

*COMPREHENSIVE
ANNUAL FINANCIAL REPORT*

of the

CITY OF JERSEY VILLAGE, TEXAS

For the
Year Ended September 30, 2014

Officials Issuing Report:

**Mike Castro Ph.D
City Manager**

**Isabel Kato
Finance Director**

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CITY OF JERSEY VILLAGE, TEXAS

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CITY OF JERSEY VILLAGE, TEXAS

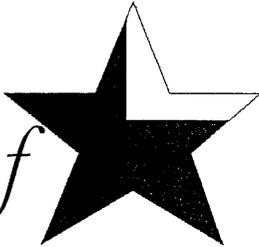
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INTRODUCTORY SECTION

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City of  *Jersey Village*

Incorporated 1956

A Texas Star Community

February 26, 2015

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 (CAFR) of the City of Jersey Village for the fiscal year ending September 30, 2014.

This report consists of management’s representations concerning the finances of the City and deems the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of all City activities and funds. Therefore, management assumes full responsibility for the completeness and reliability of all information presented in this report. The City also acknowledges all disclosures necessary to enable the reader to gain an understanding of the City’s financial activities that have been included.

The City’s financial statements have been audited by Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending September 30, 2014 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditors concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ending September 30, 2014 are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

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

Strategic Direction

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

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

Mission. The City of Jersey Village is committed to working with citizens to preserve a sense of community and enhance the quality of life by providing friendly, personalized services for the safety and well-being of our City, its natural resources, and environment in a fiscally responsible manner.

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

- **Fiscal Responsibility** – Continue fiscally sound local government practices through active budget controls and a focus on strategic planning within the community.
- **Public Safety** – Provide a safe and secure environment resulting from a partnership between Jersey Village residents and the Police and Fire Departments.
- **Flood Prevention and Mitigation** – The City will continue efforts to reduce flooding in the City 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 National Incident Management System standards.
- **Economic Development** – The City will focus economic development efforts on increasing the commercial tax base through the attraction of companies and the expansion of existing businesses.
- **Quality Public Infrastructure and Recreational Facilities** – Provide continual cost effective maintenance and upgrades of streets, municipal utilities, and other municipal-owned facilities to meet the service and capacity requirements of the community.

Profile of the Government

The City, which was formed in 1956, is located 15 miles northwest of downtown Houston. As of September 30, 2014, the City had a land area of 3.58 square miles and an estimated population of approximately 7,650. 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 two-year terms. 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 2013 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 5.2 percent is lower than the U.S. unemployment rate of 5.9 percent. The area of Houston-Galveston-Brazoria is also lower than the State of Texas level at 5.0 percent. Unfortunately, after a robust economic growth during 2014, economists are forecasting that the Houston area could lose approximately 9,000 energy jobs due to the significant drop in oil prices.

	2014	2013	2012
United States	5.9%	7.4%	9.0%
Texas	5.2%	6.1%	8.5%
Jersey Village	5.0%	5.8%	8.1%

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.

Major Initiatives

During fiscal year 2013-2014, the City of Jersey Village hired the services of Freese and Nichols to assist the City with the development of a Comprehensive Plan and the update of the City’s Water and Wastewater Impact Fees. The Comprehensive Plan will focus on addressing strategic issues and identifying long-term goals. The plan will be specific to Jersey Village, identifying new community goals and objectives, and incorporating realistic recommendations. For this purpose, a Comprehensive Plan Advisory Committee was created by members of the community appointed by City Council.

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 CAFR for the year ended September 30, 2013. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFRs 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 fifteenth consecutive year that the City has received this prestigious award. We believe our current CAFR 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,

A handwritten signature in cursive script that reads "Isabel Kato". The signature is written in black ink and is positioned above the printed name and title.

Isabel Kato
Director of Finance

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL OFFICIALS

September 30, 2014

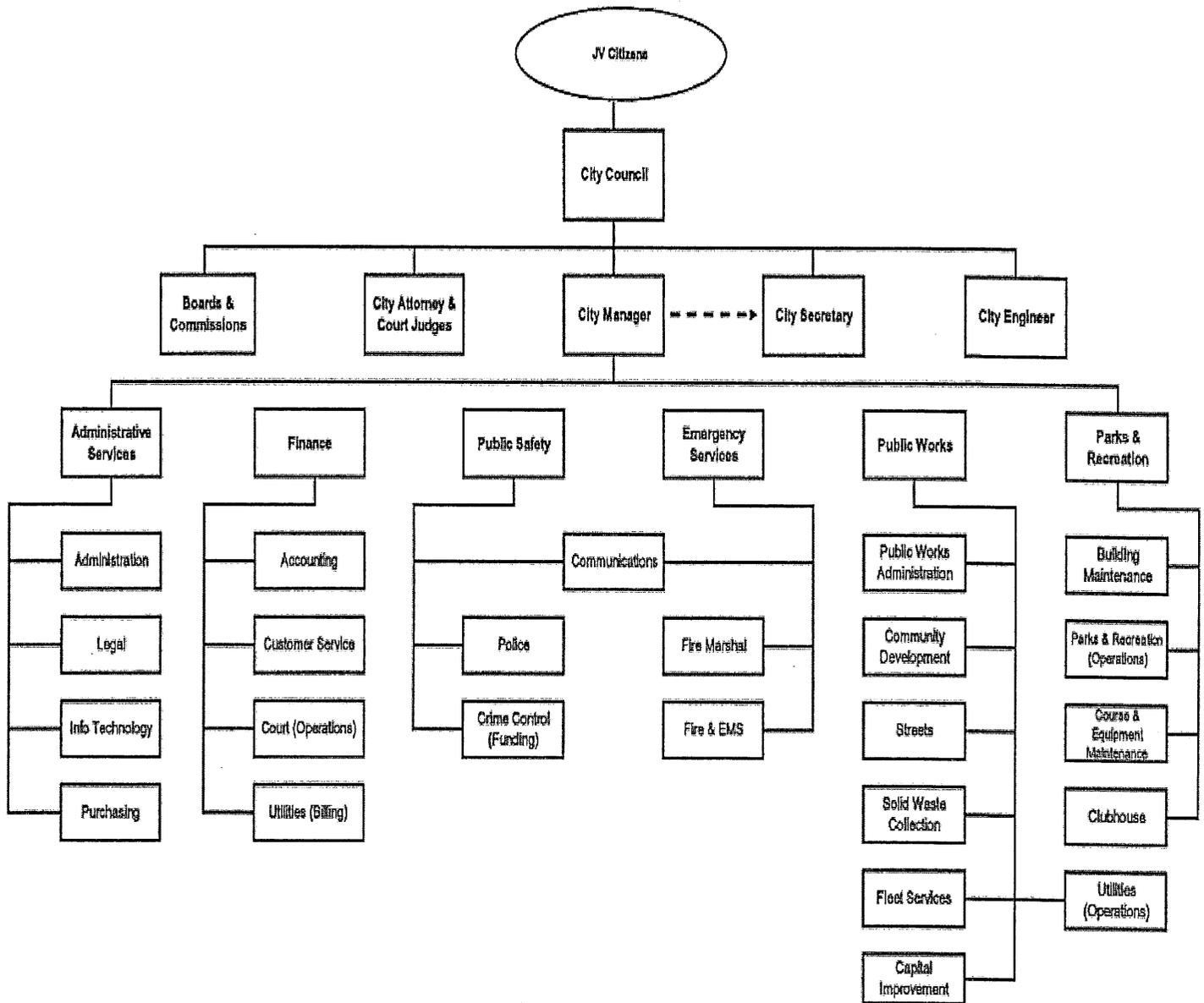
<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Tom Eustace	Council Member	05/2016
Justin Ray	Council Member	05/2016
Rod Erskine	Mayor	05/2015
Harry Beckwith III, PE	Council Member	05/2015
Greg Holden	Council Member	05/2015
Sheri Sheppard	Council Member	05/2016

<u>Key Staff</u>	<u>Position</u>
Mike Castro, Ph.D	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. Foerster	Police Chief
Ismael Segundo	Director of Public Works

CITY OF JERSEY VILLAGE, TEXAS

ORGANIZATIONAL CHART

September 30, 2014



CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL OFFICIALS

September 30, 2014



Government Finance Officers Association

**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, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO

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FINANCIAL SECTION

Exhibit A
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
February 26, 2015

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

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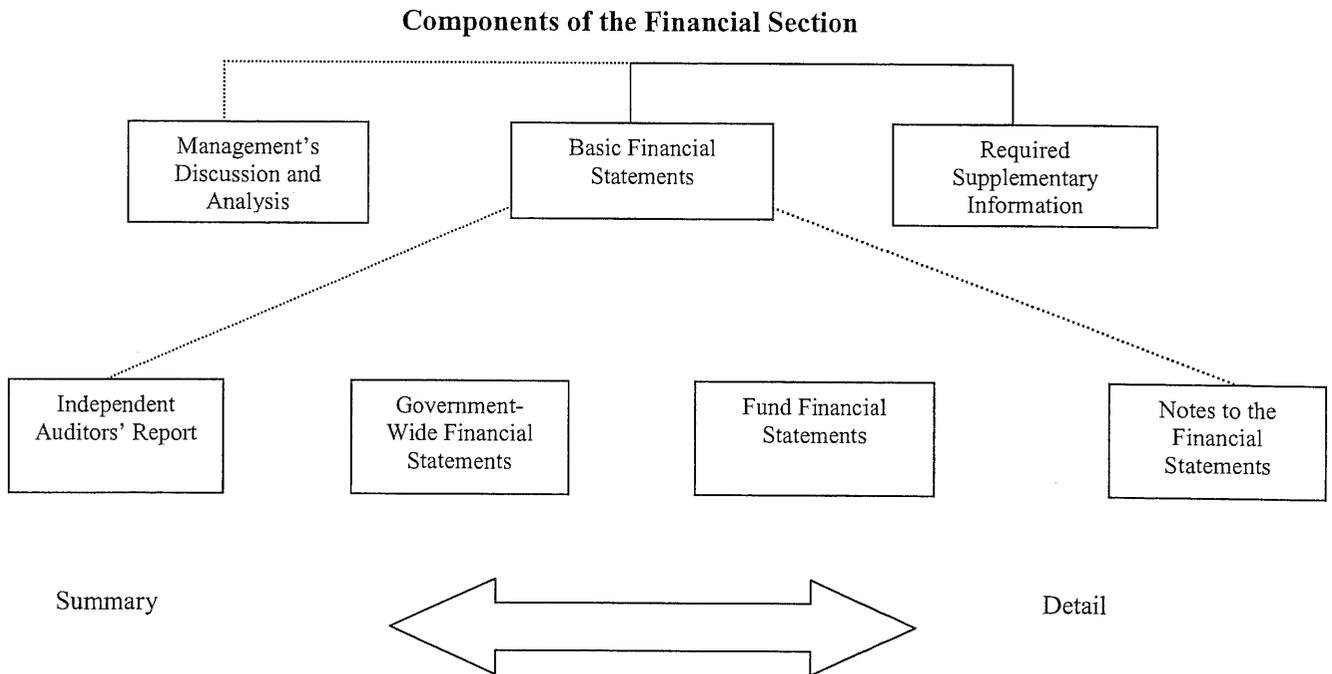
CITY OF JERSEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2014

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, 2014. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



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

Government-Wide Statements

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

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other 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.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

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

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

1. Governmental Activities – Most of the City's basic services are reported here including police and fire protection, municipal court, streets, drainage, leisure services, community development, and general administrative services. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise 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 include not only the City 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 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*.

The City maintains eight 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, capital projects, and red light camera funds, which are considered to be major funds. The City adopts an annual appropriated budget for its general fund, debt service fund, and select

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceeded liabilities by \$70,244,985 as of September 30, 2014.

