,489
<b>Total Primary Government Net Assets</b>	<b>\$ 36,137,168</b>	<b>\$ 38,145,047</b>	<b>\$ 41,711,927</b>	<b>\$ 45,363,574</b>

(1) The requirement for statistical data is ten years; only seven years are available at this time.

Year		
2009	2010	2011
\$ 11,219,378	\$ 21,384,544	\$ 25,644,695
7,455,122	6,751,632	1,706,438
9,504,411	4,825,409	8,797,185
<u>\$ 28,178,911</u>	<u>\$ 32,961,585</u>	<u>\$ 36,148,318</u>
\$ 16,805,161	\$ 17,831,127	\$ 17,991,847
715,000	-	-
4,026,306	3,806,361	4,282,824
<u>\$ 21,546,467</u>	<u>\$ 21,637,488</u>	<u>\$ 22,274,671</u>
\$ 28,024,539	\$ 39,215,671	\$ 43,636,542
8,170,122	6,751,632	1,706,438
13,530,717	8,631,770	13,080,009
<u>\$ 49,725,378</u>	<u>\$ 54,599,073</u>	<u>\$ 58,422,989</u>

**CITY OF JERSEY VILLAGE, TEXAS**  
**CHANGES IN NET ASSETS**  
 Last Seven Years (1)

	Year			
	2005	2006	2007	2008
<b>Expenses</b>				
Governmental activities				
General government	\$ 1,481,038	\$ 1,477,941	\$ 1,465,168	\$ 1,864,463
Public safety	3,194,005	3,138,036	3,336,615	3,691,280
Public works	1,221,349	1,929,475	2,138,804	2,653,961
Parks and recreation	448,331	504,496	424,043	541,244
Interest and fiscal agent fees on long-term debt	1,084,399	1,069,897	1,068,800	1,344,921
<b>Total Governmental Activities Expenses</b>	<u>7,429,122</u>	<u>8,119,845</u>	<u>8,433,430</u>	<u>10,095,869</u>
Business-Type activities				
Water and sewer	1,817,192	1,898,491	1,650,015	1,952,219
Golf course	1,351,738	1,325,256	1,432,630	1,558,274
<b>Total Business-Type Activities Expenses</b>	<u>3,168,930</u>	<u>3,223,747</u>	<u>3,082,645</u>	<u>3,510,493</u>
<b>Total Primary Government Expenses</b>	<u>\$ 10,598,052</u>	<u>\$ 11,343,592</u>	<u>\$ 11,516,075</u>	<u>\$ 13,606,362</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
Public safety	\$ 849,213	\$ 970,346	\$ 1,591,587	\$ 1,287,420
Public works	474,590	387,003	305,375	477,912
Parks and recreation	19,631	12,008	12,818	11,954
Operating grants and contributions	628,155	796,947	537,281	1,299,724
<b>Total Governmental Activities Program Revenues</b>	<u>1,971,589</u>	<u>2,166,304</u>	<u>2,447,061</u>	<u>3,077,010</u>
Business-Type activities				
Charges for services				
Water and sewer	2,775,172	2,840,707	2,476,398	2,956,434
Golf course	1,023,564	1,217,798	1,213,498	1,477,667
Capital grants and contributions	17,750	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<u>3,816,486</u>	<u>4,058,505</u>	<u>3,689,896</u>	<u>4,434,101</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 5,788,075</u>	<u>\$ 6,224,809</u>	<u>\$ 6,136,957</u>	<u>\$ 7,511,111</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (5,457,533)	\$ (5,953,541)	\$ (5,986,369)	\$ (7,018,859)
Business-type activities	647,556	834,758	607,251	923,608
<b>Total Primary Government Net Expense</b>	<u>\$ (4,809,977)</u>	<u>\$ (5,118,783)</u>	<u>\$ (5,379,118)</u>	<u>\$ (6,095,251)</u>

(1) The requirement for statistical data is ten years; only seven years are available at this time.

	Year	
	2010	2011
2009		
\$ 2,211,902	\$ 2,046,283	\$ 1,852,750
4,421,088	5,136,312	5,038,540
2,069,991	2,391,025	2,460,625
476,072	525,477	197,711
1,283,271	1,220,035	1,025,458
<u>10,462,324</u>	<u>11,319,132</u>	<u>10,575,084</u>
2,572,957	2,092,496	2,798,185
1,563,335	1,628,516	1,740,698
4,136,292	3,721,012	4,538,883
<u>\$ 14,598,616</u>	<u>\$ 15,040,144</u>	<u>\$ 15,113,967</u>
\$ 1,689,556	\$ 2,324,301	\$ 2,258,325
-	-	-
745,629	296,557	333,423
1,111,357	3,439,600	1,118,822
<u>3,546,542</u>	<u>6,060,458</u>	<u>3,710,570</u>
3,250,244	2,983,242	4,194,006
1,528,458	1,243,653	1,414,004
-	-	-
4,778,702	4,226,895	5,608,010
<u>\$ 8,325,244</u>	<u>\$ 10,287,353</u>	<u>\$ 9,318,580</u>
\$ (6,915,782)	\$ (5,258,674)	\$ (6,864,514)
642,410	505,883	1,069,127
<u>\$ (6,273,372)</u>	<u>\$ (4,752,791)</u>	<u>\$ (5,795,387)</u>

