

**Comprehensive
Annual Financial Report**

of the

City of Jersey Village, Texas

**Fiscal Year Ended
September 30, 1999**

Officials Issuing Report

**R. Dale Brown
City Manager
Louis Q. Rodriguez, CPA
Director of Finance**



CITY OF JERSEY VILLAGE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1999

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>INTRODUCTORY SECTION</u>		
Letter of Transmittal		1-12
Organization Chart		13
Certificate of Achievement for Excellence in Financial Reporting		14
Principal Officials		15
<u>FINANCIAL SECTION</u>		
Independent Auditors' Report		16
<u>GENERAL PURPOSE FINANCIAL STATEMENTS</u>		
Combined Balance Sheet – All Fund Types and Account Groups	A-1	17-18
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types	A-2	19-20
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenue and Debt Service Funds	A-3	21-22
Statement of Revenues, Expenses and Changes in Fund Equity – Proprietary Fund Type	A-4	23
Statement of Cash Flows – Proprietary Fund Type	A-5	24
Notes to Financial Statements	A-6	25-44
<u>COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES</u>		
<u>Governmental Fund Types</u>		
General Fund:		
Comparative Balance Sheets	B-1	45
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	B-2	46-50

CITY OF JERSEY VILLAGE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1999

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>FINANCIAL SECTION (continued)</u>		
<u>COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES (continued)</u>		
<u>Governmental Fund Types (continued)</u>		
Special Revenue Funds:		
Combining Balance Sheet	C-1	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	C-2	52
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Hotel Occupancy)	C-3	53
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Asset Forfeiture)	C-4	54
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Crime Control & Prevention)	C-5	55
Debt Service Fund:		
Comparative Balance Sheets	D-1	56
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	D-2	57
Capital Projects Fund:		
Comparative Balance Sheets	E-1	58
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	E-2	59
<u>Proprietary Fund Type</u>		
Enterprise Fund:		
Comparative Balance Sheets	F-1	60
Schedule of Revenues, Expenses and Changes in Retained Earnings – Budget and Actual (Non-GAAP Budgetary Basis)	F-2	61

CITY OF JERSEY VILLAGE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1999

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES</u> (continued)		
<u>Account Groups</u>		
General Fixed Assets:		
Comparative Schedules of General Fixed Assets by Source	G-1	62
Schedule of General Fixed Assets by Function and Activity	G-2	63
Schedule of Changes in General Fixed Assets by Function and Activity	G-3	64
General Long-Term Debt:		
Comparative Schedules of General Long-Term Debt	H-1	65
Schedule of Changes in General Long-Term Debt	H-2	66-67
Schedule of General Long-Term Debt Service Requirements to Maturity	H-3	68-69
 <u>UNAUDITED STATISTICAL SECTION</u>		
General Government Revenues by Source – Last Ten Fiscal Years	1	70-71
General Government Expenditures by Function – Last Ten Fiscal Years	2	72-73
Property Tax Levies and Collections – Last Ten Fiscal Years	3	74
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	4	75
Property Tax Rates and Tax Levies – Direct and Overlapping – Last Ten Fiscal Years	5	76-77
Tax Rate Distribution – Last Ten Fiscal Years	6	78
Principal Taxpayers	7	79
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Fiscal Years	8	80-81
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures – Last Ten Fiscal Years	9	82

CITY OF JERSEY VILLAGE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1999

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Computation of Direct and Overlapping Debt	10	83
Demographic Statistics – Last Ten Fiscal Years	11	84
Property Value, Construction and Bank Deposits – Last Ten Fiscal Years	12	85
Texas Municipal Retirement System – Schedule of Actuarial Liabilities and Funding Progress – Last Six Calendar Years	13	86-87
Miscellaneous Statistical Data	14	88-89



Incorporated 1996

A Texas Star Community

November 27, 1999

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

The comprehensive annual financial report of the City of Jersey Village, Texas (the "City") for the fiscal year ended September 30, 1999, is hereby submitted. The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. We believe the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

A full range of municipal services is provided by the City 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. All funds and account groups of the City are included.

FORM OF GOVERNMENT

The City of Jersey Village has adopted a Council-Manager form of government. The Council is comprised of a Mayor and five Council members. The Mayor and Council members are all elected at large. The Mayor and two Council members are elected one year and three Council members are elected the next year. The City Manager is appointed by the Council and is responsible for implementation of council policy and all day to day operations of the City.

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

MISSION STATEMENT

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

GEOGRAPHIC DESCRIPTION

The City is located 15 miles northwest of downtown Houston. Estimated total population has increased since 1990 to just over 8,000. Residents have access to the large and diverse employment base. Per capita income is 147% of state and 131% of national levels. Property market value has increased by a moderate 3.4% average annual rate since 1990, but in 1999 through annexation increased to \$426 million, or nearly \$54,000 per capita. Most of the growth is attributed to steady development of residential property, which constitutes over 54% of the City's 3.5 square miles of land area. Much of the undeveloped land is zoned for commercial uses. The City has limited opportunities to annex adjacent areas, but there is currently no planned annexation in place. The largest taxpayer is an automobile dealership, which constitutes 5.1% of the total tax base. Overall concentration is fairly low, with the top 10 taxpayers representing 27.7% of the base. Financial position is strong, with the City holding a total general fund balance of about \$2,026,000, or 55% of total operating expenditures, as of September 30, 1999. Property taxes account for over 35% of operating revenues, while a 2.0% sales tax makes up about 27%. The 1999 fiscal year budget projects a small decrease in the fund. Recent statewide changes in assessment procedures for car dealerships have had little impact on property tax revenues. Property value growth in 1999 also has been faster than anticipated. With a current total tax rate of \$.68408 per \$100.00 of assessed value, only 29% of the levy limit is being used. In a prior fiscal year, taxpayers passed a referendum for a 0.5% increase in the sales tax amounting to over \$450,000 annually in additional annual revenues. The increase went into effect October 1, 1995. Overall net debt is high, at about \$2,400 per capita and 2.8% of true value. Debt service accounts for 13% of operating expenditures, with water and sewer system operations partially funding annual finance charges. The City expects to issue \$3 million - \$4 million of additional debt around the year 2000 for a new fire station, fire truck, City Hall complex and an interconnect waterline with the City of Houston.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

The total financial program of the City of Jersey Village for the 2000 fiscal year consists of an operational budget of \$7,403,000. This budget is \$1,696,000 more than that of the 1998-1999 fiscal year. The Capital Improvements Fund expenditures are budgeted in the amount of \$1,284,000.