The largest portion of the City's net position, 68 percent, reflects its investments in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

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

For the Year Ended September 30, 2014

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 18,371,516	\$ 16,043,376	\$ 6,139,062	\$ 5,829,410	\$ 24,510,578	\$ 21,872,786
Capital assets, net	47,558,209	48,186,765	17,205,752	17,746,030	64,763,961	65,932,795
Total Assets	65,929,725	64,230,141	23,344,814	23,575,440	89,274,539	87,805,581
Deferred charge on refunding	572,955	625,042	-	-	572,955	625,042
Total Deferred Outflows of Resources	572,955	625,042	-	-	572,955	625,042
Long-term liabilities	18,175,325	20,137,200	121,407	109,176	18,296,732	20,246,376
Other liabilities	944,460	1,912,764	361,317	422,638	1,305,777	2,335,402
Total Liabilities	19,119,785	22,049,964	482,724	531,814	19,602,509	22,581,778
Net Position:						
Net investment in capital assets	30,316,564	29,072,714	17,205,752	17,746,030	47,522,316	46,818,744
Restricted	3,329,342	3,646,658	-	-	3,329,342	3,646,658
Unrestricted	13,736,989	10,085,847	5,656,338	5,297,596	19,393,327	15,383,443
Total Net Position	\$ 47,382,895	\$ 42,805,219	\$ 22,862,090	\$ 23,043,626	\$ 70,244,985	\$ 65,848,845

A portion of the City's net position, \$3,329,342 or five percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$19,393,327 or 28 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$4,396,140 during the current fiscal year, an increase of seven percent in comparison to the prior year. This increase is largely the result of the City keeping expenses lower than revenue to assign money for capital projects.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

Statement of Activities:

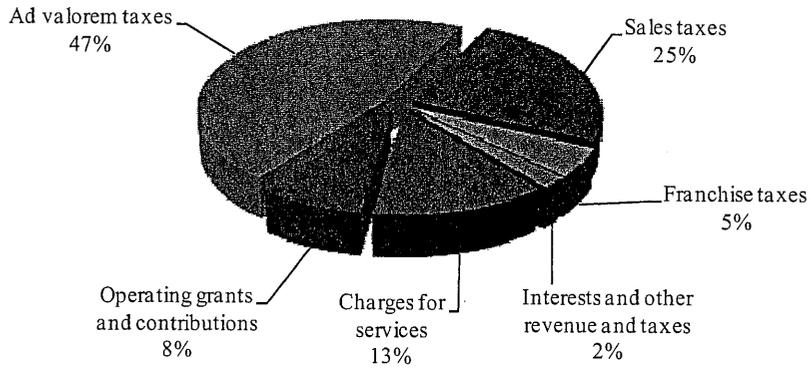
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 1,794,378	\$ 3,154,269	\$ 5,334,506	\$ 5,528,392	\$ 7,128,884	\$ 8,682,661
Operating grants and contributions	1,063,628	750,143	-	-	1,063,628	750,143
General revenues:						
Ad valorem taxes	6,269,652	6,146,643	-	-	6,269,652	6,146,643
Sales taxes	3,282,372	2,998,515	-	-	3,282,372	2,998,515
Franchise taxes	674,027	673,888	-	-	674,027	673,888
Other taxes	77,899	57,401	-	-	77,899	57,401
Investment earnings	6,346	17,834	1,037	1,406	7,383	19,240
Other revenues	181,063	112,545	-	-	181,063	112,545
Total Revenues	<u>13,349,365</u>	<u>13,911,238</u>	<u>5,335,543</u>	<u>5,529,798</u>	<u>18,684,908</u>	<u>19,441,036</u>
Expenses						
General government	1,741,875	1,744,782	-	-	1,741,875	1,744,782
Public safety	4,840,944	5,029,549	-	-	4,840,944	5,029,549
Public works	2,447,946	2,399,621	-	-	2,447,946	2,399,621
Parks and recreation	225,551	158,351	-	-	225,551	158,351
Interest and fiscal agent fees on long-term debt	703,579	797,826	-	-	703,579	797,826
Water and sewer systems	-	-	2,612,155	2,838,464	2,612,155	2,838,464
Golf course	-	-	1,716,718	1,662,206	1,716,718	1,662,206
Total Expenses	<u>9,959,895</u>	<u>10,130,129</u>	<u>4,328,873</u>	<u>4,500,670</u>	<u>14,288,768</u>	<u>14,630,799</u>
Increase in Net Position Before Transfers	3,389,470	3,781,109	1,006,670	1,029,128	4,396,140	4,810,237
Transfers	1,188,206	494,321	(1,188,206)	(494,321)	-	-
Change in Net Position	4,577,676	4,275,430	(181,536)	534,807	4,396,140	4,810,237
Beginning net position	42,805,219	38,529,789	23,043,626	22,508,819	65,848,845	61,038,608
Ending Net Position	<u>\$ 47,382,895</u>	<u>\$ 42,805,219</u>	<u>\$ 22,862,090</u>	<u>\$ 23,043,626</u>	<u>\$ 70,244,985</u>	<u>\$ 65,848,845</u>

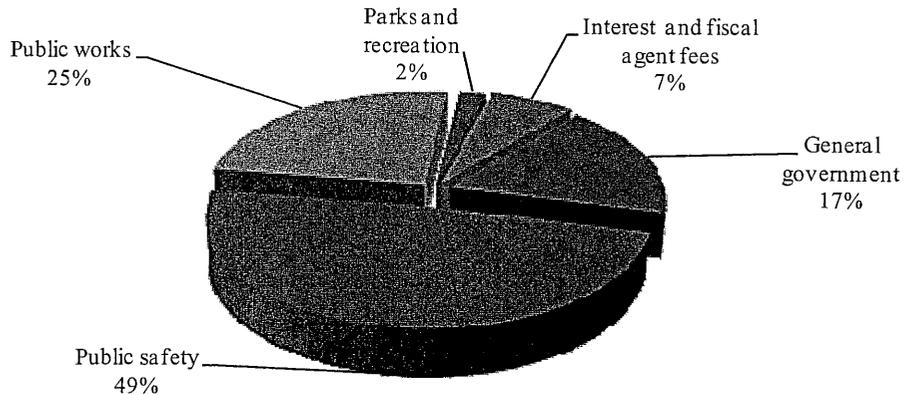
CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 For the Year Ended September 30, 2014

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

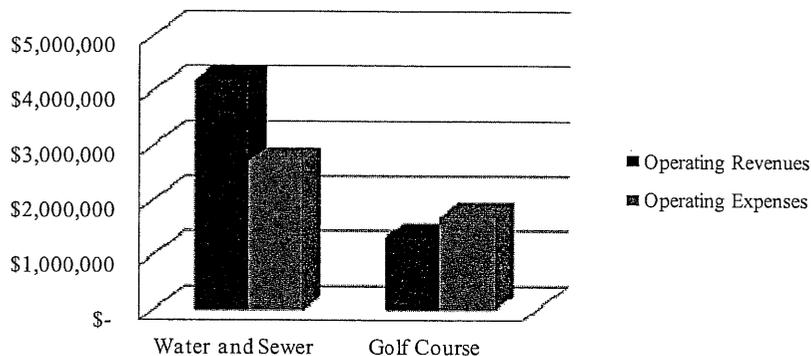
Governmental Revenues



Governmental Expenses



Business-Type Activities



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

For the Year Ended September 30, 2014

For the year ended September 30, 2014, revenues from governmental activities totaled \$13,349,365. Overall, governmental revenues increased from the prior year. The City's property tax revenue increased nine percent due to a better economy. Operating grants and contributions increased 42 percent largely due to receiving a reimbursement from Harris County of construction for flood control improvements in prior years. Charges for services decreased 43 percent due to the removal of the red light cameras within the City for the 290 construction.

For the year ended September 30, 2014, expenses for governmental activities totaled \$9,959,895, which is a decrease from the prior year due to an overall decrease in expenses to operate City facilities.

Operating revenues for business-type activities decreased slightly from the prior year. Charges for services decreased \$193,886, or four percent, due to less water consumption in the current year. Operating expenses for business-type activities decreased by four percent primarily due to a decrease in water purchases from the City of Houston.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The City's governmental funds reflect a combined fund balance of \$14,463,453. Of the total governmental fund balance, \$2,895 is nonspendable for prepaid items, \$3,325,369 is restricted for various purposes, \$1,116,824 is assigned by the City Council for capital projects, and \$10,018,365 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 \$10,018,365, while total fund balance reached \$10,050,051. 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 120.8 percent of total general fund expenditures, while total fund balance represents 121.2 percent of that same amount. The general fund demonstrated an overall increase of \$2,138,778. This significant increase is due to the City's effort to save funds for emergency or to assign money for capital projects.

The debt service fund has a total fund balance of \$500,482, all of which is restricted for the payment of debt service. After receiving a transfer of money from the water and sewer fund, the net increase in fund balance was \$25,766.

The capital projects fund balance increased to \$1,116,824 after transfers of money from the general and water and sewer fund. All of the money in the capital projects fund is assigned for future capital projects.

The red light camera fund experienced a decrease in fund balance of \$345,026 due to less revenue from fines.

The water and sewer fund has a total net position of \$18,277,245 as a result of an increase in net position of \$29,511. This increase can largely be attributed to less expenses for water purchased.

The City's golf course experienced a decrease in net position of \$316,095 due to less revenue for usage of the golf course and higher salary expenses.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2014

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned increase in budgeted fund balance in the amount of \$617,074 in the general fund. However, the net increase in fund balance was \$2,138,778, resulting in a positive variance of \$1,521,704 from the amended budget.

Actual general fund revenues exceeded original and amended revenues by \$400,843 during fiscal year 2014. This net positive variance includes the positive variances of \$101,260 for fine revenues, \$150,558 from charges for services, \$142,046 from miscellaneous revenue from special inventory tax, and \$156,244 from miscellaneous revenues.

Actual expenditures were less than budgeted amounts by \$1,115,860 for the fiscal year. The greatest positive variance was in police and dispatch as a result of less payroll related expenses than expected.

CAPITAL ASSETS

At the end of fiscal year 2014, the City's governmental activities funds had invested \$47,558,209 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net decrease of \$628,556.

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

- Construction in progress for public works of \$383,981

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 \$17,276,073. Of this amount, \$16,570,000 was general obligation bonds, \$310,000 was certificates of obligation, and \$396,073 represented capital leases.

During the year, the City had a decrease in the overall long-term debt of \$1,924,493.

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

Current underlying ratings on debt issues are as follows:

	Moody's Investors Service	Standard and Poor's
Certificates of obligation	A3	AA
General obligation bonds	A2	AA

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Houston-Sugar Land-Baytown area led the state of Texas in job growth in 2014. The area accounted for 32.3 percent of the state's new jobs consisting of 23.7 percent of the state's population. The Greater Houston Partnership forecasted that the region will create 62,900 jobs in 2015 despite falling gas prices.

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

For the Year Ended September 30, 2014

Revenues for the fiscal year 2014-2015 are projected to stay flat in comparison to the fiscal year 2013-2014 with the exception of sales tax. The sales tax revenue is projected to decrease as a result of the U.S. 290 expansion project. Some of the businesses along the U.S. 290 corridor relocated out of the city limits of Jersey Village because of this project. The property tax revenue is projected to stay flat in comparison to the fiscal year 2013-2014. Expenses are projected to increase due to salary adjustments in various positions, and as a result of the U.S. 290 expansion project.

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.