**CITY OF JERSEY VILLAGE, TEXAS**  
**CHANGES IN NET ASSETS (Continued)**  
 Last Seven Years (1)

	Year			
	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities				
Taxes				
Ad valorem	\$ 4,009,942	\$ 4,091,728	\$ 4,991,356	\$ 5,677,399
Sales taxes	1,654,267	1,877,187	2,601,786	2,449,404
Franchise and local taxes	546,626	569,016	553,692	589,850
Investment earnings	210,047	377,156	575,549	597,233
Other revenues	240,822	99,861	74,950	83,664
Transfers	300,000	300,000	315,000	379,913
<b>Total Governmental Activities</b>	<u>6,961,704</u>	<u>7,314,948</u>	<u>9,112,333</u>	<u>9,777,463</u>
Business-Type activities				
Investment earnings	41,335	111,719	148,664	95,730
Transfers	(300,000)	(300,000)	(315,000)	(379,913)
<b>Total Business-Type Activities</b>	<u>(258,665)</u>	<u>(188,281)</u>	<u>(166,336)</u>	<u>(284,183)</u>
<b>Total Primary Government</b>	<u>\$ 6,703,039</u>	<u>\$ 7,126,667</u>	<u>\$ 8,945,997</u>	<u>\$ 9,493,280</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ 1,504,171	\$ 1,361,407	\$ 3,125,964	\$ 2,758,604
Business-Type activities	388,891	646,477	440,915	639,425
<b>Total Primary Government</b>	<u>\$ 1,893,062</u>	<u>\$ 2,007,884</u>	<u>\$ 3,566,879</u>	<u>\$ 3,398,029</u>

(1) The requirement for statistical data is ten years; only seven years are available at this time.

	Year		
	2009	2010	2011
\$	6,100,687	\$ 6,198,169	\$ 6,137,027
	2,532,587	2,411,159	2,565,651
	845,980	699,172	667,970
	134,912	36,792	23,718
	358,393	275,580	222,280
	1,048,773	420,476	434,601
	<u>11,021,332</u>	<u>10,041,348</u>	<u>10,051,247</u>
	19,186	5,614	2,657
	<u>(405,343)</u>	<u>(420,476)</u>	<u>(434,601)</u>
	<u>(386,157)</u>	<u>(414,862)</u>	<u>(431,944)</u>
\$	<u><u>10,635,175</u></u>	<u><u>9,626,486</u></u>	<u><u>9,619,303</u></u>
\$	4,105,550	\$ 4,782,674	\$ 3,186,733
	256,253	91,021	637,183
\$	<u><u>4,361,803</u></u>	<u><u>4,873,695</u></u>	<u><u>3,823,916</u></u>

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

	Year			
	2002	2003	2004	2005
<b>General Fund</b>				
Restricted	\$ -	\$ -	\$ 12,331	\$ 12,331
Unassigned	2,439,991	2,140,243	2,631,207	2,970,740
<b>Total General Fund</b>	<u>\$ 2,439,991</u>	<u>\$ 2,140,243</u>	<u>\$ 2,643,538</u>	<u>\$ 2,983,071</u>
<b>All Other Governmental Funds</b>				
Restricted				
Capital project funds	\$ 3,594,474	\$ 5,727,644	\$ 1,144,292	\$ 2,009,328
Debt service funds	1,066,580	1,281,908	1,300,302	721,258
Special revenue funds	315,801	484,036	556,097	604,274
<b>Total All Other Governmental Funds</b>	<u>\$ 4,976,855</u>	<u>\$ 7,493,588</u>	<u>\$ 3,000,691</u>	<u>\$ 3,334,860</u>

Year					
2006	2007	2008	2009	2010	2011
\$ 12,331	\$ 12,331	\$ 12,331	\$ 16,586	\$ 15,720	\$ 19,192
3,407,207	5,132,634	7,256,287	8,543,619	9,646,412	10,779,487
<u>\$ 3,419,538</u>	<u>\$ 5,144,965</u>	<u>\$ 7,268,618</u>	<u>\$ 8,560,205</u>	<u>\$ 9,662,132</u>	<u>\$ 10,798,679</u>
\$ 1,982,613	\$ 10,290,458	\$ 6,499,379	\$ 5,039,980	\$ 6,732,339	\$ 276,514
658,646	727,653	545,424	-	-	399,560
718,219	769,660	850,542	1,851,811	-	1,005,618
<u>\$ 3,359,478</u>	<u>\$ 11,787,771</u>	<u>\$ 7,895,345</u>	<u>\$ 6,891,791</u>	<u>\$ 6,732,339</u>	<u>\$ 1,681,692</u>