General Governmental Functions

Revenues and Other Financing Sources

The following schedule presents a summary of Governmental fund type (General, Asset Forfeiture, Motel Tax, Crime Control and Prevention, Debt Service, and Capital Projects Fund) revenues for the fiscal year ended September 30, 1999, and the amount of increases and decreases in relation to prior year revenues (in thousands).

<u>Revenue Source</u>	<u>Amount (1000's)</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 1998</u>
Property taxes	\$ 2,621	47.91 %	\$ 523
Other taxes	1,735	31.71	633
Licenses and permits	88	1.61	(33)
Fines and forfeitures	366	6.69	115
Charges for services	166	3.03	(10)
Other revenue	237	4.33	(547)
Interest revenue	258	4.72	43
Total	\$ 5,471	100.00 %	\$ 724

Dissolution of Municipal Utility Districts and Annexations

The City annexed two Municipal Utility Districts effective December 14, 1998. The Districts were dissolved effective March 1, 1999. The City assumed the powers, duties, assets and obligations of the dissolved Districts pursuant to Section 43.075 of Vernon's Texas Code Annotated. The annexations and dissolutions resulted in net assets of approximately \$4 million to be recorded in the City's Utility System Enterprise Fund. Water distribution and wastewater collection system assets with a book value of approximately \$3.6 million were included as additions to contributed capital in the City's Utility System Enterprise Fund. Cash and temporary investments of approximately \$.4 million were included as additions to contributed capital in the City's Utility System Enterprise Fund. Drainage improvements of approximately \$2 million were added to the General Fixed Assets Account Group. General obligation debt of approximately \$5.4 million was recorded in the General Long-Term Debt Account Group. Approximately \$2.3 million was received by the Debt Service Fund for debt service payments. Approximately \$.8 million was received by the Capital Projects Fund for authorized construction.

Property Tax

Property tax revenues for the year totaled \$2,620,888, an increase of approximately 24 percent from last year. The following table presents a comparison of valuations, tax rates, and tax levies.

	<u>1998-1999</u>	<u>1997-1998</u>	<u>Change</u>
Net Assessed Valuations	\$ 319,000,537	\$ 298,945,530	\$ 20,055,007
Tax Rate per \$100			
General Fund	0.53279	0.52966	0.00313
Debt Service Fund	0.15129	0.15442	(0.00313)
Total	\$ 0.68408	\$ 0.68408	\$ (0.00000)
Tax Levy	\$ 2,182,219	\$ 2,045,027	\$ 137,192

The net assessed property valuation on which taxes were levied by the City for 1998 was \$319,000,537, an increase of 6.7 percent over the previous tax year. Residential valuations increased 8.2 percent while commercial valuations increased 3.1 percent for a net increase of 7.3 percent. Since 1987, net valuations have increased 38%, the majority of which is attributable to the increases of residential areas.

The combined tax rate for 1999 was \$0.68408 per \$100 of valuation, the same as the previous year. The allocation between the two components was changed by decreasing the Debt Service Fund portion by 0.00313 and increasing the General Fund component by 0.00313. This action decreased property taxes allocated for debt service approximately \$9,985. The total levy for the 1999 fiscal year (1998 tax year) was \$2,182,219, an increase from the previous year of \$137,192.

Current property tax collections represent 100.0 percent of the current levy, approximately the same percentage as last year. The ratio of total collections (current and delinquent) to the current tax levy was 100 percent. Collections are comparable to collections for the past year and continue to remain at a higher level than in surrounding areas.

The City retains a delinquent tax attorney to assist in collection of delinquent tax accounts. The City through the delinquent tax attorney intervenes in suits filed by the Cypress-Fairbanks Independent School District, whose accounts overlap with the City's, for a more efficient collection of taxes. Total delinquent taxes outstanding as of September 30, 1999 were \$82,643, representing 3.7 percent of the current tax levy.

Sales Tax

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

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

Sales tax revenue for the City, excluding sales tax revenue for the State, totaled \$1,315,961, a 17 percent increase over budget. This increase is primarily attributed to increased new retail business and general growth in retail sales. The monthly average for 1998-1999 was \$109,663, as compared to \$61,285 in the previous year.

Total combined sales tax revenues are 27 percent of total revenues.

Franchise Fees

Franchise fees totaled \$359,779, an increase of \$43,610 from the prior year. Collections are based on gross receipts of electricity, gas, cable, and telephone utilities and are contingent upon customers and customer demand.

Investment Income

The City maintained a high investment balance through its cash management program with revenue from interest earnings, which represented approximately 5 percent of general government revenue. This is slightly higher than last year due to a slight increase in interest rates over the year. Managing investment income is an ever increasing challenge and responsibility for the investment officer.

Expenditures

Expenditures for general governmental purposes totaled \$8,092,507, an increase of 79 percent from 1998. Changes in levels of expenditures for departments and major functions of the City from the preceding year are shown in the following tabulation (in thousands):

<u>Classification</u>	<u>Amount (1000's)</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 1998</u>
Finance & Administration	\$ 795	9.82 %	\$ (124)
Public Works	982	12.13	27
Public Safety	1,796	22.19	423
Parks and Recreation	241	2.98	9
Debt Service	2,308	28.52	1,846
Capital Improvements	1,971	24.35	1,431
Total	<u>\$ 8,093</u>	<u>100.00 %</u>	<u>\$ 3,612</u>

The total 1999 expenditures for all functions increased \$3,559,222 over the prior year. The increase in debt service is due to the early retirement of debt from the recently annexed Municipal Utility Districts.

Fund Balances

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

<u>Fund</u>	<u>1999</u>	<u>1998</u>	<u>Increase (Decrease)</u>
General Fund	\$ 2,026,341	\$ 1,725,956	\$ 300,385
Debt Service Fund	1,083,233	371,512	711,721
Capital Projects Fund	1,765,028	1,456,691	308,337

The policy of the General Fund is to maintain a fund balance equivalent of three months or 25 percent of annual normal recurring expenditures. For the year ended September 30, 1999, the calculated balance required for the General Fund is approximately \$920,000. The actual undesignated balance of \$2,014,885 is greater than the policy requirement. Amounts in excess of the required balance are presented to the City Council for transfer to a Capital Projects Fund or considered for funding of non-recurring operations and maintenance expenditures. As the funds are accumulated, plans are developed for the best and most appropriate use. This plan is adopted

by the City Council as part of the overall annual budget process. The required fund balance for the Debt Service Fund is \$577,098 and the actual balance is \$1,083,233. This amount is greater than the required amount but will be reduced over the next five years to meet debt requirements.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. At September 30, 1999, these indicators were as follows:

<u>Description</u>	<u>Amount</u>	<u>Percent of Debt to Assessed Value</u>	<u>Debt per Capita</u>
Net direct bonded debt	\$ 5,061,758	1.59 %	\$ 633
Overlapping debt	14,126,729	4.43	1,766
Total Direct and Overlapping Debt	\$ 19,188,487	6.02 %	\$ 2,399

Total outstanding tax supported debt (general obligation bonds and certificates of obligation) at September 30, 1999 totaled \$6,144,991.