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BASIC FINANCIAL STATEMENTS

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION

September 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Jersey Village Crime Control and Prevention District
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 18,491,450	\$ 4,515,900	\$ 23,007,350	\$ 1,578,541
Receivables, net of allowances	1,026,757	429,739	1,456,496	101,635
Internal balances	(1,149,586)	1,149,586	-	-
Inventory	-	43,837	43,837	-
Prepaid items	2,895	-	2,895	-
Capital assets:				
Non-depreciable capital assets	4,088,416	1,678,182	5,766,598	-
Depreciable capital assets, net	43,469,793	15,527,570	58,997,363	-
Total Assets	65,929,725	23,344,814	89,274,539	1,680,176
<u>Deferred Outflows of Resources</u>				
Deferred charge on refunding	572,955	-	572,955	-
<u>Liabilities</u>				
Accounts payable and accrued liabilities	916,933	245,780	1,162,713	-
Customer deposits	-	111,551	111,551	-
Accrued bond interest	27,527	-	27,527	-
Unearned revenue	-	3,986	3,986	-
Noncurrent liabilities:				
Due within one year	1,770,726	109,266	1,879,992	-
Due in more than one year	16,404,599	12,141	16,416,740	-
Total Liabilities	19,119,785	482,724	19,602,509	-
<u>Net Position</u>				
Net investment in capital assets	30,316,564	17,205,752	47,522,316	-
Restricted for:				
Public communications	26,428	-	26,428	-
Debt service	504,455	-	504,455	-
Park improvements	1,898	-	1,898	-
Tourism	612,163	-	612,163	-
Public safety	1,980,943	-	1,980,943	-
Court technology	203,455	-	203,455	-
Crime control	-	-	-	1,680,176
Unrestricted	13,736,989	5,656,338	19,393,327	-
Total Net Position	\$ 47,382,895	\$ 22,862,090	\$ 70,244,985	\$ 1,680,176

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 1,741,875	\$ -	\$ -
Public safety	4,840,944	1,431,320	1,063,628
Public works	2,447,946	-	-
Parks and recreation	225,551	363,058	-
Interest on long-term debt	703,579	-	-
Total Governmental Activities	9,959,895	1,794,378	1,063,628
Business-Type Activities			
Utility	2,612,155	4,000,806	-
Golf course	1,716,718	1,333,700	-
Total Business-Type Activities	4,328,873	5,334,506	-
Total Primary Government	\$ 14,288,768	\$ 7,128,884	\$ 1,063,628
Component Unit			
Jersey Village Crime Control and Prevention District	\$ 819,368	\$ -	\$ -
	\$ 819,368	\$ -	\$ -

General Revenues:

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

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Position			Component Unit Jersey Village Crime Control and Prevention District
Primary Government			
Governmental Activities	Business-Type Activities	Total	
\$ (1,741,875)	\$ -	\$ (1,741,875)	\$ -
(2,345,996)	-	(2,345,996)	-
(2,447,946)	-	(2,447,946)	-
137,507	-	137,507	-
(703,579)	-	(703,579)	-
<u>(7,101,889)</u>	<u>-</u>	<u>(7,101,889)</u>	<u>-</u>
-	1,388,651	1,388,651	-
-	(383,018)	(383,018)	-
-	1,005,633	1,005,633	-
<u>(7,101,889)</u>	<u>1,005,633</u>	<u>(6,096,256)</u>	<u>-</u>
-	-	-	(819,368)
-	-	-	(819,368)
6,269,652	-	6,269,652	-
3,282,372	-	3,282,372	937,059
674,027	-	674,027	-
77,899	-	77,899	-
6,346	1,037	7,383	533
181,063	-	181,063	32,223
1,188,206	(1,188,206)	-	-
<u>11,679,565</u>	<u>(1,187,169)</u>	<u>10,492,396</u>	<u>969,815</u>
4,577,676	(181,536)	4,396,140	150,447
<u>42,805,219</u>	<u>23,043,626</u>	<u>65,848,845</u>	<u>1,529,729</u>
<u>\$ 47,382,895</u>	<u>\$ 22,862,090</u>	<u>\$ 70,244,985</u>	<u>\$ 1,680,176</u>

CITY OF JERSEY VILLAGE, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2014

	General	Debt Service	Capital Projects	Red Light Camera
<u>Assets</u>				
Current assets:				
Cash and equity in pooled				
cash and investments	\$ 9,693,442	\$ 495,145	\$ 1,282,144	\$ 2,038,946
Receivables, net	942,535	72,904	-	-
Prepaid items	674	-	-	-
Due from other funds	299,805	5,337	-	-
Total Assets	\$ 10,936,456	\$ 573,386	\$ 1,282,144	\$ 2,038,946
<u>Liabilities:</u>				
Accounts payable and				
accrued liabilities	\$ 598,670	\$ -	\$ 1,350	\$ 145,696
Retainage payable	-	-	163,970	-
Due to other funds	162,597	-	-	-
Total Liabilities	761,267	-	165,320	145,696
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	125,138	72,904	-	-
<u>Fund Balances:</u>				
Nonspendable	674	-	-	-
Restricted:				
Debt service	-	500,482	-	-
Public communications	26,428	-	-	-
Park improvements	1,898	-	-	-
Tourism	-	-	-	-
Public safety	2,686	-	-	1,893,250
Court technology and security	-	-	-	-
Assigned:				
Capital projects	-	-	1,116,824	-
Unassigned	10,018,365	-	-	-
Total Fund Balances	10,050,051	500,482	1,116,824	1,893,250
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,936,456	\$ 573,386	\$ 1,282,144	\$ 2,038,946

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 805,115	\$ 14,314,792
11,318	1,026,757
2,221	2,895
90,442	395,584
<u>\$ 909,096</u>	<u>\$ 15,740,028</u>
\$ 6,250	\$ 751,966
-	163,970
-	162,597
<u>6,250</u>	<u>1,078,533</u>
-	198,042
2,221	2,895
-	500,482
-	26,428
-	1,898
612,163	612,163
85,007	1,980,943
203,455	203,455
-	1,116,824
-	10,018,365
<u>902,846</u>	<u>14,463,453</u>
<u>\$ 909,096</u>	<u>\$ 15,740,028</u>

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Exhibit A

CITY OF JERSEY VILLAGE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2014

Total fund balances for governmental funds	\$ 14,463,453
Amounts reported for governmental activities in the Statement of Net Position are different, because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
Capital assets, non-depreciable	4,088,416
Capital assets, net depreciable	41,668,747
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
	198,042
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 Position.	
Current assets and liabilities net of capital leases	2,793,088
Capital assets, net depreciable	1,801,046
Capital leases	(396,073)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(27,527)
Non-current liabilities due in one year	(1,374,653)
Non-current liabilities due in more than one year	(16,404,599)
Deferred charge on refunding	572,955
Net Position of Governmental Activities	<u><u>\$ 47,382,895</u></u>

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2014

	General	Debt Service	Capital Projects	Red Light Camera
Revenues				
Ad valorem taxes	\$ 4,229,592	\$ 2,125,511	\$ -	\$ -
Sales taxes	3,282,372	-	-	-
Franchise taxes	674,027	-	-	-
Other taxes	-	-	-	-
Permits, licenses, and fees	131,473	-	-	-
Fines and forfeitures	868,460	-	-	390,650
Charges for services	363,058	-	-	-
Intergovernmental	1,063,628	-	-	-
Investment earnings	3,771	253	805	-
Other revenue	177,244	-	-	-
Total Revenues	10,793,625	2,125,764	805	390,650
Expenditures				
Current:				
General government	1,712,582	-	-	-
Public safety	4,085,314	-	-	735,676
Public works	1,939,912	-	383,981	-
Parks and recreation	556,575	-	-	-
Debt service:				
Principal	-	1,495,000	-	-
Interest and fiscal agent fees	-	673,669	-	-
Total Expenditures	8,294,383	2,168,669	383,981	735,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,499,242	(42,905)	(383,176)	(345,026)
Other Financing Sources (Uses)				
Transfers in	456,354	68,671	1,500,000	-
Transfers (out)	(816,818)	-	-	-
Total Other Financing Sources (Uses)	(360,464)	68,671	1,500,000	-
Net Change in Fund Balances	2,138,778	25,766	1,116,824	(345,026)
Beginning fund balances	7,911,273	474,716	-	2,238,276
Ending Fund Balances	\$ 10,050,051	\$ 500,482	\$ 1,116,824	\$ 1,893,250

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 6,355,103
-	3,282,372
-	674,027
77,899	77,899
-	131,473
40,737	1,299,847
-	363,058
-	1,063,628
212	5,041
3,819	181,063
122,667	13,433,511
52,942	1,765,524
55,369	4,876,359
-	2,323,893
-	556,575
-	1,495,000
-	673,669
108,311	11,691,020
14,356	1,742,491
-	2,025,025
(20,001)	(836,819)
(20,001)	1,188,206
(5,645)	2,930,697
908,491	11,532,756
\$ 902,846	\$ 14,463,453

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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, 2014

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

Net changes in fund balances - total governmental funds	\$	2,930,697
<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		831,729
Depreciation expense		(1,460,285)
<p>The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Capital lease payments		381,461
Principal payments		1,495,000
Amortization of premiums, discounts, and deferred charges		(4,055)
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.		(85,451)
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.		41,355
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.		447,225
Change in Net Position of Governmental Activities	\$	4,577,676

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Page 1 of 2)

PROPRIETARY FUNDS

September 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total Enterprise Funds	
Assets				
Current assets:				
Cash and equity in pooled cash and investments	\$ 3,872,050	\$ 643,850	\$ 4,515,900	\$ 4,176,658
Accounts receivable, net	429,739	-	429,739	-
Inventory	-	43,837	43,837	-
Due from other funds	-	66,818	66,818	-
Total Current Assets	4,301,789	754,505	5,056,294	4,176,658
Noncurrent assets:				
Capital assets:				
Land	445,240	915,000	1,360,240	-
Construction in process	317,942	-	317,942	-
Buildings and improvements	558,501	5,838,715	6,397,216	-
Furniture and equipment	995,290	672,043	1,667,333	6,916,328
Water and sewer system	19,203,265	-	19,203,265	-
Less: accumulated depreciation	(6,892,651)	(4,847,593)	(11,740,244)	(5,115,282)
Total Capital Assets (Net)	14,627,587	2,578,165	17,205,752	1,801,046
Total Noncurrent Assets	14,627,587	2,578,165	17,205,752	1,801,046
Total Assets	\$ 18,929,376	\$ 3,332,670	\$ 22,262,046	\$ 5,977,704

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

September 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total	
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 183,475	\$ 62,305	\$ 245,780	\$ 997
Customer deposits	111,182	369	111,551	-
Compensated absences	51,902	57,364	109,266	-
Capital lease	-	-	-	396,073
Unearned revenue	-	3,986	3,986	-
Due to other funds	299,805	-	299,805	-
	Total Current Liabilities	124,024	770,388	397,070
Noncurrent liabilities:				
Compensated absences	5,767	6,374	12,141	-
	Total Noncurrent Liabilities	6,374	12,141	-
	Total Liabilities	130,398	782,529	397,070
Net Position				
Net investment in capital assets	14,627,587	2,578,165	17,205,752	1,404,973
Unrestricted	3,649,658	624,107	4,273,765	4,175,661
	Total Net Position	\$ 3,202,272	21,479,517	\$ 5,580,634
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,382,573	
Total Net Position per Government-Wide Financial Statements.			\$ 22,862,090	

See Notes to Financial Statements.