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

	Year			
	2002	2003	2004	2005
<b>Revenues</b>				
Taxes	\$ 8,499,014	\$ 6,866,362	\$ 6,354,721	\$ 6,229,704
Permits, licenses, and fees	123,202	112,958	147,798	350,250
Charges for services	94,653	220,056	210,915	299,832
Fines and forfeitures	409,250	509,726	691,302	686,037
Investment earnings	198,752	119,206	89,968	181,962
Intergovernmental	25,578	457,206	1,031,083	621,895
Other revenues	316,269	115,472	107,337	254,398
<b>Total Revenues</b>	<u>9,666,718</u>	<u>8,400,986</u>	<u>8,633,124</u>	<u>8,624,078</u>
<b>Expenditures</b>				
General government	1,039,668	1,174,471	1,382,334	1,456,322
Public safety	2,986,696	3,179,843	2,816,576	3,110,449
Public works	1,587,215	1,561,295	1,629,596	1,646,731
Parks and recreation	313,056	334,432	404,845	420,755
Capital outlay	2,821,769	3,563,075	3,670,023	753,134
Debt service				
Principal	582,476	780,755	930,224	814,163
Interest	1,317,997	1,266,880	1,378,073	1,313,432
<b>Total Expenditures</b>	<u>10,648,877</u>	<u>11,860,751</u>	<u>12,211,671</u>	<u>9,514,986</u>
<b>Excess of Revenues (Under) Expenditures</b>	(982,159)	(3,459,765)	(3,578,547)	(890,908)
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,494,774	1,060,857	968,824	858,069
Transfers out	(2,391,448)	(652,025)	(245,529)	-
Issuance of debt	-	5,000,068	-	-
Premium on debt issued	-	-	-	-
Total other financing sources	<u>103,326</u>	<u>5,408,900</u>	<u>723,295</u>	<u>858,069</u>
<b>Net Change in Fund Balances</b>	<u>\$ (878,833)</u>	<u>\$ 1,949,135</u>	<u>\$ (2,855,252)</u>	<u>\$ (32,839)</u>
Debt service as a percentage of noncapital expenditures	24.28%	24.68%	27.02%	24.28%

		Year									
		2006	2007	2008	2009	2010	2011				
\$	6,496,795	\$	8,145,679	\$	8,757,923	\$	9,463,752	\$	9,285,086	\$	9,392,150
	224,160		204,244		271,512		88,842		84,507		99,301
	341,956		344,911		438,649		745,629		296,557		333,423
	801,103		1,008,085		1,177,649		1,634,636		2,239,794		2,159,024
	320,418		505,793		554,243		122,740		32,674		20,454
	788,292		499,322		1,293,711		1,111,357		3,439,600		1,118,822
	110,654		153,192		94,028		358,393		275,580		172,696
	<u>9,083,378</u>		<u>10,861,226</u>		<u>12,587,715</u>		<u>13,525,349</u>		<u>15,653,798</u>		<u>13,295,870</u>
	1,437,939		1,625,875		1,748,173		1,738,804		1,913,068		1,779,389
	3,107,644		3,327,650		3,586,666		4,823,774		4,931,600		5,202,586
	1,637,561		1,650,040		2,313,402		2,069,319		2,400,831		2,888,384
	473,937		498,124		510,991		476,072		570,739		534,455
	146,249		349,304		4,039,793		2,678,869		2,977,118		3,515,027
	840,729		862,094		920,054		947,732		701,317		689,520
	1,278,233		1,324,588		1,617,322		1,503,400		1,637,126		1,538,227
	<u>8,922,292</u>		<u>9,637,675</u>		<u>14,736,401</u>		<u>14,237,970</u>		<u>15,131,799</u>		<u>16,147,588</u>
	161,086		1,223,551		(2,148,686)		(712,621)		521,999		(2,851,718)
	300,000		315,000		379,913		1,837,602		1,477,311		721,956
	-		-		-		(788,829)		(1,056,835)		(287,355)
	-		8,500,000		-		-		-		-
	-		127,500		-		-		-		-
	<u>300,000</u>		<u>8,942,500</u>		<u>379,913</u>		<u>1,048,773</u>		<u>420,476</u>		<u>434,601</u>
\$	<u>461,086</u>	\$	<u>10,166,051</u>	\$	<u>(1,768,773)</u>	\$	<u>336,152</u>	\$	<u>942,475</u>	\$	<u>(2,417,117)</u>
	24.14%		23.64%		24.69%		22.00%		19.92%		13.81%