The City's General Obligation bond rating was maintained by both rating agencies after a bond presentation associated with the 1995 issue. Current ratings on debt issues of the City are as follow:

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

Cash Management

The Investment Policy adopted by the City Council is in compliance with state statutes governing investment activities. In 1998-99, investments were primarily placed with Texpool, a state administered investment pool available to local governments. The City's texpool investments at September 30, 1999 totaled \$5,509,434 (100 percent of the City's portfolio) and interest earnings were at 5.23% in September 1999. Texpool's invested balance was approximately \$8.6 billion, of which derivatives represented less than 1 percent of the portfolio. The increase in the investments placed with Texpool was a direct result of the declining interest rates offered with the local depository. The City will continue to review its portfolio per the investment policy after considering safety, liquidity and return on investment. Texpool is rated as an AAA money market fund by Standard and Poor's. As of September 30, 1999, the weighted average maturity of investments was 52 days.

Capital Projects Funds

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

For the last several years, the policy of the City has been to maintain its infrastructure base for streets, water and wastewater systems, and municipal facilities through an aggressive maintenance and improvement program. A portion of general fund revenues is allocated to the Capital Improvement Plan each year. Debt is issued when necessary to finance long-term capital improvements. Appropriations remain with the project until completion. Council may reappropriate the funds to reflect a change in priority as recommended by staff. Total expenditures for capital improvements were \$1,583,442. Some projects were completed and several were in progress at year end.

Annually, the City will evaluate the fund balance position of the General Fund and amounts over the policy guidelines will be considered for transfer to this fund. Expenditures during the 1998-99 fiscal year include the costs of various water line and well projects.

The fund balance designated for capital improvement projects, at September 30, 1999, was \$1,765,028 which includes \$100,000 for a municipal complex and \$1,156,000 for water projects.

Water and Wastewater Enterprise Fund

The City accounts for water and sewer utility systems as an enterprise fund. Annually, the City produces or purchases approximately 400 million gallons of water. As of September 30, 1999, the customer base and consumption for the past two fiscal years is presented below:

<u>Customer Base</u>	<u>1998-99</u>	<u>1997-98</u>
Residential	1,852	1,778
Commercial	212	173
Total	<u>2,064</u>	<u>1,951</u>
 <u>Annual Consumption (Thousands of Gallons)</u>		
Residential	241,531	279,402
Commercial	95,382	67,848
Total	<u>336,913</u>	<u>347,250</u>
 <u>Average Monthly Consumption per Customer (Gallons)</u>		
Residential	13,042	13,100
Commercial	44,992	33,650
Total	<u>58,034</u>	<u>46,750</u>

In recent years, a five year rate and financial plan was developed to meet the projected operating and maintenance costs. The rate structure adopted as a result of the plan is designed to encourage conservation, recapture all operating costs and fund future capital improvement programs. The actual rates are comprised of two components, a water service charge and a sewer charge. Base service charges increase with meter size to more accurately reflect the demand created by individual customer classes. A sewer cap of the average sewer bill for the period November through February is in effect during the months March through February. The average monthly bill for a typical residential customer with a 3/4 inch meter based on 3,000 gallons is \$27.66 which represents \$7.70 for water and \$19.96 for sewer.

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

	<u>1998-99</u>	<u>1997-98</u>
Gross Revenue	\$ 1,423,819	\$ 1,285,561
Total Operating Expenses (net of depreciation)	734,751	653,125
Cash and Equivalents	688,768	625,721

To continue to provide maintenance for infrastructure and to maintain revenue levels to meet expenses and debt requirements, the City may review the water and sewer rates in 1999. During the next year, the City will continue to upgrade the water and wastewater system by replacing and adding new waterlines and sewer lines in the City.

Risk Management

Medical claims are covered by a private insurance carrier. As of September 30, 1999, the City required employees to contribute \$100 per month for dependent group health coverage. For the fiscal year ended September 30, 1999, total cost for the program was \$497,190. Based on the employee population at September 30, 1999 of 57, the average cost per employee was \$8,634.

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

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general government functions and exclude the fixed assets of the Enterprise Fund. As of September 30, 1999, the general fixed assets of the City amounted to \$11,478,967. The \$4,000,000 increase from the previous year is mainly attributable to the annexation and dissolution of two Municipal Utility Districts, the purchase of new police vehicles and city hall remodeling. Annually, as part of the budget process, the City conducts an inventory of materials, equipment and office furniture and disposes of obsolete, surplus or scrap equipment and materials through public auction.

Comprehensive Plan

The City's comprehensive plan was adopted in 1989. It is now time for a major re-examination/update to this document. Of particular importance in this update will be an examination of the current zoning patterns of the City and a determination as to whether the City should undertake amendments to the zoning plan.

Municipal Facilities

City Hall Remodeling. The City is planning to replace current facilities to accommodate improved training and meeting areas for the fire department. This new project is planned for the year 2000.

Recycling

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

Police Public Safety Programs

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

Fire Department Public Education

Public education holds a high priority in the Jersey Village Fire Department. In 1999, fire safety education programs were presented to approximately 4,000 people. The audience age ranged from pre-school to senior citizens. Additionally, first aid and CPR classes are available and are presented upon request. Many of the presentations are done by the volunteers in the department. Code enforcement is another educational process. Fire safety inspections are done in all public and commercial businesses. These inspections are done through the Fire Marshal's office. It is the goal of the Fire Marshal's office to get compliance through education rather than citations which may lead to punitive action.

FUTURE PROJECTS

Capital Improvement Program

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

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

For fiscal year 1998-99, the City's primary thrust in capital projects was the extension of water lines, the street paving and rehabilitation of the swimming pool. Future projects contained in the CIP include construction of a new extension and/or rehabilitation of numerous water and sewer lines.