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Exhibit A

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

For the Year Ended September 30, 2014

	<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 Enterprise Funds</u>	
<u>Operating Revenues</u>				
Charges for sales and services	\$ 3,939,537	\$ 1,329,910	\$ 5,269,447	\$ 1,316,414
Other revenues	61,269	3,790	65,059	-
Total Operating Revenues	<u>4,000,806</u>	<u>1,333,700</u>	<u>5,334,506</u>	<u>1,316,414</u>
<u>Operating Expenses</u>				
Costs of sales and services	2,010,445	598,081	2,608,526	14,998
Personnel	346,200	810,065	1,156,265	-
Depreciation	360,558	308,572	669,130	615,724
Total Operating Expenses	<u>2,717,203</u>	<u>1,716,718</u>	<u>4,433,921</u>	<u>630,722</u>
Operating Income (Loss)	<u>1,283,603</u>	<u>(383,018)</u>	<u>900,585</u>	<u>685,692</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	932	105	1,037	1,305
Interest expense	-	-	-	(29,828)
Total Nonoperating Revenues (Expenses)	<u>932</u>	<u>105</u>	<u>1,037</u>	<u>(28,523)</u>
Income (Loss) Before Transfers	1,284,535	(382,913)	901,622	657,169
Transfers in	-	66,818	66,818	-
Transfers (out)	(1,255,024)	-	(1,255,024)	-
Change in Net Position	29,511	(316,095)	(286,584)	657,169
Beginning net position	18,247,734	3,518,367		4,923,465
Ending Net Position	<u>\$ 18,277,245</u>	<u>\$ 3,202,272</u>		<u>\$ 5,580,634</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>105,048</u>	
Change in Net Position of Business-Type Activities			<u>\$ (181,536)</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, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total Enterprise Funds	
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 4,035,204	\$ 1,333,129	\$ 5,368,333	\$ 1,316,414
Payments to suppliers	(2,081,803)	(659,035)	(2,740,838)	(54,399)
Payments to employees	(337,381)	(801,883)	(1,139,264)	-
Net Cash Provided (Used) by Operating Activities	1,616,020	(127,789)	1,488,231	1,262,015
<u>Cash Flows from Noncapital</u>				
<u>Financing Activities</u>				
Transfer to other funds	(1,255,024)	66,818	(1,188,206)	-
Net Cash Provided (Used) by Capital Financing Activities	(1,255,024)	66,818	(1,188,206)	-
<u>Cash Flows from Capital and Related</u>				
<u>Financing Activities</u>				
Acquisition and construction of capital assets	(111,195)	(17,657)	(128,852)	(339,159)
Principal paid on capital lease	-	-	-	(381,461)
Interest paid on capital debt	-	-	-	(29,828)
Net Cash (Used) by Capital and Related Financing Activities	(111,195)	(17,657)	(128,852)	(750,448)
<u>Cash Flows from Investing Activities</u>				
Interest received	932	105	1,037	1,305
Net Cash Provided by Investing Activities	932	105	1,037	1,305
Net Increase (Decrease) in Cash and Cash Equivalents	250,733	(78,523)	172,210	512,872
Beginning cash and cash equivalents	3,621,317	722,373	4,343,690	3,663,786
Ending Cash and Cash Equivalents	\$ 3,872,050	\$ 643,850	\$ 4,515,900	\$ 4,176,658

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, 2014

	<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 Enterprise Funds</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 1,283,603	\$ (383,018)	\$ 900,585	\$ 685,692
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	360,558	308,572	669,130	615,724
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Current Assets:				
Accounts receivable	34,398	-	34,398	-
Due from other funds	-	(66,818)	(66,818)	-
Increase (Decrease) in Current Liabilities:				
Accounts payable and accrued liabilities	(71,384)	5,864	(65,520)	(39,401)
Customer deposits	4,771	-	4,771	-
Compensated absences	4,048	8,182	12,230	-
Unearned revenue	-	(571)	(571)	-
Due to other funds	26	-	26	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,616,020</u>	<u>\$ (127,789)</u>	<u>\$ 1,488,231</u>	<u>\$ 1,262,015</u>

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2014

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. The District does not issue separate financial statements. 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, 2014

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following governmental funds:

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

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 governmental funds. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The nonmajor special revenue funds include the hotel occupancy tax, asset forfeiture, and court security and technology fees funds. The red light camera fund accounts for activities related to red light camera fines and fees collected by the company contracted for the enforcement of such violations. The red light camera fund is included as a major fund.

The *capital projects funds* are used to account for the expenditures of resources accumulated from the sale of bonds and related interests earnings for capital improvements. The capital projects

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

funds include the capital project fund and Jones Road extension fund. The capital project fund is included as a major fund and the Jones Road extension fund is included as a nonmajor fund.

The City reports 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 type:

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

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

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

E. Measurement Focus and Basis of Accounting

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

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

1. Cash and Cash Equivalents

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

2. Investments

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 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 Government Code. In summary, the City is authorized to invest in the following:

Direct obligations of the U.S. government

Money market mutual funds that meet certain criteria

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

Collateralized certificates of deposit and share certificates

Statewide investment pools

3. Inventories and Prepaid Items

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

4. Capital Assets

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. Compensated Employee Absences

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

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. The long-term debt consists primarily of bonds payable and accrued compensated absences. Long-term debt for governmental funds is not reported as 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 payment of principal and interest 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.

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

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

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.

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

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

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

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

11. 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 COBRA, and the City incurs no direct costs.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

12. 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.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles 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 security and technology fee fund, asset forfeiture fund, and red light camera fund are all special revenue funds that have adopted budgets.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 22,665,773	0.00
Total Fair Value	\$ 22,665,773	
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.

Credit risk. State law and the City's investment policy limit investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2014, the City's investments in TexPool were rated "AAAm" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuing U.S. agency.

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, 2014, 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 rates TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

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.

B. Receivables

The following comprise receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>
Ad valorem taxes	\$ 662,080	\$ 75,732	\$ -
Other taxes	129,257	-	-
Intergovernmental	3,675	-	-
Other	373,229	-	11,318
Less allowance	(225,706)	(2,828)	-
Total	\$ 942,535	\$ 72,904	\$ 11,318

	<u>Water and Sewer</u>	<u>Component Unit</u>
Other taxes	\$ -	\$ 101,635
Accounts	582,395	-
Less allowance	(152,656)	-
Total	\$ 429,739	\$ 101,635

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

C. Capital Assets

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

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

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,956,455	\$ -	\$ -	\$ 1,956,455
Construction in progress	7,668,428	383,981	(5,920,448)	2,131,961
Total capital assets not being depreciated	9,624,883	383,981	(5,920,448)	4,088,416
Other capital assets:				
Buildings and improvements	8,329,639	27,000	-	8,356,639
Machinery and equipment	8,614,450	420,748	-	9,035,198
Infrastructure	38,354,225	5,920,448	-	44,274,673
Total other capital assets	55,298,314	6,368,196	-	61,666,510
Less accumulated depreciation for:				
Buildings and improvements	(3,081,172)	(220,733)	-	(3,301,905)
Machinery and equipment	(6,301,536)	(718,667)	-	(7,020,203)
Infrastructure	(7,353,724)	(520,885)	-	(7,874,609)
Total accumulated depreciation	(16,736,432)	(1,460,285)	-	(18,196,717)
Other capital assets, net	38,561,882	4,907,911	-	43,469,793
Governmental Activities Capital Assets, Net	\$ 48,186,765	\$ 5,291,892	\$ (5,920,448)	47,558,209
			Plus deferred charge on refunding	572,955
			Less associated debt	(17,814,600)
			Net Investment in Capital Assets	\$ 30,316,564

Depreciation was charged to governmental functions as follows:

General government	\$ 46,840
Public safety	188,072
Public works	548,531
Parks and recreation	61,119
Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets	615,723
Total Governmental Activities Depreciation Expense	\$ 1,460,285

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

The City has active governmental activities construction projects as of September 30, 2014. The projects include the following:

Project Description	Authorized Contract	Contract Expenditures	Remaining Commitment
Stormwater Basin	\$ 500,000	\$ 500,000	\$ -
Phase III Street Project	1,379,552	712,280	667,272
290 Expansion	3,000,000	919,681	2,080,319
Total	\$ 4,879,552	\$ 2,131,961	\$ 2,747,591

The following is a summary of changes in capital assets for business-type activities for the year ended September 30, 2014:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,360,240	\$ -	\$ -	\$ 1,360,240
Construction in progress	233,942	84,000	-	317,942
Total capital assets not being depreciated	1,594,182	84,000	-	1,678,182
Other capital assets:				
Buildings	6,378,892	18,324	-	6,397,216
Water and sewer system	19,203,265	-	-	19,203,265
Machinery and equipment	1,640,805	26,528	-	1,667,333
Total other capital assets	27,222,962	44,852	-	27,267,814
Less accumulated depreciation for:				
Buildings	(3,987,499)	(326,210)	-	(4,313,709)
Water and sewer system	(6,163,456)	(300,992)	-	(6,464,448)
Machinery and equipment	(920,159)	(41,928)	-	(962,087)
Total accumulated depreciation	(11,071,114)	(669,130)	-	(11,740,244)
Other capital assets, net	16,151,848	(624,278)	-	15,527,570
Business-Type Activities Capital Assets, Net	\$ 17,746,030	\$ (540,278)	\$ -	\$ 17,205,752

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 360,558
Golf course	308,572
Total Business-Type Activities Depreciation Expense	\$ 669,130

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

The City has active business-type activities construction projects as of September 30, 2014. The projects include the following:

Project Description	Authorized Contract	Contract Expenditures	Remaining Commitment
Scada Project	\$ 17,570	\$ 10,242	\$ 7,328
290 Expansion	550,000	307,700	242,300
Total	\$ 567,570	\$ 317,942	\$ 249,628

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.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 17,770,000	\$ -	\$ 1,200,000	\$ 16,570,000	* \$ 740,000
Premium on bonds	586,559	-	48,032	538,527	*
Certificates of obligation	605,000	-	295,000	310,000	*
Capital leases	777,534	-	381,461	396,073	*
	19,739,093	-	1,924,493	17,814,600	1,446,073
Other liabilities:					
Compensated absences	398,107	320,914	358,296	360,725	324,653
Total Governmental Activities	\$ 20,137,200	\$ 320,914	\$ 2,282,789	\$ 18,175,325	\$ 1,770,726
			Long-term debt due in more than one year	\$ 16,404,599	
				\$ 17,814,600	

*Debt associated with governmental activity capital assets

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Compensated absences	\$ 109,176	\$ 110,489	\$ 98,258	\$ 121,407	\$ 109,266
Total Business-Type Activities	\$ 109,176	\$ 110,489	\$ 98,258	\$ 121,407	\$ 109,266
			Long-term debt due in more than one year	\$ 12,141	

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, 2014

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

Description	Interest Rates	Balance
Governmental Activities		
General Obligation Bonds		
Series 2007	4.25-6.25%	\$ 8,170,000
Series 2012	2.00-4.00%	8,400,000
Total General Obligation Bonds		16,570,000
 Certificates of Obligation		
Series 2000	5.00-7.00%	310,000
Total Certificates of Obligation		310,000
Total Bonds and Certificates of Obligation		16,880,000
 Capital Leases		
Motorola Radio	5.13%	315,050
Pumper	6.03%	81,023
Total Capital Leases		396,073
Total Governmental Activities Long-Term Debt		\$ 17,276,073

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

Year Ending Sep. 30	Governmental Activities		
	Principal	Interest	Total
2015	\$ 1,050,000	\$ 576,656	\$ 1,626,656
2016	1,085,000	535,763	1,620,763
2017	1,120,000	501,388	1,621,388
2018	1,145,000	468,847	1,613,847
2019	1,180,000	438,294	1,618,294
2020-2024	6,540,000	1,579,319	8,119,319
2025-2027	4,760,000	310,164	5,070,164
Total	\$ 16,880,000	\$ 4,410,431	\$ 21,290,431

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.

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.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

Capital Leases

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

Year Ending Sep. 30	Governmental Activities		
	Principal	Interest	Total
2015	\$ 396,073	\$ 15,217	\$ 411,290
Total	\$ 396,073	\$ 15,217	\$ 411,290

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$ 1,412,835
Less: Accumulated depreciation	(554,544)
Total	\$ 858,291

Federal Arbitrage

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

E. Interfund Transactions

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

Receivable Fund	Payable Fund	Amounts
General	Water and sewer	\$ 299,805
Golf course	General	66,818
Debt service	General	5,337
Nonmajor	General	90,442
		\$ 462,402

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

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	\$ 436,353
General	Nonmajor	20,001
Debt service	Water and sewer	68,671
Capital projects	General	750,000
Capital projects	Water and sewer	750,000
Golf course	General	66,818
		<u>\$ 2,091,843</u>

Transfers to the general fund from the water and sewer fund were subsidies for administrative expenditures. Transfers to the capital projects fund from the general fund were for capital projects. 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, 2014, \$815,618 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 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.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

C. 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), 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 for TMRS. The report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by TMRS. This report may be obtained from TMRS' website at www.TMRS.com.