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

Function	Year			
	2002	2003	2004	2005
Ad valorem	\$ 5,055,432	\$ 4,207,729	\$ 3,958,147	\$ 4,028,810
Sales	2,855,939	2,113,957	1,844,121	1,626,360
Franchise fee	587,643	544,676	552,453	574,534
Other	80,687	71,082	64,520	68,816
	<u>\$ 8,579,701</u>	<u>\$ 6,937,444</u>	<u>\$ 6,419,241</u>	<u>\$ 6,298,520</u>

Year						
2006	2007	2008	2009	2010	2011	
\$ 4,050,597	\$ 4,990,201	\$ 5,718,669	\$ 6,255,115	\$ 6,174,755	\$ 6,108,945	
1,877,182	2,601,786	2,449,404	2,449,404	2,411,159	2,565,651	
569,016	553,692	589,850	759,233	632,605	667,970	
78,695	86,599	96,062	86,747	66,567	49,584	
<u>\$ 6,575,490</u>	<u>\$ 8,232,278</u>	<u>\$ 8,853,985</u>	<u>\$ 9,550,499</u>	<u>\$ 9,285,086</u>	<u>\$ 9,392,150</u>	

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Residential Property	\$ 297,588,440	\$ 308,330,370	\$ 331,019,170	\$ 340,114,760
Commercial Property	79,353,002	95,083,450	98,890,810	98,084,380
Other	395,211,139	256,408,930	199,526,120	198,318,040
Less: Tax Exempt Property	<u>(21,728,260)</u>	<u>(40,518,110)</u>	<u>(50,772,980)</u>	<u>(51,449,640)</u>
<b>Total Taxable Assessed Value (1)</b>	<u><u>\$ 750,424,321</u></u>	<u><u>\$ 619,304,640</u></u>	<u><u>\$ 578,663,120</u></u>	<u><u>\$ 585,067,540</u></u>
<b>Total Direct Tax Rate</b>	0.67500	0.67500	0.67500	0.67500

Source: Harris County Certified / Uncertified Tax Roll

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 345,838,390	\$ 429,228,150	\$ 470,984,691	\$ 498,590,180	\$ 479,135,881	\$ 491,005,824
104,484,208	144,597,984	194,398,424	193,175,025	214,657,268	190,621,214
280,588,903	223,098,917	236,256,520	275,272,631	277,213,850	307,527,234
<u>(130,703,740)</u>	<u>(134,005,267)</u>	<u>(141,801,005)</u>	<u>(147,797,468)</u>	<u>(149,634,733)</u>	<u>(161,632,749)</u>
<u>\$ 600,207,761</u>	<u>\$ 662,919,784</u>	<u>\$ 759,838,630</u>	<u>\$ 819,240,368</u>	<u>\$ 821,372,266</u>	<u>\$ 827,521,523</u>
0.67500	0.74250	0.74250	0.74250	0.74250	0.74250

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
City of Jersey Village by fund:				
General	\$ 0.42452	\$ 0.34673	\$ 0.33780	\$ 0.36545
Debt service	0.25048	0.32827	0.33720	0.30955
<b>Total Direct Rates</b>	<b>\$ 0.67500</b>	<b>\$ 0.67500</b>	<b>\$ 0.67500</b>	<b>\$ 0.67500</b>
Cypress-Fairbanks ISD	\$ 1.74500	\$ 1.79000	\$ 1.79000	\$ 1.80000
Harris County	0.38393	0.38814	0.38803	0.39990
Harris County Flood Control District	0.04760	0.04170	0.04170	0.03322
Port of Houston Authority	0.01830	0.01990	0.02000	0.01474
Harris County Hospital District	0.19020	0.19020	0.19020	0.19216
Harris County Dept. of Education	-	-	-	0.00629
<b>Total Direct and Overlapping Rates (1)</b>	<b>\$ 3.06003</b>	<b>\$ 3.10494</b>	<b>\$ 3.10493</b>	<b>\$ 3.12131</b>

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

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 0.33943	\$ 0.43264	\$ 0.45000	\$ 0.46810	\$ 0.46000	\$ 0.48160
<u>0.33557</u>	<u>0.30986</u>	<u>0.29250</u>	<u>0.27440</u>	<u>0.28250</u>	<u>0.26091</u>
<u>\$ 0.67500</u>	<u>\$ 0.74250</u>				
\$ 1.80000	\$ 1.65400	\$ 1.32400	\$ 1.35000	\$ 1.43000	\$ 1.43000
0.39990	0.40239	0.39239	0.38923	0.38805	0.39117
0.03241	0.03106	0.03106	0.03086	0.02923	0.02809
0.01302	0.01437	0.01437	0.01773	0.02054	0.01856
0.19216	0.19216	0.19216	0.19216	0.19216	0.19216
<u>0.00629</u>	<u>0.00585</u>	<u>0.00585</u>	<u>0.00584</u>	<u>0.00658</u>	<u>0.00658</u>
<u>\$ 3.11878</u>	<u>\$ 3.04233</u>	<u>\$ 2.70233</u>	<u>\$ 2.72832</u>	<u>\$ 2.80906</u>	<u>\$ 2.80906</u>