INDEPENDENT AUDIT

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1998. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

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

ACKNOWLEDGMENTS

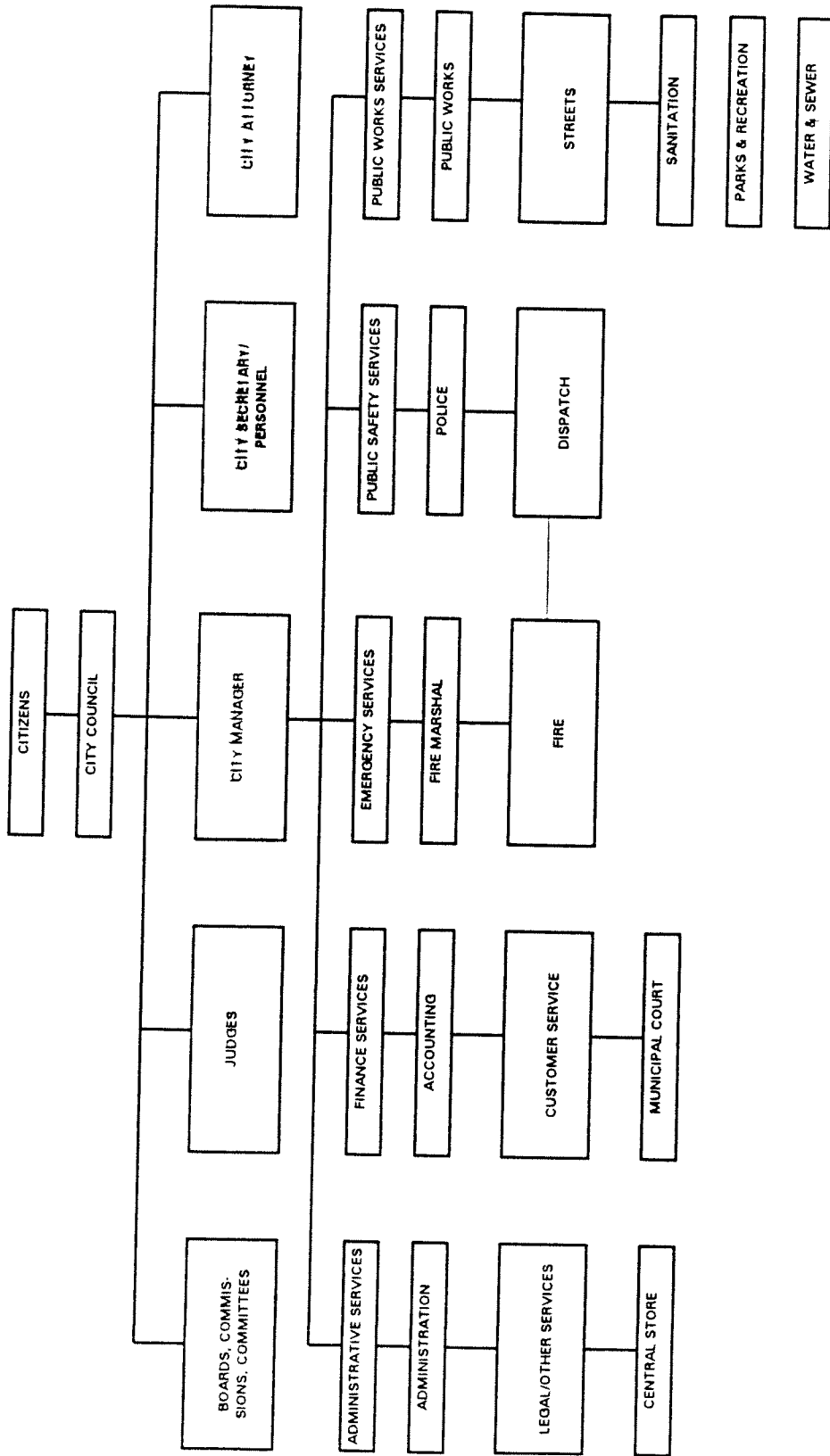
The preparation of this report on a timely basis was accomplished with the expertise and dedicated services of the staff of the Finance Department and individual contributions of Louis Q. Rodriguez, CPA, Director of Finance and Sara Castillo, Accounting Assistant. We express our sincere appreciation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

Respectfully submitted,



R. Dale Brown
City Manager

CITY OF JERSEY VILLAGE
 ORGANIZATION CHART
 FY 1998-99



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, 1998

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



Carol Brueck
President

Jeffrey L. Essler
Executive Director

CITY OF JERSEY VILLAGE, TEXAS

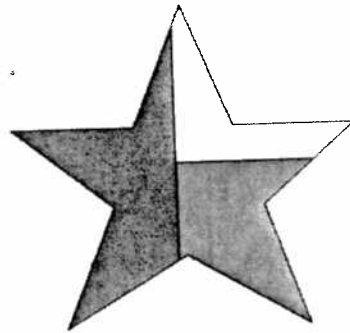
PRINCIPAL OFFICIALS

September 30, 1999

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Stephen Schneider	Mayor	2001
Rusty Preece	Council Member – Position No. 1	2000
Ed Heathcott	Council Member – Position No. 2	2001
Charlie Wilson, Jr.	Council Member – Position No. 3 (Mayor Pro-Tem)	2001
David Jackson	Council Member – Position No. 4	2000
Joyce Berube	Council Member – Position No. 5	2000

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

* - City Council Appointive Position



A Texas Star Community

Independent Auditors' Report

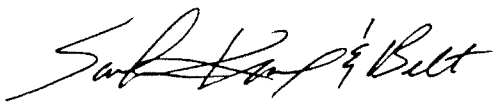
To the Honorable Mayor and
Members of the City Council
City of Jersey Village, Texas

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the City of Jersey Village, Texas, as of September 30, 1999, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the City of Jersey Village, Texas, management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Jersey Village, Texas, as of September 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Jersey Village, Texas, as of September 30, 1999, and the results of operations of such funds and the cash flows of individual proprietary fund types for the year ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The financial information listed as schedules and statistical information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Jersey Village, Texas. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