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>2014</u>	<u>2013</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

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percentage of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. 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 TMRS 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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

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.

The annual pension cost and the net obligation (asset) are as follows:

	2014	2013	2012
Annual req. contrib. (ARC)	\$ 679,595	\$ 659,727	\$ 729,285
Contributions made	679,595	659,727	729,285
NPO at the end of period	\$ -	\$ -	\$ -

The required contribution rates for fiscal year 2014 were determined by the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

	2014	2013	2012
Actuarial Valuation Date	12/31/2013	12/31/2012	12/31/2011
Actuarial Cost Method	Entry Age Normal	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level % of Payroll	Level % of Payroll	Level % of Payroll
Remaining Amortization Period	30.0 Years - Closed period	25.1 Years - Closed period	26.1 Years - Closed period
Amortization Period for New Gains/Losses	30 Years	30 Years	30 Years
Asset Valuation Method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Investment Rate of Return	7.0%	7.0%	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%

Funded Status and Funding Progress

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report.

The funded status as of December 31, 2013, the most recent valuation date, is as follows:

	2014
Actuarial Valuation Date	12/31/2013
Actuarial Value of Assets	\$ 14,620,633
Actuarial Accrued Liability	\$ 18,808,863
Percentage Funded	77.7%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 4,188,230
Annual Covered Payroll	\$ 4,683,453
UAAL as a Percentage of Covered Payroll	89.4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2014

revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as RSI 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 TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The 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, 2014, 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 contributions to the TMRS SDBF, for the fiscal years ended September 2014, 2013, and 2012 were \$849, \$464, and \$468, respectively. The City's contribution rates for the past three years are shown below:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual Req. Contrib. (Rate)	0.02%	0.01%	0.01%
Actual Contribution Made	0.02%	0.01%	0.01%
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, 2014

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem	\$ 4,155,000	\$ 4,155,000	\$ 4,229,592	\$ 74,592
Sales	3,595,000	3,595,000	3,282,372	(312,628)
Franchise	635,000	635,000	674,027	39,027
Permits, licenses, and fees	76,500	76,500	131,473	54,973
Charges for services	212,500	212,500	363,058	150,558
Fines	767,200	767,200	868,460	101,260
Investment earnings	9,000	9,000	3,771	(5,229)
Intergovernmental	859,924	921,582	1,063,628	142,046
Other revenues	21,000	21,000	177,244	156,244
Total Revenues	<u>10,331,124</u>	<u>10,392,782</u>	<u>10,793,625</u>	<u>400,843</u>
Expenditures				
General government:				
Administration	506,170	525,674	509,995	15,679
Legal	236,800	236,800	177,589	59,211
Information technology	417,971	418,004	375,369	42,635
Purchasing	20,350	23,957	21,213	2,744
Finance	265,475	274,303	248,481	25,822
Customer service	129,310	129,664	104,821	24,843
Court	299,113	303,342	275,114	28,228
Total General Government	<u>1,875,189</u>	<u>1,911,744</u>	<u>1,712,582</u>	<u>199,162</u>
Public safety:				
Police	2,359,452	2,362,452	1,975,150	387,302
Dispatch	697,549	697,549	555,557	141,992
Fire	1,560,741	1,632,569	1,554,607	77,962
Total Public Safety	<u>4,617,742</u>	<u>4,692,570</u>	<u>4,085,314</u>	<u>607,256</u>
Public works:				
Public works administration	273,890	273,890	256,037	17,853
Community development	320,890	336,766	329,692	7,074
Streets	509,088	534,593	454,705	79,888
Building and grounds	253,600	257,277	185,591	71,686
Sanitation	352,150	352,150	317,014	35,136
Fleet services	417,620	432,388	396,873	35,515
Total Public Works	<u>2,127,238</u>	<u>2,187,064</u>	<u>1,939,912</u>	<u>247,152</u>
Parks and recreation	618,865	618,865	556,575	62,290
Total Expenditures	<u>9,239,034</u>	<u>9,410,243</u>	<u>8,294,383</u>	<u>1,115,860</u>
Excess of Revenues Over Expenditures	<u>1,092,090</u>	<u>982,539</u>	<u>2,499,242</u>	<u>1,516,703</u>

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, 2014

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 451,353	\$ 451,353	\$ 456,354	\$ 5,001
Transfers (out)	(66,818)	(816,818)	(816,818)	-
Total Other Financing Sources (Uses)	<u>384,535</u>	<u>(365,465)</u>	<u>(360,464)</u>	<u>5,001</u>
Net Change in Fund Balance	<u>\$ 1,476,625</u>	<u>\$ 617,074</u>	2,138,778	<u>\$ 1,521,704</u>
Beginning fund balance			<u>7,911,273</u>	
Ending Fund Balance			<u>\$ 10,050,051</u>	

Notes to Required Supplementary Information:

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

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
RED LIGHT CAMERA FUND
For the Year Ended September 30, 2014

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines	\$ 2,000,000	\$ 390,650	\$ (1,609,350)
Total Revenues	2,000,000	390,650	(1,609,350)
<u>Expenditures</u>			
Public safety	1,808,565	735,676	1,072,889
Total Expenditures	1,808,565	735,676	1,072,889
Net Change in Fund Balance	\$ 191,435	(345,026)	\$ (536,461)
Beginning fund balance		2,238,276	
Ending Fund Balance		\$ 1,893,250	

Notes to Required Supplementary Information:

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

CITY OF JERSEY VILLAGE, TEXAS

SCHEDULE OF FUNDING PROGRESS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2014

Fiscal Year	2014	2013	2012
Actuarial Valuation Date	12/31/2013	12/31/2012	12/31/2011
Actuarial Value of Assets	\$ 14,620,633	\$ 13,217,340	\$ 12,021,178
Actuarial Accrued Liability	\$ 18,808,863	\$ 17,103,285	\$ 16,232,583
Percentage Funded	77.7%	77.3%	74.1%
Unfunded Actuarial			
Accrued Liability (UAAL)	\$ 4,188,230	\$ 3,885,945	\$ 4,211,405
Annual Covered Payroll	\$ 4,683,453	\$ 4,680,229	\$ 4,553,224
UAAL % of Covered Payroll	89.4%	83.0%	92.5%
Net Pension Obligation (NPO)			
at the Beginning of Period	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	679,595	659,727	677,848
Contributions Made	679,595	659,727	677,848
NPO at the End of Period	\$ -	\$ -	\$ -

***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, 2014

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Ad valorem taxes	\$ 2,125,000	\$ 2,125,511	\$ 511
Investment earnings	500	253	(247)
Total Revenues	<u>2,125,500</u>	<u>2,125,764</u>	<u>264</u>
<u>Expenditures</u>			
Debt service:			
Principal	1,495,000	1,495,000	-
Interest and fiscal agent fees	680,741	673,669	7,072
Total Expenditures	<u>2,175,741</u>	<u>2,168,669</u>	<u>7,072</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(50,241)</u>	<u>(42,905)</u>	<u>7,336</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	68,671	68,671	-
Total Other Financing Sources	<u>68,671</u>	<u>68,671</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 18,430</u>	<u>25,766</u>	<u>\$ 7,336</u>
Beginning fund balance		<u>474,716</u>	
Ending Fund Balance		<u>\$ 500,482</u>	

CITY OF JERSEY VILLAGE, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2014

SPECIAL REVENUE FUNDS

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

Hotel Occupancy Tax Fund

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

Court Security and Technology Fees Fund

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

Asset Forfeiture Fund

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

CAPITAL PROJECT FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Jones Road Extension Fund

This fund is used to account for activities related to capital projects on the extension of Jones Road.

CITY OF JERSEY VILLAGE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2014

	Special Revenue Funds			Capital Projects Fund
	Hotel Occupancy Tax	Court Security and Technology Fees	Asset Forfeiture	Jones Road Extension
	Assets			
Current assets:				
Cash and equity in pooled cash and investments	\$ 607,095	\$ 113,013	\$ 85,007	\$ -
Account receivable	11,318	-	-	-
Prepaid items	-	-	2,221	-
Due from other funds	-	90,442	-	-
	Total Assets	\$ 203,455	\$ 87,228	\$ -
Liabilities				
Accounts payable	\$ 6,250	\$ -	\$ -	\$ -
	Total Liabilities	-	-	-
Fund Balances				
Nonspendable	-	-	2,221	-
Restricted:				
Public safety	-	-	85,007	-
Tourism	612,163	-	-	-
Court technology	-	203,455	-	-
	Total Fund Balances	203,455	87,228	-
	Total Liabilities and Fund Balances	\$ 203,455	\$ 87,228	\$ -

**Total
Nonmajor
Governmental
Funds**

\$ 805,115
11,318
2,221

90,442

\$ 909,096

\$ 6,250

6,250

2,221

85,007

612,163

203,455

902,846

\$ 909,096

CITY OF JERSEY VILLAGE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2014

	Special Revenue Funds			Capital Projects Fund
	Court			Jones Road Extension
	Hotel Occupancy Tax	Security and Technology Fees	Asset Forfeiture	
Revenues				
Occupancy tax	\$ 77,899	\$ -	\$ -	\$ -
Fines	-	40,737	-	-
Investment earnings	208	-	4	-
Other revenue	-	-	3,819	-
Total Revenues	78,107	40,737	3,823	-
Expenditures				
Current:				
General government	52,942	-	-	-
Public safety	-	53,445	1,924	-
Total Expenditures	52,942	53,445	1,924	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,165	(12,708)	1,899	-
Other Financing Sources (Uses)				
Transfer (out)	(15,000)	-	-	(5,001)
Total Other Financing (Uses)	(15,000)	-	-	(5,001)
Net Change in Fund Balances	10,165	(12,708)	1,899	(5,001)
Beginning fund balances	601,998	216,163	85,329	5,001
Ending Fund Balances	\$ 612,163	\$ 203,455	\$ 87,228	\$ -

**Total
Nonmajor
Governmental
Funds**

\$	77,899
	40,737
	212
	<u>3,819</u>
	<u>122,667</u>
	52,942
	<u>55,369</u>
	<u>108,311</u>
	<u>14,356</u>
	<u>(20,001)</u>
	<u>(20,001)</u>
	(5,645)
	<u>908,491</u>
\$	<u><u>902,846</u></u>

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2014

		Hotel Occupancy Tax		
		Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Occupancy tax		\$ 65,000	\$ 77,899	\$ 12,899
Investment earnings		600	208	(392)
	Total Revenues	65,600	78,107	12,507
<u>Expenditures</u>				
General government		57,500	52,942	4,558
	Total Expenditures	57,500	52,942	4,558
	Excess of Revenues Expenditures	8,100	25,165	17,065
<u>Other Financing Sources (Uses)</u>				
Transfers (out)		(15,000)	(15,000)	-
	Net Change in Fund Balance	\$ (6,900)	10,165	\$ 17,065
Beginning fund balance			601,998	
	Ending Fund Balance		\$ 612,163	

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2014

Court Security and Technology Fees

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines	\$ 40,500	\$ 40,737	\$ 237
<u>Expenditures</u>			
Public safety	57,877	53,445	4,432
Net Change in Fund Balance	<u>\$ (17,377)</u>	(12,708)	<u>\$ 4,669</u>
Beginning fund balance		<u>216,163</u>	
Ending Fund Balance		<u>\$ 203,455</u>	

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.