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# CITY OF JERSEY VILLAGE, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Seven Years Ago (1)

Property Tax Payer	2011			2004		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Goodman Manufacturing Corp.	\$ 42,398,490	1	5.12%	\$ 14,783,680	3	2.6%
Joe Myers Dealership*	39,597,179	2	4.79%			
Prologis Dev SVC	39,196,173	3	4.74%			
PCM Steeplechase LLC	31,537,000	4	3.81%	15,234,680	2	2.6%
Trails Corinthian Creek LTD	20,789,619	5	2.51%			
Baceline Value Fund I	15,326,718	6	1.85%	13,133,000	4	2.3%
Carson LMC LP	13,819,251	7	1.67%	11,540,280	6	2.0%
Sonic-LS Chevrolet LP	13,336,136	8	1.61%			
National Oilwell Inc	13,014,210	9	1.57%			
Trails Corinthian Creek LTD	12,822,305	10	1.55%			
Beeler Sanders V LTD**				60,105,260	1	10.4%
Sam's/Walmart				12,863,160	5	2.2%
Joe Myers Ford II LP				11,204,890	7	1.9%
FMC Corp-Welhead EQ				9,834,690	8	1.7%
Enterprise Leasing				8,296,450	9	1.4%
Joe Myers Toyota, Inc.				8,174,240	10	1.4%
Subtotal	<u>241,837,081</u>		<u>29.22%</u>	<u>165,170,330</u>		<u>28.5%</u>
Other Taxpayers	<u>461,345,123</u>		<u>65.61%</u>	<u>413,492,790</u>		<u>71.5%</u>
<b>Total</b>	<u><u>\$ 703,182,204</u></u>		<u><u>94.83%</u></u>	<u><u>\$ 578,663,120</u></u>		<u><u>100.0%</u></u>

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

(1) The requirement for statistical data is the current year and seven years ago; only the current year and eight years ago is available at this time.

\* Joe Myers Dealership 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 Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Tax levy	\$ 5,065,541	\$ 4,150,683	\$ 3,948,860	\$ 3,959,202
Current tax collected	4,969,959	4,107,030	3,907,330	3,921,515
Percent of current tax collections	98.11%	98.95%	98.95%	99.05%
Delinquent tax collections	<u>42,198</u>	<u>25,104</u>	<u>32,714</u>	<u>30,110</u>
Total tax collections	<u>\$ 5,012,157</u>	<u>\$ 4,132,134</u>	<u>\$ 3,940,044</u>	<u>\$ 3,951,625</u>
Total collections as a percentage of current levy	98.95%	99.55%	99.78%	99.81%
Outstanding delinquent taxes	\$ 53,384	\$ 18,549	\$ 8,816	\$ 7,577
Outstanding delinquent taxes as percentage of current levy	1.054%	0.447%	0.223%	0.191%

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$	4,056,968	\$ 4,922,625	\$ 5,621,390	\$ 5,543,419	\$ 6,123,716	\$ 6,144,347
	3,992,477	4,865,891	5,573,598	5,487,298	6,038,759	6,060,483
	98.41%	98.85%	99.15%	98.99%	98.61%	98.64%
	<u>56,640</u>	<u>41,368</u>	<u>8,545</u>	<u>20,214</u>	<u>79,265</u>	<u>43,235</u>
<u>\$</u>	<u>4,049,117</u>	<u>\$ 4,907,259</u>	<u>\$ 5,582,143</u>	<u>\$ 5,507,512</u>	<u>\$ 6,118,024</u>	<u>\$ 6,103,718</u>
	99.81%	99.69%	99.30%	99.35%	99.91%	99.34%
\$	7,851	\$ 15,366	\$ 39,247	\$ 160,243	\$ 181,410	\$ 285,055
	0.194%	0.312%	0.698%	2.891%	2.962%	4.639%