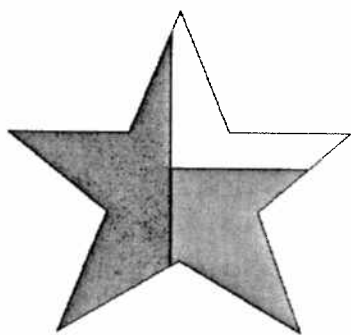


Sugar Land, Texas
November 12, 1999



GENERAL PURPOSE FINANCIAL STATEMENTS





A Texas Star Community

CITY OF JERSEY VILLAGE, TEXAS

COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1999

with comparative totals for September 30, 1998

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Cash and temporary investments	\$ 3,748,392	\$ 241,605	\$ 786,478	\$ 1,012,631
Receivables:				
Taxes	51,396		31,247	
Accounts	29,623			
Due from other funds	54,312	159	296,755	752,397
Land, buildings, and equipment net of accumulated depreciation in the Enterprise Fund				
Other assets				
<u>Other Debits</u>				
Amount available for debt service				
Amount to be provided for retirement of general long-term debt				
Total Assets and Other Debits	<u>\$ 3,883,723</u>	<u>\$ 241,764</u>	<u>\$ 1,114,480</u>	<u>\$ 1,765,028</u>
<u>Liabilities, Equity, and Other Credits</u>				
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 371,587	\$	\$	\$
Due to other funds	1,434,399	3,012		
Customer deposits				
Deferred revenue	51,396		31,247	
Bond anticipation note payable				
Bonds payable				
Certificates of obligation				
Accrued interest on premium compound interest bonds				
Total Liabilities	<u>1,857,382</u>	<u>3,012</u>	<u>31,247</u>	
<u>Equity and Other Credits</u>				
Contributed capital				
Investment in general fixed assets				
Retained Earnings:				
Reserved				
Unreserved				
Fund Balances:				
Reserved for debt service			1,083,233	
Unreserved and designated	11,456	238,752		1,765,028
Unreserved and undesignated	2,014,885			
Total Equity and Other Credits	<u>2,026,341</u>	<u>238,752</u>	<u>1,083,233</u>	<u>1,765,028</u>
Total Liabilities, Equity, and Other Credits	<u>\$ 3,883,723</u>	<u>\$ 241,764</u>	<u>\$ 1,114,480</u>	<u>\$ 1,765,028</u>

See Notes to Financial Statements.

Proprietary Fund Types		Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	General Fixed Assets	General Long-Term Debt	September 30, 1999	September 30, 1998
\$ 688,768	\$ 141,942	\$	\$	\$ 6,619,816	\$ 5,098,490
204,436				82,643	49,999
385,088				234,059	109,017
				1,488,711	111,078
9,607,532		11,478,967		21,086,499	13,670,490
			1,083,233	1,083,233	371,512
<u>\$ 10,885,824</u>	<u>\$ 141,942</u>	<u>\$ 11,478,967</u>	<u>\$ 8,520,636</u> <u>\$ 9,603,869</u>	<u>\$ 8,520,636</u> <u>\$ 39,115,597</u>	<u>\$ 2,303,488</u> <u>\$ 21,714,124</u>
\$ 10,362	\$ 51,300	\$	\$	\$ 381,949	\$ 351,600
61,164				1,488,711	111,078
				61,164	51,351
				82,643	49,999
			1,255,000	1,255,000	
			4,019,991	4,019,991	375,000
			2,125,000	2,125,000	2,300,000
<u>71,526</u>	<u>51,300</u>	<u></u>	<u>2,203,878</u> <u>9,603,869</u>	<u>2,203,878</u> <u>11,618,336</u>	<u></u> <u>3,239,028</u>
9,765,094		11,478,967		9,765,094	5,770,590
				11,478,967	7,567,488
321,001				321,001	209,634
728,203	90,642			818,845	892,054
				1,083,233	371,512
				2,015,236	1,949,918
<u>10,814,298</u>	<u>90,642</u>	<u>11,478,967</u>	<u></u>	<u>2,014,885</u>	<u>1,713,900</u>
<u>\$ 10,885,824</u>	<u>\$ 141,942</u>	<u>\$ 11,478,967</u>	<u>\$ 9,603,869</u>	<u>\$ 27,497,261</u>	<u>\$ 18,475,096</u>
				<u>\$ 39,115,597</u>	<u>\$ 21,714,124</u>

IMPACT
UP

CITY OF JERSEY VILLAGE, TEXAS

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

Year Ended September 30, 1999
with comparative totals for Year Ended September 30, 1998

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues				
Property taxes	\$ 1,902,539	\$	\$ 718,349	\$
Other taxes	1,530,487	204,629		
Licenses and permits	87,731			
Fines and warrants	365,854			
Fees and charges for services	165,902			
Mutual aid				
Intergovernmental	51,021			
Interest on investments	158,665	19,666	24,059	55,235
Other	172,691			14,200
Total Revenues	<u>4,434,890</u>	<u>224,295</u>	<u>742,408</u>	<u>69,435</u>
Expenditures				
Current:				
General government	794,586			
Public safety	1,716,453	79,284		
Public works	981,523			
Parks and recreation	241,396			
Capital outlay		387,430		1,583,442
Debt Service:				
Principal retirement			1,965,000	
Interest and fiscal charges			343,393	
Total Expenditures	<u>3,733,958</u>	<u>466,714</u>	<u>2,308,393</u>	<u>1,583,442</u>
Revenues Over (Under) Expenditures	<u>700,932</u>	<u>(242,419)</u>	<u>(1,565,985)</u>	<u>(1,514,007)</u>
Other Financing Sources (Uses)				
Sale of assets	5,336			
Operating transfers in	231,687			1,037,570
Operating transfers (out)	(637,570)			
Total Other Financing Sources (Uses)	<u>(400,547)</u>			<u>1,037,570</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	300,385	(242,419)	(1,565,985)	(476,437)
Fund balances - Beginning	1,725,956	481,171	371,512	1,456,691
Residual equity transfer			2,277,706	784,774
Fund Balances - Ending	<u>\$ 2,026,341</u>	<u>\$ 238,752</u>	<u>\$ 1,083,233</u>	<u>\$ 1,765,028</u>

See Notes to Financial Statements.

Totals (Memorandum Only)			
<u>September 30, 1999</u>		<u>September 30, 1998</u>	
\$	2,620,888	\$	2,098,134
	1,735,116		1,102,110
	87,731		120,499
	365,854		250,481
	165,902		176,192
			4,375
	51,021		736,954
	257,625		215,028
	186,891		42,743
	<u>5,471,028</u>		<u>4,746,516</u>
	794,586		919,141
	1,795,737		1,372,878
	981,523		955,147
	241,396		232,094
	1,970,872		539,329
	1,965,000		300,000
	343,393		161,946
	<u>8,092,507</u>		<u>4,480,535</u>
	<u>(2,621,479)</u>		<u>265,981</u>
	5,336		14,635
	1,269,257		831,687
	(637,570)		(334,500)
	<u>637,023</u>		<u>511,822</u>
	(1,984,456)		777,803
	4,035,330		3,257,527
	3,062,480		
\$	<u>5,113,354</u>	\$	<u>4,035,330</u>

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

Year Ended September 30, 1999

	<u>General Fund</u>		<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Actual</u>	
<u>Revenues</u>			
Property taxes	\$ 1,735,874	\$ 1,902,539	\$ 166,665
Other taxes	1,283,000	1,530,487	247,487
Licenses and permits	60,100	87,731	27,631
Fines and warrants	281,300	365,854	84,554
Fees and charges for services	151,000	165,902	14,902
Mutual aid	3,800		(3,800)
Intergovernmental	40,822	51,021	10,199
Interest on investments	103,000	158,665	55,665
Other	154,349	172,691	18,342
Total Revenues	<u>3,813,245</u>	<u>4,434,890</u>	<u>621,645</u>
<u>Expenditures</u>			
Current:			
General government	832,141	794,586	37,555
Public safety	1,938,222	1,716,453	221,769
Public works	1,050,613	981,523	69,090
Parks and recreation	248,895	241,396	7,499
Capital Outlay			
Debt Service:			
Principal retirement			
Interest and fiscal charges			
Total Expenditures	<u>4,069,871</u>	<u>3,733,958</u>	<u>335,913</u>
Revenues Over (Under) Expenditures	(256,626)	700,932	957,558
<u>Other Financing Sources (Uses)</u>			
Sale of assets		5,336	5,336
Operating transfers in	231,687	231,687	
Operating transfers (out)	(637,570)	(637,570)	
Total Other Financing Sources (Uses)	<u>(405,883)</u>	<u>(400,547)</u>	<u>5,336</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(662,509)	300,385	962,894
Fund balances - Beginning	1,725,956	1,725,956	
Residual equity transfer	<u>1,063,447</u>	<u>2,026,341</u>	<u>962,894</u>

See Notes to Financial Statements.