Contents	Page
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 POSITION BY COMPONENT

Last Ten Years

	Year			
	2005	2006	2007	2008
Governmental Activities				
Net investment in capital assets	\$ 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
Total Governmental Activities Net Position	\$ 16,596,730	\$ 17,958,132	\$ 21,084,096	\$ 24,073,360
Business-Type Activities				
Net investment in capital assets	\$ 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
Total Business-Type Activities Net Position	\$ 19,540,438	\$ 20,186,915	\$ 20,627,831	\$ 21,290,214
Primary Government				
Net investment in capital assets	\$ 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
Total Primary Government Net Position	\$ 36,137,168	\$ 38,145,047	\$ 41,711,927	\$ 45,363,574

Year					
2009	2010	2011	2012	2013	2014
\$ 11,219,378	\$ 21,384,544	\$ 25,644,695	\$ 23,205,799	\$ 29,072,714	\$ 30,316,564
7,455,122	6,751,632	1,706,438	7,298,473	3,646,658	3,329,342
9,504,411	4,825,409	8,906,717	8,025,517	10,085,847	13,736,989
<u>\$ 28,178,911</u>	<u>\$ 32,961,585</u>	<u>\$ 36,257,850</u>	<u>\$ 38,529,789</u>	<u>\$ 42,805,219</u>	<u>\$ 47,382,895</u>
\$ 16,805,161	\$ 17,831,127	\$ 17,991,847	\$ 18,085,993	\$ 17,746,030	\$ 17,205,752
715,000	-	-	-	-	-
4,026,306	3,806,361	4,282,824	4,422,826	5,297,596	5,656,338
<u>\$ 21,546,467</u>	<u>\$ 21,637,488</u>	<u>\$ 22,274,671</u>	<u>\$ 22,508,819</u>	<u>\$ 23,043,626</u>	<u>\$ 22,862,090</u>
\$ 28,024,539	\$ 39,215,671	\$ 43,636,542	\$ 41,291,792	\$ 46,818,744	\$ 47,522,316
8,170,122	6,751,632	1,706,438	7,298,473	3,646,658	3,329,342
13,530,717	8,631,770	13,189,541	12,448,343	15,383,443	19,393,327
<u>\$ 49,725,378</u>	<u>\$ 54,599,073</u>	<u>\$ 58,532,521</u>	<u>\$ 61,038,608</u>	<u>\$ 65,848,845</u>	<u>\$ 70,244,985</u>

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET POSITION

Last Ten Years

	Year			
	2005	2006	2007	2008
Expenses				
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
Total Governmental Activities Expenses	<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
Total Business-Type Activities Expenses	<u>3,168,930</u>	<u>3,223,747</u>	<u>3,082,645</u>	<u>3,510,493</u>
Total Primary Government Expenses	<u>\$ 10,598,052</u>	<u>\$ 11,343,592</u>	<u>\$ 11,516,075</u>	<u>\$ 13,606,362</u>
Program Revenues				
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
Total Governmental Activities Program Revenues	<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	-	-	-
Total Business-Type Activities Program Revenues	<u>3,816,486</u>	<u>4,058,505</u>	<u>3,689,896</u>	<u>4,434,101</u>
Total Primary Government Program Revenues	<u>\$ 5,788,075</u>	<u>\$ 6,224,809</u>	<u>\$ 6,136,957</u>	<u>\$ 7,511,111</u>
Net (Expense)/Revenue				
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
Total Primary Government Net Expense	<u>\$ (4,809,977)</u>	<u>\$ (5,118,783)</u>	<u>\$ (5,379,118)</u>	<u>\$ (6,095,251)</u>

Year					
2009	2010	2011	2012	2013	2014
\$ 2,211,902	\$ 2,046,283	\$ 1,852,750	\$ 1,979,509	\$ 1,744,782	\$ 1,741,875
4,421,088	5,136,312	5,038,540	5,221,610	5,029,549	4,840,944
2,069,991	2,391,025	2,460,625	2,929,708	2,399,621	2,447,946
476,072	525,477	197,711	163,273	158,351	225,551
1,283,271	1,220,035	1,025,458	850,924	797,826	703,579
<u>10,462,324</u>	<u>11,319,132</u>	<u>10,575,084</u>	<u>11,145,024</u>	<u>10,130,129</u>	<u>9,959,895</u>
2,572,957	2,092,496	2,798,185	3,040,413	2,838,464	2,612,155
1,563,335	1,628,516	1,740,698	1,649,470	1,662,206	1,716,718
4,136,292	3,721,012	4,538,883	4,689,883	4,500,670	4,328,873
<u>\$ 14,598,616</u>	<u>\$ 15,040,144</u>	<u>\$ 15,113,967</u>	<u>\$ 15,834,907</u>	<u>\$ 14,630,799</u>	<u>\$ 14,288,768</u>
\$ 1,689,556	\$ 2,324,301	\$ 2,405,134	\$ 3,090,178	\$ 2,881,707	\$ 1,431,320
-	-	-	-	-	-
745,629	296,557	333,423	212,593	272,562	363,058
1,111,357	3,439,600	1,118,822	609,286	750,143	1,063,628
<u>3,546,542</u>	<u>6,060,458</u>	<u>3,857,379</u>	<u>3,912,057</u>	<u>3,904,412</u>	<u>2,858,006</u>
3,250,244	2,983,242	4,194,006	3,894,131	4,092,417	4,000,806
1,528,458	1,243,653	1,414,004	1,466,549	1,435,975	1,333,700
-	-	-	-	-	-
4,778,702	4,226,895	5,608,010	5,360,680	5,528,392	5,334,506
<u>\$ 8,325,244</u>	<u>\$ 10,287,353</u>	<u>\$ 9,465,389</u>	<u>\$ 9,272,737</u>	<u>\$ 9,432,804</u>	<u>\$ 8,192,512</u>
\$ (6,915,782)	\$ (5,258,674)	\$ (6,717,705)	\$ (7,232,967)	\$ (6,225,717)	\$ (7,101,889)
642,410	505,883	1,069,127	670,797	1,027,722	1,005,633
<u>\$ (6,273,372)</u>	<u>\$ (4,752,791)</u>	<u>\$ (5,648,578)</u>	<u>\$ (6,562,170)</u>	<u>\$ (5,197,995)</u>	<u>\$ (6,096,256)</u>

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years

	Year			
	2005	2006	2007	2008
General Revenues and Other				
Changes in Net Position				
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
Total Governmental Activities	<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)
Total Business-Type Activities	<u>(258,665)</u>	<u>(188,281)</u>	<u>(166,336)</u>	<u>(284,183)</u>
Total Primary Government	<u>\$ 6,703,039</u>	<u>\$ 7,126,667</u>	<u>\$ 8,945,997</u>	<u>\$ 9,493,280</u>
Change in Net Position				
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
Total Primary Government	<u>\$ 1,893,062</u>	<u>\$ 2,007,884</u>	<u>\$ 3,566,879</u>	<u>\$ 3,398,029</u>

Year					
2009	2010	2011	2012	2013	2014
\$ 6,100,687	\$ 6,198,169	\$ 6,099,750	\$ 5,511,884	\$ 6,146,643	\$ 6,269,652
2,532,587	2,411,159	2,565,651	3,035,624	2,998,515	3,282,372
845,980	699,172	667,970	666,253	673,888	674,027
134,912	36,792	23,718	20,768	17,834	6,346
358,393	275,580	222,280	134,121	169,946	258,962
1,048,773	420,476	434,601	438,718	494,321	1,188,206
<u>11,021,332</u>	<u>10,041,348</u>	<u>10,013,970</u>	<u>9,807,368</u>	<u>10,501,147</u>	<u>11,679,565</u>
19,186	5,614	2,657	2,069	1,406	1,037
<u>(405,343)</u>	<u>(420,476)</u>	<u>(434,601)</u>	<u>(438,718)</u>	<u>(494,321)</u>	<u>(1,188,206)</u>
<u>(386,157)</u>	<u>(414,862)</u>	<u>(431,944)</u>	<u>(436,649)</u>	<u>(492,915)</u>	<u>(1,187,169)</u>
<u>\$ 10,635,175</u>	<u>\$ 9,626,486</u>	<u>\$ 9,582,026</u>	<u>\$ 9,370,719</u>	<u>\$ 10,008,232</u>	<u>\$ 10,492,396</u>
\$ 4,105,550	\$ 4,782,674	\$ 3,296,265	\$ 2,574,401	\$ 4,275,430	\$ 4,577,676
256,253	91,021	637,183	234,148	534,807	(181,536)
<u>\$ 4,361,803</u>	<u>\$ 4,873,695</u>	<u>\$ 3,933,448</u>	<u>\$ 2,808,549</u>	<u>\$ 4,810,237</u>	<u>\$ 4,396,140</u>

CITY OF JERSEY VILLAGE, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

	Year			
	2005	2006	2007	2008
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	12,331	12,331	12,331	12,331
Unassigned	2,970,740	3,407,207	5,132,634	7,256,287
Total General Fund	\$ 2,983,071	\$ 3,419,538	\$ 5,144,965	\$ 7,268,618
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted				
Capital project funds	2,009,328	1,982,613	10,290,458	6,499,379
Debt service funds	721,258	658,646	727,653	545,424
Special revenue funds	604,274	718,219	769,660	850,542
Assigned				
Capital projects	-	-	-	-
Total All Other Governmental Funds	\$ 3,334,860	\$ 3,359,478	\$ 11,787,771	\$ 7,895,345

Year					
2009	2010	2011	2012	2013	2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 674
16,586	15,720	19,192	24,297	24,875	31,012
8,543,619	9,646,412	10,779,487	5,770,244	7,886,398	10,018,365
<u>\$ 8,560,205</u>	<u>\$ 9,662,132</u>	<u>\$ 10,798,679</u>	<u>\$ 5,794,541</u>	<u>\$ 7,911,273</u>	<u>\$ 10,050,051</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,221
5,039,980	6,732,339	4,918,996	4,204,651	5,001	-
-	-	399,560	450,332	474,716	500,482
1,851,811	-	1,005,618	2,579,531	3,141,766	2,793,875
-	-	-	-	-	1,116,824
<u>\$ 6,891,791</u>	<u>\$ 6,732,339</u>	<u>\$ 6,324,174</u>	<u>\$ 7,234,514</u>	<u>\$ 3,621,483</u>	<u>\$ 4,413,402</u>

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

	Year			
	2005	2006	2007	2008
Revenues				
Taxes	\$ 6,229,704	\$ 6,496,795	\$ 8,145,679	\$ 8,757,923
Permits, licenses, and fees	350,250	224,160	204,244	271,512
Charges for services	299,832	341,956	344,911	438,649
Fines and forfeitures	686,037	801,103	1,008,085	1,177,649
Investment earnings	181,962	320,418	505,793	554,243
Intergovernmental	621,895	788,292	499,322	1,293,711
Other revenues	254,398	110,654	153,192	94,028
Total Revenues	<u>8,624,078</u>	<u>9,083,378</u>	<u>10,861,226</u>	<u>12,587,715</u>
Expenditures				
General government	1,456,322	1,437,939	1,625,875	1,748,173
Public safety	3,110,449	3,107,644	3,327,650	3,586,666
Public works	1,646,731	1,637,561	1,650,040	2,313,402
Parks and recreation	420,755	473,937	498,124	510,991
Capital outlay	753,134	146,249	349,304	4,039,793
Debt service				
Principal	814,163	840,729	862,094	920,054
Interest and fiscal fees	1,313,432	1,278,233	1,324,588	1,617,322
Paid to escrow for current bond refunding	-	-	-	-
Total Expenditures	<u>9,514,986</u>	<u>8,922,292</u>	<u>9,637,675</u>	<u>14,736,401</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(890,908)	161,086	1,223,551	(2,148,686)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Transfers in	858,069	300,000	315,000	379,913
Transfers out	-	-	-	-
Proceeds paid to escrow	-	-	-	-
Issuance of debt	-	-	8,500,000	-
Premium on debt issued	-	-	127,500	-
Total Other Financing Sources	<u>858,069</u>	<u>300,000</u>	<u>8,942,500</u>	<u>379,913</u>
Net Change in Fund Balances	<u>\$ (32,839)</u>	<u>\$ 461,086</u>	<u>\$ 10,166,051</u>	<u>\$ (1,768,773)</u>
Debt service as a percentage of noncapital expenditures	24.28%	24.14%	23.64%	24.69%