# CITY OF JERSEY VILLAGE, TEXAS

## RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General obligation bonds	\$ 17,225,849	\$ 10,746,760	\$ 10,251,536	\$ 9,757,373
Certificates of obligation	-	8,195,000	7,760,000	7,440,000
Capital leases	352,445	252,539	193,561	131,893
<b>Subtotal</b>	<u>17,225,849</u>	<u>19,194,299</u>	<u>18,205,097</u>	<u>17,329,266</u>
<b>Business-Type Activities:</b>				
Revenue bonds	<u>1,400,000</u>	<u>1,300,000</u>	<u>1,200,000</u>	<u>1,100,000</u>
<b>Total Primary Government</b>	<u>\$ 18,625,849</u>	<u>\$ 20,494,299</u>	<u>\$ 19,405,097</u>	<u>\$ 18,429,266</u>
<b>Personal Income</b>	\$ 256,941,600	\$ 265,178,155	\$ 279,879,230	\$ 279,332,362
<b>Debt as a Percentage of Personal Income</b>	7.25%	7.73%	6.93%	6.60%
<b>Population</b>	7,090	7,139	7,165	7,151
<b>Debt per Capita</b>	\$ 2,627	\$ 2,871	\$ 2,708	\$ 2,577

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 9,246,644	\$ 18,257,373	\$ 16,684,496	\$ 16,126,764	\$ 15,657,447	\$ 15,280,000
7,110,000	6,770,000	6,390,000	6,000,000	5,770,000	5,525,000
67,416	66,696	53,153	460,975	385,529	305,666
<u>16,424,060</u>	<u>25,094,069</u>	<u>23,127,649</u>	<u>22,587,739</u>	<u>21,812,976</u>	<u>21,110,666</u>
1,000,000	900,000	800,000	700,000	-	-
<u>\$ 17,424,060</u>	<u>\$ 25,994,069</u>	<u>\$ 23,927,649</u>	<u>\$ 23,287,739</u>	<u>\$ 21,812,976</u>	<u>\$ 21,110,666</u>
\$ 279,019,866	\$ 312,241,176	\$ 365,365,000	\$ 400,472,100	\$ 368,768,400	\$ 311,825,640
6.24%	8.32%	6.55%	5.82%	5.92%	6.77%
7,143	7,254	7,300	7,350	7,600	7,620
\$ 2,439	\$ 3,583	\$ 3,278	\$ 3,168	\$ 2,870	\$ 2,770

**CITY OF JERSEY VILLAGE, TEXAS**  
**RATIO OF NET BONDED DEBT TO ASSESSED VALUE,**  
**NET BONDED DEBT PER CAPITA, AND ASSESSED**  
**AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Years**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Net Taxable Assessed Value</b>				
All property	\$ 750,424,321	\$ 619,304,640	\$ 578,663,120	\$ 585,067,540
<b>Net Bonded Debt</b>				
Gross bonded debt	\$ 17,225,849	\$ 18,941,760	\$ 18,011,536	\$ 17,197,373
Less debt service funds	<u>(1,281,907)</u>	<u>(1,300,301)</u>	<u>(982,984)</u>	<u>(720,100)</u>
<b>Net Bonded Debt</b>	<u>\$ 15,943,942</u>	<u>\$ 17,641,459</u>	<u>\$ 17,028,552</u>	<u>\$ 16,477,273</u>
<b>Ratio of Net Bonded Debt     To Assessed Value</b>	2.12%	2.85%	2.94%	2.82%
<b>Population</b>	7,090	7,139	7,165	7,151
<b>Net Bonded Debt Per Capita</b>	\$ 2,249	\$ 2,471	\$ 2,377	\$ 2,304

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 600,207,761	\$ 662,979,784	\$ 759,838,630	\$ 819,240,368	\$ 821,372,266	\$ 827,521,523
\$ 16,356,644 (658,646)	\$ 25,027,373 (727,653)	\$ 23,074,496 (545,424)	\$ 22,126,764 (405,076)	\$ 21,427,447 (413,552)	\$ 20,805,000 (399,560)
<u>\$ 15,697,998</u>	<u>\$ 24,299,720</u>	<u>\$ 22,529,072</u>	<u>\$ 21,721,688</u>	<u>\$ 21,013,895</u>	<u>\$ 20,405,440</u>
2.62%	3.67%	2.96%	2.65%	2.56%	2.51%
7,143	7,254	7,300	7,350	7,600	7,620
\$ 2,198	\$ 3,350	\$ 3,086	\$ 2,955	\$ 2,765	\$ 2,730

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**CITY OF JERSEY VILLAGE, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
<b>Debt Repaid with Property Taxes</b>			
Cypress-Fairbanks ISD	\$ 1,765,185,000	2.090%	\$ 36,892,367
Harris County (2)	2,264,415,875	0.300%	6,793,248
Lone Star College District	538,107,634	0.760%	4,089,618
Harris Co. Flood Control District	536,720,247	0.300%	1,610,161
Port of Houston Authority	792,248,000	0.300%	2,376,744
Subtotal, overlapping debt			<u>51,762,137</u>
<b>City Direct Debt</b>	20,805,000	100.000%	<u>20,805,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 72,567,137</u></u>

Source: Harris County

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

(2) Excludes Toll Road Tax Bonds. The County's policy and practice have been to provide payment of debt service on the outstanding Toll Road Tax Bonds from toll revenues and certain other funds and to date, no tax has been collected to provide for such debt service.