Special Revenue Fund			Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 196,900	\$ 204,629	\$ 7,729	\$ 601,850	\$ 718,349	\$ 116,499
20,100	19,666	(434)	35,000	24,059	(10,941)
<u>217,000</u>	<u>224,295</u>	<u>7,295</u>	<u>636,850</u>	<u>742,408</u>	<u>105,558</u>
155,900	79,284	76,616			
129,145		129,145			
387,430	387,430				
<u>672,475</u>	<u>466,714</u>	<u>205,761</u>	2,040,000	1,965,000	75,000
(455,475)	(242,419)	213,056	396,824	343,393	53,431
			<u>2,436,824</u>	<u>2,308,393</u>	<u>128,431</u>
			(1,799,974)	(1,565,985)	233,989
(455,475)	(242,419)	213,056	(1,799,974)	(1,565,985)	233,989
481,171	481,171		371,512	371,512	
<u>\$ 25,696</u>	<u>\$ 238,752</u>	<u>\$ 213,056</u>	<u>2,277,706</u>	<u>2,277,706</u>	
			<u>\$ 849,244</u>	<u>\$ 1,083,233</u>	<u>\$ 233,989</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-4

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

Year Ended September 30, 1999
with comparative totals for Year Ended September 30, 1998

	Enterprise Fund	Internal Service Fund	Totals (Memorandum Only)	
			1999	1998
<u>Operating Revenues</u>				
Water and sewer service	\$ 1,350,162	\$	\$ 1,350,162	\$ 1,214,431
Penalties and interest	12,030		12,030	16,639
Impact fees	47,396		47,396	41,660
Rental fees		52,750	52,750	
Other	14,231		14,231	12,831
Total Operating Revenues	<u>1,423,819</u>	<u>52,750</u>	<u>1,476,569</u>	<u>1,285,561</u>
<u>Operating Expenses</u>				
Personnel services	196,433		196,433	181,251
Materials and supplies	23,099		23,099	20,987
Repairs and maintenance	67,871		67,871	46,235
Utilities	129,972		129,972	99,003
Purchased sewer services	194,281		194,281	228,874
Depreciation	283,430		283,430	189,059
Other services and charges	123,095		123,095	76,775
Total Operating Expenses	<u>1,018,181</u>		<u>1,018,181</u>	<u>842,184</u>
Operating Income	405,638	52,750	458,388	443,377
<u>Non-Operating Revenue - Interest</u>	<u>28,772</u>	<u>2,685</u>	<u>31,457</u>	<u>31,077</u>
Income Before Operating Transfers	434,410	55,435	489,845	474,454
<u>Operating transfers in (out)</u>	<u>(631,687)</u>		<u>(631,687)</u>	<u>(497,187)</u>
Net Income (Loss)	(197,277)	55,435	(141,842)	(22,733)
Add depreciation on fixed assets acquired with external contributions	180,000		180,000	90,000
Change in Retained Earnings	<u>(17,277)</u>	<u>55,435</u>	<u>38,158</u>	<u>67,267</u>
Retained earnings, beginning of year	1,066,481	35,207	1,101,688	1,034,421
Retained Earnings, End of Year	<u>1,049,204</u>	<u>90,642</u>	<u>1,139,846</u>	<u>1,101,688</u>
Contributed capital, beginning of year	5,770,590		5,770,590	5,704,034
Depreciation transferred from R.E.	(180,000)		(180,000)	(90,000)
Increase in contributed capital	4,174,504		4,174,504	156,556
Contributed Capital, End of Year	<u>9,765,094</u>		<u>9,765,094</u>	<u>5,770,590</u>
Fund Equity, End of Year	<u>\$ 10,814,298</u>	<u>\$ 90,642</u>	<u>\$ 10,904,940</u>	<u>\$ 6,872,278</u>

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-5

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES

Year Ended September 30, 1999
with comparative totals for Year Ended September 30, 1998

	<u>Enterprise Fund</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
<u>Cash Flows from Operating Activities</u>				
Operating Income	\$ 405,638	\$ 52,750	\$ 458,388	\$ 443,377
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and amortization	283,430		283,430	189,059
(Increase) Decrease in accts receivable	(107,038)		(107,038)	26,969
Increase (Decrease) in accounts payable and accrued liabilities	(1,997)		(1,997)	4,355
Increase in customer deposits	9,813		9,813	933
Net Cash Provided (Used) by Operating Activities	<u>589,846</u>	<u>52,750</u>	<u>642,596</u>	<u>664,693</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
(Increase) Decrease in due from other funds	(310,088)		(310,088)	(75,275)
Increase (Decrease) in due to other funds	(340)	51,300	50,960	(81,139)
Operating transfers in (out)	(631,687)		(631,687)	(497,187)
Noncapital assets contributed through annexation	400,000		400,000	
Net Cash Provided (Used) by Financing Activities	<u>(542,115)</u>	<u>51,300</u>	<u>(490,815)</u>	<u>(653,601)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Capital expenditures for property, plant, and equipment	(13,456)		(13,456)	(12,900)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(13,456)</u>		<u>(13,456)</u>	<u>(12,900)</u>
<u>Cash Flows from Investing Activities</u>				
Interest on investments	28,772	2,685	31,457	31,077
Net Cash Provided by Investing Activities	<u>28,772</u>	<u>2,685</u>	<u>31,457</u>	<u>31,077</u>
Net Increase in Cash and Cash Equivalents	63,047	106,735	169,782	29,269
Cash and cash equivalents, beginning of year	625,721	35,207	660,928	631,659
Cash and Cash Equivalents, End of Year	<u>\$ 688,768</u>	<u>\$ 141,942</u>	<u>\$ 830,710</u>	<u>\$ 660,928</u>
<u>Supplemental Information:</u>				
Assets contributed through annexation	\$ 3,955,572	\$	\$ 3,955,572	\$
Assets contributed by the Capital Proj. Fund	<u>\$ 218,932</u>	<u>\$</u>	<u>\$ 218,932</u>	<u>\$ 156,556</u>

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these general purpose financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the City's financial reporting entity. The Jersey Village Crime Control and Prevention District (the "District"), a blended component unit of the City, is included in these financial statements. The purpose of the District is to enhance crime control and prevention within the City. The District's board is appointed by the City and the City is able to impose its will on the District, including approving its operating budget. Financial statements of the District are available from the City. 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

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

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.