		Year									
		2009	2010	2011	2012	2013	2014				
\$	9,463,752	\$	9,285,086	\$	9,354,873	\$	9,596,403	\$	9,861,843	\$	10,389,401
	88,842		84,507		99,301		131,129		133,471		131,473
	745,629		296,557		333,423		212,593		272,562		363,058
	1,634,636		2,239,794		2,305,833		2,959,049		2,748,236		1,299,847
	122,740		32,674		20,454		17,212		14,235		5,041
	1,111,357		3,439,600		1,118,822		609,286		750,143		1,063,628
	358,393		275,580		172,696		58,474		112,545		181,063
	<u>13,525,349</u>		<u>15,653,798</u>		<u>13,405,402</u>		<u>13,584,146</u>		<u>13,893,035</u>		<u>13,433,511</u>
	1,738,804		1,913,068		1,779,389		1,771,567		1,711,971		1,765,524
	4,823,774		4,931,600		5,202,586		4,975,131		5,270,514		4,876,359
	2,069,319		2,400,831		2,888,384		5,303,688		6,171,265		2,323,893
	476,072		570,739		534,455		530,295		552,260		556,575
	2,678,869		2,977,118		3,515,027		264,013		13,425		-
	947,732		701,317		689,520		1,235,000		1,405,000		1,495,000
	1,503,400		1,637,126		1,538,227		1,032,575		759,220		673,669
	-		-		-		135,000		-		-
	<u>14,237,970</u>		<u>15,131,799</u>		<u>16,147,588</u>		<u>15,247,269</u>		<u>15,883,655</u>		<u>11,691,020</u>
	(712,621)		521,999		(2,742,186)		(1,663,123)		(1,990,620)		1,742,491
	-		-		-		6,615		-		-
	1,837,602		1,477,311		721,956		7,353,718		560,397		2,025,025
	(788,829)		(1,056,835)		(287,355)		(6,915,000)		(66,076)		(836,819)
	-		-		-		(9,382,129)		-		-
	-		-		-		9,050,000		-		-
	-		-		-		492,088		-		-
	<u>1,048,773</u>		<u>420,476</u>		<u>434,601</u>		<u>605,292</u>		<u>494,321</u>		<u>1,188,206</u>
\$	<u>336,152</u>	\$	<u>942,475</u>	\$	<u>(2,307,585)</u>	\$	<u>(1,057,831)</u>	\$	<u>(1,496,299)</u>	\$	<u>2,930,697</u>
	22.00%		19.92%		20.75%		19.30%		21.94%		19.97%

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

Function	Year			
	2005	2006	2007	2008
Ad valorem	\$ 4,028,810	\$ 4,050,597	\$ 4,990,201	\$ 5,718,669
Sales	1,626,360	1,877,182	2,601,786	2,449,404
Franchise fee	574,534	569,016	553,692	589,850
Other	68,816	78,695	86,599	96,062
Totals	\$ 6,298,520	\$ 6,575,490	\$ 8,232,278	\$ 8,853,985

Year					
2009	2010	2011	2012	2013	2014
\$ 6,255,115	\$ 6,174,755	\$ 6,071,668	\$ 5,825,494	\$ 6,132,039	\$ 6,355,103
2,449,404	2,411,159	2,565,651	3,035,624	2,998,515	3,282,372
759,233	632,605	667,970	666,253	673,888	674,027
86,747	66,567	49,584	69,032	57,401	77,899
<u>\$ 9,550,499</u>	<u>\$ 9,285,086</u>	<u>\$ 9,354,873</u>	<u>\$ 9,596,403</u>	<u>\$ 9,861,843</u>	<u>\$ 10,389,401</u>

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

	Year			
	2005	2006	2007	2008
Residential property	\$ 340,114,760	\$ 345,838,390	\$ 429,228,150	\$ 470,984,691
Commercial property	98,084,380	104,484,208	144,597,984	194,398,424
Other	198,318,040	280,588,903	223,098,917	236,256,520
Less: Tax exempt property	<u>(51,449,640)</u>	<u>(130,703,740)</u>	<u>(134,005,267)</u>	<u>(141,801,005)</u>
Total Taxable Assessed Value (1)	<u>\$ 585,067,540</u>	<u>\$ 600,207,761</u>	<u>\$ 662,919,784</u>	<u>\$ 759,838,630</u>
Total Direct Tax Rate	\$ 0.67500	\$ 0.67500	\$ 0.74250	\$ 0.74250

Source: Harris County Certified / Uncertified Tax Roll

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

Year

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 498,590,180	\$ 479,135,881	\$ 491,005,824	\$ 491,833,349	\$ 496,740,074	\$ 520,849,850
193,175,025	214,657,268	190,621,214	195,666,311	204,473,889	224,196,999
275,272,631	277,213,850	307,527,234	254,734,037	252,948,984	284,337,338
(147,797,468)	(149,634,733)	(161,632,749)	(161,049,212)	(138,212,692)	(176,397,106)
<u>\$ 819,240,368</u>	<u>\$ 821,372,266</u>	<u>\$ 827,521,523</u>	<u>\$ 781,184,485</u>	<u>\$ 815,950,255</u>	<u>\$ 852,987,081</u>
\$ 0.74250	\$ 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

	Year			
	2005	2006	2007	2008
City of Jersey Village by fund:				
General	\$ 0.36545	\$ 0.33943	\$ 0.43264	\$ 0.45000
Debt service	0.30955	0.33557	0.30986	0.29250
Total Direct Rates	\$ 0.67500	\$ 0.67500	\$ 0.74250	\$ 0.74250
Cypress-Fairbanks Independent School District	\$ 1.80000	\$ 1.80000	\$ 1.65400	\$ 1.32400
Harris County	0.39990	0.39990	0.40239	0.39239
Harris County Flood Control District	0.03322	0.03241	0.03106	0.03106
Port of Houston Authority	0.01474	0.01302	0.01437	0.01437
Harris County Hospital District	0.19216	0.19216	0.19216	0.19216
Harris County Department of Education	0.00629	0.00629	0.00585	0.00585
Total Direct and Overlapping Rates (1)	\$ 3.12131	\$ 3.11878	\$ 3.04233	\$ 2.70233

Tax rates are 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.

Year					
2009	2010	2011	2012	2013	2014
\$ 0.46810	\$ 0.46000	\$ 0.48160	\$ 0.46259	\$ 0.48566	\$ 0.49415
0.27440	0.28250	0.26091	0.27991	0.25684	0.24835
<u>\$ 0.74250</u>					
\$ 1.35000	\$ 1.43000	\$ 1.43000	\$ 1.43000	\$ 1.45000	\$ 1.45000
0.38923	0.38805	0.39117	0.40021	0.40021	0.41455
0.03086	0.02923	0.02809	0.02809	0.02809	0.02827
0.01773	0.02054	0.01856	0.01952	0.01952	0.01716
0.19216	0.19216	0.19216	0.18216	0.18216	0.17000
0.00584	0.00658	0.00658	0.00662	0.00662	0.00636
<u>\$ 2.72832</u>	<u>\$ 2.80906</u>	<u>\$ 2.80906</u>	<u>\$ 2.80910</u>	<u>\$ 2.82910</u>	<u>\$ 2.08634</u>

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CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Goodman Manufacturing Corp.	\$ 52,942,890	1	6.21%	\$ 14,783,680	3	N/A
Prologis	52,730,437	2	6.18%	N/A		N/A
Joe Myers Dealership*	49,274,299	3	5.78%	N/A		2.5%
PCM Steeplechase LLC	37,474,721	4	4.39%	15,234,680	2	2.6%
Trails Corinthian Creek LTD	26,917,284	5	3.16%	N/A		N/A
Gordon NW Village LP	21,200,000	6	2.49%	N/A		N/A
Trails Rock Creek Holdings	18,890,303	7	2.21%	N/A		N/A
Sonic-LS Chevrolet LP	18,643,066	8	2.19%	N/A		N/A
National Oilwell, Inc.	13,675,950	9	1.60%	N/A		N/A
Car Son LMC LP	13,525,841	10	1.59%	11,540,280	6	2.0%
Beeler Sanders V LTD**	N/A		N/A	60,105,260	1	10.3%
Baceline Value Fund I	N/A		N/A	13,133,000	4	2.2%
Sam's/Walmart	N/A		N/A	12,863,160	5	2.2%
Joe Myers Ford II LP	N/A		N/A	11,204,890	7	1.9%
FMC Corp-Wellhead EQ	N/A		N/A	9,834,690	8	1.7%
Enterprise Leasing	N/A		N/A	8,296,450	9	1.4%
Joe Myers Toyota, Inc.	N/A		N/A	8,174,240	10	1.4%
Subtotal	<u>305,274,791</u>		<u>35.79%</u>	<u>165,170,330</u>		<u>28.2%</u>
Other taxpayers	<u>547,712,290</u>		<u>64.21%</u>	<u>419,897,210</u>		<u>71.8%</u>
Total	<u><u>\$ 852,987,081</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 585,067,540</u></u>		<u><u>100.0%</u></u>

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

* 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

	Year			
	2005	2006	2007	2008
Tax levy	\$ 3,959,202	\$ 4,056,968	\$ 4,922,625	\$ 5,621,390
Current tax collected*	3,921,515	3,992,477	4,865,891	5,573,598
Percent of current tax collections	99.05%	98.41%	98.85%	99.15%
Net collections and refunds in subsequent years**	<u>33,623</u>	<u>61,351</u>	<u>51,736</u>	<u>33,364</u>
Total Tax Collections	<u>\$ 3,955,138</u>	<u>\$ 4,053,828</u>	<u>\$ 4,917,627</u>	<u>\$ 5,606,962</u>
Total collections as a percentage of current levy	99.90%	99.92%	99.90%	99.74%

Source: Harris County Tax Assessor-Collector

* Collected within the year of the levy.