(3) Debt outstanding is as of September 30, 2011.

# CITY OF JERSEY VILLAGE, TEXAS

## PLEDGED-REVENUE COVERAGE

Last Ten Years

	2002	2003	2004	2005
Gross Revenues (1)	\$ 2,634,437	\$ 2,358,901	\$ 2,452,037	\$ 2,721,633
Operating Expenses (2)	\$ 1,272,407	\$ 1,613,058	\$ 1,697,259	\$ 1,828,678
Net Revenues Available for Debt Service	\$ 1,362,030	\$ 745,842	\$ 754,778	\$ 892,956
Debt Service Requirements (3)				
Principal	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Interest	85,750	78,750	71,750	64,750
Total	\$ 185,750	\$ 178,750	\$ 171,750	\$ 164,750
Coverage	7.33	4.17	4.39	5.42

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 2,838,470	\$ 2,722,373	\$ 2,990,360	\$ 3,266,384	\$ 2,980,427	\$ 4,228,053
\$ 1,904,382	\$ 1,697,094	\$ 2,044,401	\$ 2,310,652	\$ 1,844,384	\$ 2,630,168
\$ 934,087	\$ 1,025,280	\$ 945,959	\$ 955,732	\$ 1,136,043	\$ 1,597,885
\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -
57,750	50,750	43,750	37,625	32,858	-
<u>\$ 157,750</u>	<u>\$ 150,750</u>	<u>\$ 143,750</u>	<u>\$ 137,625</u>	<u>\$ 32,858</u>	<u>\$ -</u>
5.92	6.80	6.58	6.94	34.57	0.00

**CITY OF JERSEY VILLAGE, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**

<b>Fiscal Year Ended Sep. 30</b>	<b>Population (1)</b>	<b>Personal Income (4)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (3) (5)</b>
2002	7,090	256,941,600	36240	37.8	5,538	6.2%
2003	7,139	265,178,155	37145	37.8	5,407	7.1%
2004	7,165	279,897,230	39062	32.5	3,841	5.9%
2005	7,151	279,332,362	39062	37.8	4,001	4.0%
2006	7,143	279,019,866	39062	37.8	4,091	4.0%
2007	7,254	312,241,176	43044	39	4,087	4.2%
2008	7,300	365,365,000	50505	39	4,100	5.1%
2009	7,350	400,472,100	54486	38	3,865	8.2%
2010	7,600	368,768,400	48259	37.8	4,177	8.2%
2011	7,620	311,825,640	40922	37.8	4,232	8.1%

Data sources:

- (1) Bureau of the Census
- (2) The school enrollment reflects enrollment in schools located within the City limits.
- (3) Texas Workforce Commission
- (4) Personal income data are not available.
- (5) Beginning 2005 and after, cities with population under 25,000 do not have unemployment information available.

# CITY OF JERSEY VILLAGE, TEXAS

## PRINCIPAL EMPLOYERS

Current Year and Six Years Ago <sup>(1)</sup>

Employer	2011			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
JV High School	293	1	9.41%	309	1	10.22%
Joe Myers Toyota	196	2	6.30%	200	4	6.61%
Sonic-LS Chevrolet	212	3	6.81%	180	5	5.95%
Sam's East, Inc.	170	4	5.46%	200	3	6.61%
City of Jersey Village	146	5	4.69%	116	7	3.84%
Joe Myers Ford	191	6	6.13%	220	2	7.28%
Jersey Village Baptist Church	55	7	1.77%	15	10	0.50%
Foundry Methodist	153	8	4.91%	135	6	4.46%
Post Elementary School	93	9	2.99%	108	8	3.57%
Joe Myers Mazda	55	10	1.77%	62	9	2.05%
<b>Total</b>	<b>1,564</b>		<b>50.23%</b>	<b>1,545</b>		<b>51.09%</b>

(1) The requirement is for the current year and nine years ago, only the current year and six years ago are available at this time.