B. Basis of Presentation-Fund Accounting

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

Governmental Fund Types

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

General Fund

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

Special Revenue Funds

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

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

expenditures for the motel tax, asset forfeiture and the Jersey Village Crime Control and Prevention District are considered Special Revenue Funds.

Debt Service Fund

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

Capital Projects Funds

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

Proprietary Fund Types

Enterprise Fund

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

Internal Service Fund

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

Account Groups

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

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

General Fixed Assets

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

General Long-Term Debt

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

C. Basis of Accounting

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

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

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

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

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

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

D. Budgets

Procedures in establishing budgetary data reflected in the financial statements are as follow:

1. The annual budget must specify appropriations for capital expenditures and for expenditures directed by council for services and for the operation of the City. It must comply with fund requirements of bond covenants. City department directors and officers shall submit budget requests for the next fiscal year to and as directed by the City Manager for review and consolidation. The City Manager shall submit a proposed annual budget to the council at least forty-five days prior to the end of each fiscal year. Before taxes are levied, but after a public hearing or hearings, council shall adopt an annual budget. If council fails to adopt an annual budget before the start of the fiscal year to which it applies, appropriations of the last budget adopted shall be considered as adopted for the current fiscal year on a month to month, pro rata basis until the annual budget is adopted.
2. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a division, and, upon written request by the City Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department, office, or agency to another.
3. Limitations: No appropriation for debt service may be reduced or transferred and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

4. Lapse of Appropriations: Unless encumbered, every appropriation shall lapse at the close of the fiscal year.
5. Legally adopted annual budgets for the General, Special Revenue, and Debt Service Funds are prepared on a basis consistent with generally accepted accounting principles (GAAP) at the departmental level (i.e. Finance, Municipal Court), the legal level of budgetary control. Annual and project budgets are also adopted for the Proprietary and Capital Projects Funds, respectively.
6. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances that lapse are reappropriated in the ensuing year's budget.

The City of Jersey Village has complied with all budget requirements for the year ended September 30, 1999.

E. Cash and Cash Equivalents

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

F. Inventories

Inventories are stated at cost. The City uses the FIFO method of accounting for inventories. The City has no material inventories on hand as of September 30, 1999.

G. Interfund Transactions

Transactions Between Funds

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

initially made from that fund which are properly attributable to another fund are recorded as expenditures or expenses in the reimbursing fund and primarily as reductions of the expenditure or expense in the fund that is reimbursed.

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

H. Fund Equity

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

I. Compensated Employee Absences

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

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

J. Fixed Assets

General Fixed Assets

General fixed assets have been acquired or constructed for general governmental purposes. Such fixed assets are recorded as expenditures in the Governmental Funds and capitalized at historical cost in the General Fixed Assets Account Group. Gifts or contributions of general fixed assets are recorded at estimated fair market value upon receipt. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized as general fixed assets. No depreciation has been provided on general fixed assets.

Enterprise Fund Fixed Assets

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

	<u>Years</u>
Water and sewer system	40-50
Equipment	5-10

Additions to the water and sewer systems are financed principally from sources other than Enterprise Fund operating revenues. Such additions are reflected as contributed capital in the accompanying financial statements. Depreciation recognized on assets acquired or constructed by general obligation bond proceeds is recorded as an expense in the statement of operations.

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

K. Debt Service

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

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

L. General Property Taxes

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

M. Total Columns on Combined Statements

Total columns presented in the combined financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent consolidated financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - DEPOSITS (CASH) AND TEMPORARY INVESTMENTS

Deposits (Cash)

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

The City's cash deposits, at September 30, 1999, were entirely guaranteed by FDIC insurance or by pledged collateral held by the City's agent bank. The deposits were collateralized in accordance with state law and were properly secured throughout the year.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

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

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

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

Temporary Investments

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

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

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

Based on these three levels of risk, all of the City's investments other than amounts in Texpool are classified as Category 1. The Texpool investments are not evidenced by securities that exist in physical or book entry form and accordingly are not categorized.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

However, Texpool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act of 1987, as amended.

Cash and Temporary Investments

The City's cash and temporary investments are carried at cost, which approximates market value. The City's temporary investments (Texpool) are carried at fair value in accordance with GASB No. 31. The City's cash and temporary investments, at September 30, 1999, are shown below.

	<u>Carrying Amount</u>	<u>Market Value</u>
Cash	\$ 713,582	\$ 713,582
Certificate of deposit	396,800	396,800
Texpool	5,509,434	5,509,434
Total Cash and Temporary Investments	\$ 6,619,816	\$ 6,619,816

NOTE 3 - PROPERTY TAXES

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

Property taxes are prorated between operations and debt service based on rates adopted for the year of the levy. For the current year, the City levied property taxes of \$0.68408 per \$100 of assessed valuation which were prorated between operations and debt service in the amounts of \$0.53279 and \$0.15129, respectively. The resulting adjusted tax levies were \$1,699,603 and \$482,616 for operations and debt service, respectively, on the total adjusted taxable valuation of \$319,000,537 for the 1998 tax year.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

Property taxes receivable, at September 30, 1999, consists of the following:

<u>Tax Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
1998	\$ 13,286	\$ 7,509
1997	8,676	10,061
1996	6,308	2,087
1995	4,259	1,259
1994	3,638	1,368
1993	2,964	1,338
1992 and prior	12,265	7,625
	<u>\$ 51,396</u>	<u>\$ 31,247</u>

NOTE 4 - LAND, BUILDINGS AND EQUIPMENT

A summary of changes in land, buildings, and equipment included in the General Fixed Assets Account Group, for the year ended September 30, 1999, follows:

	<u>Balance October 1, 1998</u>	<u>Transfers In and Additions</u>	<u>Transfers Out and Retirements</u>	<u>Balance Sept. 30, 1999</u>
Land, buildings and improvements	\$ 5,423,412	\$ 3,818,776	\$	\$ 9,242,188
Vehicles	788,589	180,888	(68,786)	900,691
Equipment	1,241,226	98,393	(8,912)	1,330,707
Construction in progress	114,261	1,719,567	(1,828,447)	5,381
Total General				
Fixed Assets	<u>\$ 7,567,488</u>	<u>\$ 5,817,624</u>	<u>\$ (1,906,145)</u>	<u>\$ 11,478,967</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

A summary of changes in Enterprise Fund land, buildings, and equipment, for the year ended September 30, 1999, follows:

	Balance October 1, 1998	Transfers In and Additions	Transfers Out and Retirements	Balance Sept. 30, 1999
Water system	\$ 4,355,815	\$ 1,461,093	\$	\$ 5,816,908
Sewer system	3,926,323	2,078,374		6,004,697
Land, buildings and improvements	75,324	389,666		464,990
Vehicles and equip	261,909	15,383		277,292
Const in progress	156,556	217,005	(373,561)	
	\$ 8,775,927	\$ 4,161,521	\$ (373,561)	12,563,887
Less accumulated depreciation				(2,956,355)
Net Land, Buildings and Equipment				\$ 9,607,532

There were no significant construction commitments at September 30, 1999.