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

		Year									
		2009	2010	2011	2012	2013	2014				
\$	5,543,419	\$	6,123,716	\$	6,144,347	\$	5,800,295	\$	6,058,430	\$	6,306,997
	5,487,298		6,038,759		6,060,483		5,746,879		6,014,066		6,288,377
	98.99%		98.61%		98.64%		99.08%		99.27%		99.70%
	38,457		54,740		60,003		38,280		29,923		-
\$	<u>5,525,755</u>	\$	<u>6,093,499</u>	\$	<u>6,120,486</u>	\$	<u>5,785,159</u>	\$	<u>6,043,989</u>	\$	<u>6,288,377</u>
	99.68%		99.51%		99.61%		99.74%		99.76%		99.70%

CITY OF JERSEY VILLAGE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Year			
	2005	2006	2007	2008
Primary Government				
Governmental Activities:				
General obligation bonds	\$ 9,757,373	\$ 9,246,644	\$ 18,257,373	\$ 16,684,496
Certificates of obligation	7,440,000	7,110,000	6,770,000	6,390,000
Capital leases	131,893	67,416	66,696	53,153
Premium on bonds	-	-	-	-
Subtotal	<u>17,329,266</u>	<u>16,424,060</u>	<u>25,094,069</u>	<u>23,127,649</u>
Business-Type Activities:				
Revenue bonds	<u>1,100,000</u>	<u>1,000,000</u>	<u>900,000</u>	<u>800,000</u>
Total Primary Government	<u>\$ 18,429,266</u>	<u>\$ 17,424,060</u>	<u>\$ 25,994,069</u>	<u>\$ 23,927,649</u>
Personal Income	\$ 279,332,362	\$ 279,019,866	\$ 312,241,176	\$ 365,365,000
Debt as a Percentage of Personal Income	6.60%	6.24%	8.32%	6.55%
Population	7,151	7,143	7,254	7,300
Debt Per Capita	\$ 2,577	\$ 2,439	\$ 3,583	\$ 3,278

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

Year					
2009	2010	2011	2012	2013	2014
\$ 16,126,764	\$ 15,657,447	\$ 15,280,000	\$ 18,900,000	\$ 17,770,000	\$ 16,570,000
6,000,000	5,770,000	5,525,000	880,000	605,000	310,000
460,975	385,529	305,666	229,511	777,534	396,073
118,100	225,171	225,171	634,591	586,559	538,527
<u>22,705,839</u>	<u>22,038,147</u>	<u>21,335,837</u>	<u>20,644,102</u>	<u>19,739,093</u>	<u>17,814,600</u>
700,000	-	-	-	-	-
<u>\$ 23,287,739</u>	<u>\$ 21,812,976</u>	<u>\$ 21,110,666</u>	<u>\$ 20,644,102</u>	<u>\$ 19,739,093</u>	<u>\$ 17,814,600</u>
\$ 400,472,100	\$ 368,768,400	\$ 311,825,640	\$ 346,330,800	\$ 413,865,000	\$ 422,125,000
5.82%	5.92%	6.77%	5.96%	4.77%	4.22%
7,350	7,600	7,620	7,650	7,650	7,675
\$ 3,168	\$ 2,870	\$ 2,770	\$ 2,699	\$ 2,580	\$ 2,321

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

	Year			
	2005	2006	2007	2008
Net Taxable Assessed Value				
All property	\$ 585,067,540	\$ 600,207,761	\$ 662,979,784	\$ 759,838,630
Net Bonded Debt				
Gross bonded debt	\$ 17,329,266	\$ 16,424,060	\$ 25,094,069	\$ 23,127,649
Less debt service funds	(720,100)	(658,646)	(727,653)	(545,424)
Net Bonded Debt	\$ 16,477,273	\$ 15,697,998	\$ 24,299,720	\$ 22,529,072
Ratio of Net Bonded Debt				
To Assessed Value	2.82%	2.62%	3.67%	2.96%
Population	7,151	7,143	7,254	7,300
Net Bonded Debt Per Capita	\$ 2,304	\$ 2,198	\$ 3,350	\$ 3,086

Year					
2009	2010	2011	2012	2013	2014
\$ 819,240,368	\$ 821,372,266	\$ 827,521,523	\$ 781,184,485	\$ 815,950,255	\$ 846,401,607
\$ 22,587,739 (405,076)	\$ 21,812,976 (413,552)	\$ 21,110,666 (426,947)	\$ 20,009,511 (450,332)	\$ 19,152,534 (474,716)	\$ 17,276,073 (500,482)
\$ 21,721,688	\$ 21,013,895	\$ 20,683,719	\$ 19,559,179	\$ 18,486,843	\$ 16,775,591
2.65%	2.56%	2.50%	2.50%	2.27%	1.98%
7,350	7,600	7,620	7,650	7,650	7,675
\$ 2,955	\$ 2,765	\$ 2,714	\$ 2,557	\$ 2,417	\$ 2,186

CITY OF JERSEY VILLAGE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
For the Year Ended September 30, 2014

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Cypress-Fairbanks Independent School District	\$ 1,920,861,258	1.450%	\$ 27,852,488
Harris County	\$ 2,674,340,000	0.415%	\$ 11,086,476
Harris County Department of Education	\$ 19,747,858	0.006%	\$ 11,849
Lone Star College District	\$ 473,184,000	0.116%	\$ 548,893
Harris County Flood Control District	\$ 92,935,000	2.827%	\$ 289,410
Harris County Toll Road	\$ 432,540,000	0.300%	\$ 1,297,620
Port of Houston Authority	\$ 744,626,000	0.172%	\$ 1,277,778
Subtotal, overlapping debt			<u>42,364,515</u>
City Direct Debt (3)	\$ 17,276,073	100.000%	\$ <u>17,276,073</u>
Total Direct and Overlapping Debt			\$ <u><u>59,640,588</u></u>

Source: Harris County

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

CITY OF JERSEY VILLAGE, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Years

	Year			
	2005	2006	2007	2008
Gross Revenues (1)	\$ 2,721,633	\$ 2,838,470	\$ 2,722,373	\$ 2,990,360
Operating Expenses (2)	\$ 1,828,678	\$ 1,904,382	\$ 1,697,094	\$ 2,044,401
Net Revenues Available for Debt Service	\$ 892,956	\$ 934,087	\$ 1,025,280	\$ 945,959
Debt Service Requirements (3)				
Principal	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Interest	64,750	57,750	50,750	43,750
Total	\$ 164,750	\$ 157,750	\$ 150,750	\$ 143,750
Coverage	5.42	5.92	6.80	6.58

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

Year						
2009	2010	2011	2012	2013	2014	
\$ 3,266,384	\$ 2,980,427	\$ 4,228,053	\$ 3,895,964	\$ 4,093,684	\$ 4,001,738	
\$ 2,310,652	\$ 1,844,384	\$ 2,630,168	\$ 2,750,154	\$ 2,608,672	\$ 2,356,645	
\$ 955,732	\$ 1,136,043	\$ 1,597,885	\$ 1,145,810	\$ 1,485,012	\$ 1,645,093	
\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	
37,625	-	-	-	-	-	
<u>\$ 137,625</u>	<u>\$ -</u>					
6.94	0.00	0.00	0.00	0.00	0.00	0.00

CITY OF JERSEY VILLAGE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year Ended Sep. 30	Population (1)	Personal Income (4)	Per Capita Personal Income	Median Age	School Enrollment (2)	Unemployment Rate (3)
2005	7,151	\$ 279,332,362	\$ 39,062	37.8	4,001	4.0%
2006	7,143	\$ 279,019,866	\$ 39,062	37.8	4,091	4.0%
2007	7,254	\$ 312,241,176	\$ 43,044	39.0	4,087	4.2%
2008	7,300	\$ 365,365,000	\$ 50,505	39.0	4,100	5.1%
2009	7,350	\$ 400,472,100	\$ 54,486	38.0	3,865	8.2%
2010	7,600	\$ 368,768,400	\$ 48,259	37.8	4,177	8.2%
2011	7,620	\$ 311,825,640	\$ 40,922	37.8	4,232	8.1%
2012	7,650	\$ 346,330,800	\$ 45,272	32.7	4,300	6.9%
2013	7,650	\$ 413,865,000	\$ 54,100	37.8	4,400	6.2%
2014	7,675	\$ 422,125,000	\$ 55,000	37.8	4,500	5.0%

Data sources:

- (1) Bureau of the Census
- (2) The school enrollment reflects enrollment in schools located within the City limits.
- (3) Texas Workforce Commission
- (4) Personal income is available on www.clrsearch.com/Jersey-Village-Demographics/TX.

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Joe Myers Ford	317	1	8.96%	220	2	7.25%
Jersey Village High School	224	2	6.64%	309	1	10.18%
Sonic-LS Chevrolet	195	3	5.67%	180	5	5.93%
Joe Myers Toyota	189	4	5.50%	200	4	6.59%
Sam's East, Inc.	165	5	5.30%	200	3	6.59%
City of Jersey Village	164	6	4.50%	116	7	3.82%
Foundry Methodist	137	7	4.30%	135	6	4.45%
Joe Myers Mazda	108	8	3.38%	62	9	2.04%
Post Elementary School	66	9	3.20%	108	8	3.56%
Jersey Village Baptist Church	64	10	1.50%	15	10	0.49%
Total	1,629		48.95%	1,545		50.92%

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CITY OF JERSEY VILLAGE, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Administrative										
City Council *	6	6	6	6	6	6	6	6	6	6
Administration	2	3	3	3	3	3	3	3	3	3
Information Technology	1	1	2	2	2	2	2	2	2	2
Municipal Court	3	4	4	4	4	4	4	4	4	4
City Secretary	1	1	1	1	1	1	1	1	1	1
Finance	5	4	4	4	4	4	4	4	4	4
Public Safety										
Police	24	26	26	26	30	30	30	28	30	30
Fire	3	3	4	4	4	4	4	6	6	6
Communications	8	7	8	7	8	8	8	7	7	7
Public Works										
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Streets	2	2	3	3	3	3	3	3	3	3
Community Development	4	4	4	4	4	4	4	4	4	4
Fleet Services	2	2	2	2	2	2	2	2	2	2
Parks and Recreation										
Parks	6	8	8	7	8	8	8	7	8	8
General Fund Total	69	73	77	75	81	81	81	79	82	82
Enterprise Fund:										
Utilities	5	5	5	5	5	5	5	5	5	5
Golf Course	4	4	4	4	4	4	4	4	4	4
Enterprise Fund Total	9	9	9	9	9	9	9	9	9	9
Special Revenue Fund:										
Police	-	-	-	-	2	2	2	2	2	1
Special Revenue Fund Total	-	-	-	-	2	2	2	2	2	1
Total City Positions	78	82	86	84	92	92	92	90	93	92

NOTES:

* City Council members are not full time employees.

Around 20-35 temporary and seasonal employees are hired during the summer months as pool personnel and front desk. This count is not reflected above.

On-call firefighters (9) are not included.

CITY OF JERSEY VILLAGE, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function/Program	Year			
	2005	2006	2007	2008
Police				
Physical arrests	420	475	565	758
Parking violations	161	246	136	136
Traffic violations	14,978	16,831	15,504	15,504
Fire				
Calls for service	910	915	1,028	1,042
Water				
Service calls	1,142	1,050	1,239	1,575
Water main breaks	-	-	3	2
Average daily consumption (thousands of gallons)	112	125	125	1134
Total consumption (thousands of gallons)	362.34	417.93	374.79	334.51
Peak daily consumption (thousands of gallons)	2.05	1.86	1.90	1.70
Sewer				
Average daily sewage treatment (thousands of gallons)	*	*	*	0.1713
Peak daily consumption (thousands of gallons)	*	*	*	0.6194

Source: Various City departments

* Information is unavailable.

Year					
2009	2010	2011	2012	2013	2014
768	684	272	814	1153	778
70	13	67	82	30	20
14,783	7,057	6,871	11,074	11,489	9,553
1,055	1,065	1,138	1,634	1,615	1,216
1,629	1,422	1,699	1,634	1,716	2,014
5	1	31	15	12	4
1137	1136	1758	1368	1478	1285
385.05	414.50	641.50	499.46	539.60	469.20
1.70	2.41	3.32	3.95	3596.00	4946.00
0.1808	0.2092	0.1877	0.2173	0.2301	0.2569
0.6563	0.5697	0.3979	0.5229	0.5003	0.5465

CITY OF JERSEY VILLAGE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Year			
	2005	2006	2007	2008
Police				
Stations	1	1	1	1
Patrol units	14	15	15	17
Fire				
Stations	1	1	1	1
Volunteers	34	37	29	29
Other public works				
Streets (miles - centerlines)	28.20	28.84	28.84	28.84
Streetlights	47	47	47	47
Traffic signals	11	11	11	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)	34.4	35.8	35.8	35.8
Fire hydrants	445	445	455	455
Storage capacity (thousands of gallons)	2,550	2,550	2,550	2,550
Sewer				
Sanitary sewers (miles)	34.8	35.2	35.2	35.2
Storm sewers (miles)	18.2	20.2	20.2	20.7
Treatment capacity (thousands of gallons)	800	800	800	800

Source: Various City departments

Year					
2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
16	16	16	16	16	16
1	1	1	1	1	1
30	37	32	33	33	40
28.84	28.84	29.60	29.60	29.60	29.60
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	36.6	36.6	36.6	36.6
455	455	466	468	468	468
2,550	2,550	2,550	2,550	2,550	2,550
35.2	35.2	36.2	36.2	36.2	36.2
20.7	20.7	21.7	21.7	21.7	21.7
800	800	800	800	800	800

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