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# CITY OF JERSEY VILLAGE, TEXAS

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Years

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2010	2011
<b><u>General Fund:</u></b>									
Administrative									
City Council *	6	6	6	6	6	6	6	6	6
Administration	1	3	4	2	3	3	3	3	3
Information Technology	-	1	1	1	1	2	2	2	2
Municipal Court	2	2	3	3	4	4	4	4	4
City Secretary	1	1	1	1	1	1	1	1	1
Finance	6	5	5	5	4	4	4	4	4
Public Safety									
Police	25	25	23	24	26	26	26	30	30
Fire	3	3	3	3	3	4	4	4	4
Communications	2	4	5	8	7	8	7	8	8
Public Works	3	3	2	2	2	2	2	2	2
Streets	2	2	3	2	2	3	3	3	3
Community Development	3	3	4	4	4	4	4	4	4
Fleet Services	2	2	2	2	2	2	2	2	2
Parks and Recreation									
Parks	5	5	5	6	8	8	7	8	8
<b>General Fund Total</b>	61	65	67	69	73	77	75	81	81
<b><u>Enterprise Fund:</u></b>									
Utilities	4	4	5	5	5	5	5	5	5
Golf Course	11	10	10	10	11	10	10	11	11
<b>Enterprise Fund Total</b>	15	14	15	15	16	15	15	16	16
<b><u>Special Revenue Fund:</u></b>									
Police	-	-	-	-	-	-	-	2	2
<b>Special Revenue Fund Total</b>	-	-	-	-	-	-	-	2	2
<b>TOTAL CITY POSITIONS</b>	<u>76</u>	<u>79</u>	<u>82</u>	<u>84</u>	<u>89</u>	<u>92</u>	<u>90</u>	<u>99</u>	<u>99</u>

**NOTES:**

- \* City Council members are not full time employees.
- Around 20-35 temporary and seasonal employees are hired during the summer months as camp counselors, pool personnel and front desk. This count is not reflected above.
- On-call firefighters (9) are not included.
- School crossing guards (8) are not included.

**CITY OF JERSEY VILLAGE, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Years

Function/Program	Year			
	2002	2003	2004	2005
Police				
Physical arrests	470	428	452	420
Parking violations	82	167	73	161
Traffic violations	9,359	16,832	15,632	14,978
Fire				
Calls for service	952	1,058	892	910
Water				
Service calls	1,046	1,080	920	1,142
Water main breaks	-	-	-	-
Average daily consumption (thousands of gallons)	124	190	115	112
Total consumption (thousands of gallons)	356.9	397.9	396.4	362.3
Peak daily consumption (thousands of gallons)	2.115	1.8	1.57	2.054
Sewer				
Average daily sewage treatment (thousands of gallons)	123	190	147	192
Peak daily consumption (thousands of gallons)	*	45,098.0	69,335.5	49,236.1

Source: Various City departments

\* Information not available

Year					
2006	2007	2008	2009	2010	2011
475	565	758	768	684	272
246	136	136	70	13	67
16,831	15,504	15,504	14,783	7,057	6,871
915	1,028	1,042	1,055	1,065	1,138
1,050	1,239	1,575	1,629	1,422	1,699
-	3	2	5	1	31
125	125	1134	1137	1136	1758
417.9	374.8	334.5	385.1	414.5	641.5
1.864	1.9	1.7	1.7	2.405	3.321
125	157	0.1713	0.1808	0.2092	0.1877
43,527.7	45,771.9	62,524.9	65,944.6	80,625.0	0.3979

**CITY OF JERSEY VILLAGE, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Years

Function/Program	Year			
	2002	2003	2004	2005
Police				
Stations	1	1	1	1
Patrol units	13	14	14	14
Fire				
Stations	1	1	1	1
Volunteers	36	40	34	34
Other public works				
Streets (miles - centerlines)	25.8	27.3	27.3	28.2
Streetlights	47	47	47	47
Traffic signals	10	10	10	11
Parks and recreation				
Parks	4	4	4	4
Parks acreage	12.1	12.1	12.1	12.1
Swimming pools	1	1	1	1
Water				
Water wells	4	4	4	4
Water mains (miles)	31.6	31.6	31.6	34.4
Fire hydrants	418	434	434	445
Storage capacity (thousands of gallons)	2,050	2,050	2,050	2,550
Sewer				
Sanitary sewers (miles)	31.9	31.9	34.2	34.8
Storm sewers (miles)	16.5	16.5	16.5	18.2
Treatment capacity (thousands of gallons)	800	800	800	800

Source: Various City departments

Year					
2006	2007	2008	2009	2010	2011
1	1	1	1	1	1
15	15	17	16	16	16
1	1	1	1	1	1
37	29	29	30	37	32
28.84	28.84	28.84	28.84	28.84	29.6
47	47	47	47	47	47
11	11	11	11	11	11
4	4	4	4	4	4
12.1	12.1	12.1	12.1	12.1	12.1
1	1	1	1	1	1
4	4	4	4	4	4
35.8	35.8	35.8	35.8	35.8	36.6
445	455	455	455	455	466
2,550	2,550	2,550	2,550	2,550	2,550
35.2	35.2	35.2	35.2	35.2	36.2
20.2	20.2	20.7	20.7	20.7	21.7
800	800	800	800	800	800

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