NOTE 5 - LONG-TERM DEBT

Bond Anticipation Note

On February 23, 1999, annexed Municipal Utility District No. 199 (Note 11) issued a bond anticipation note in the amount of \$1,255,000 to reimburse a property owner for funds advanced for construction. The note bears interest at 4.49% and is due March 1, 2000. It is the City's intent to issue additional debt to pay off this note.

General Obligation Bonds

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

	Interest Rates	Amount
Series 1986	7.00 - 9.00%	\$ 225,000
MUD No. 247 Refunding Series 1991	6.25 - 8.10%	2,724,991
MUD No. 199 Refunding Series 1996	4.75 - 6.25%	1,070,000
		\$ 4,019,991

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 500,000	\$ 279,308	\$ 779,308
2001	535,000	244,095	779,095
2002	207,476	548,299 *	755,775
2003	130,755	556,980 *	687,735
2004	130,224	566,711 *	696,935
2005 - 2014	2,516,536	4,422,995 *	6,939,531
	<u>\$ 4,019,991</u>	<u>\$ 6,618,388</u>	<u>\$ 10,638,379</u>

* Includes accreted interest on premium compound interest bonds.

A portion of the bonds sold in the MUD No. 247 Series 1991 refunding bond issue were compound interest bonds. These obligations have par values of \$174,991 and maturity values of \$4,210,000. The interest on these obligations will be paid upon maturity in the fiscal years ending September 30, 2002 through 2011. The accreted values of the outstanding bonds at September 30, 1999 is approximately \$2,378,869; and accordingly, accrued interest on these bonds of \$2,203,878 has been recorded in the general long-term debt account group.

Combination Tax and Revenue Certificates of Obligation

The City also issues combination tax and revenue certificates of obligation (C.O.'s) to provide funds for the acquisition and construction of major capital facilities payable from the proceeds of an annual ad valorem tax and further payable from a junior and subordinate pledge of the net revenues of the City's water and sewer system. C.O.'s currently outstanding are as follow:

	<u>Interest Rates</u>	<u>Amount</u>
Series 1994	5.00 - 6.50%	\$ 1,550,000
Series 1995	5.00 - 6.00%	575,000
		<u>\$ 2,125,000</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 250,000	\$ 106,462	\$ 356,462
2001	250,000	93,500	343,500
2002	250,000	80,925	330,925
2003	300,000	66,950	366,950
2004	275,000	52,200	327,200
2005-2009	800,000	118,489	918,489
	<u>\$ 2,125,000</u>	<u>\$ 518,526</u>	<u>\$ 2,643,526</u>

Summary of Long-Term Debt Requirements

The annual requirements to amortize all long-term debt outstanding at September 30, 1999 follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 2,005,000	\$ 385,771	\$ 2,390,771
2001	785,000	337,595	1,122,595
2002	457,476	629,224	1,086,700
2003	430,755	623,930	1,054,685
2004	405,224	618,911	1,024,135
2005-2014	3,316,536	4,541,483	7,858,019
	<u>\$ 7,399,991</u>	<u>\$ 7,136,914</u>	<u>\$ 14,536,905</u>

During the year ended September 30, 1999, the following changes occurred in the general long-term debt account group:

	<u>Accrued Interest on PCI Bonds</u>	<u>Bond Anticipation Note</u>	<u>General Obligation Bonds</u>	<u>Certificates of Obligation</u>	<u>Total</u>
Bal. Oct. 1, 1998	\$	\$	\$ 375,000	\$ 2,300,000	\$ 2,675,000
Annexed obligations	2,203,878	1,255,000	4,184,991	1,250,000	8,893,869
Principal retirements			(540,000)	(1,425,000)	(1,965,000)
Bal. Sept. 30, 1999	<u>\$ 2,203,878</u>	<u>\$ 1,255,000</u>	<u>\$ 4,019,991</u>	<u>\$ 2,125,000</u>	<u>\$ 9,603,869</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - RETIREMENT PLANS

Texas Municipal Retirement System

Plan Description

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, defined benefit plan in the state-wide Texas Municipal Retirement System ("TMRS"), one of 717 administered by TMRS, an agent multiple-employer public employee retirement system.

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

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

Contributions

The contribution rate for the employees is 5%, and the City matching ratio is currently two to one, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. When the City periodically adopts updated service credits and increases its annuities in effect, the increased unfunded actuarial liability is to be amortized over a new 25-year period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance to budget for it, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 1998 valuation is effective for rates beginning January 2000). Actuarial assumptions of the plan follow:

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

Following is information related to the annual pension cost, percentage of annual pension cost contributed, and the net pension obligation at the end of the year for the last three fiscal years:

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Annual Pension Cost	\$ 197,743	\$ 144,933	\$ 178,225
Percent of Annual Pension Cost Contributed	100%	100%	100%
NPO at the End of the Year	\$ 0	\$ 0	\$ 0

Exhibit 13 on pages 86 and 87 shows a schedule of actuarial liabilities and funding progress for the plan for the last six years. The City is one of 717 municipalities having the benefit plan administered by TMRS. Each of the 717 municipalities have an annual, individual actuarial valuation performed. All assumptions for the December 31, 1998 valuations are contained in the 1998 TMRS comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - INTERFUND TRANSACTIONS

Operating transfers between funds during the 1999 year were as follow:

<u>Operating Transfer From</u>	<u>Operating Transfer To</u>	<u>Amounts</u>
Enterprise Fund	General Fund	\$ 231,687
Enterprise Fund	Capital Projects fund	400,000
General Fund	Capital Projects fund	637,570
		<u>\$ 1,269,257</u>

Interfund balances due to/from as of September 30, 1999 were as follow:

<u>Due To</u>	<u>Due From</u>	<u>Amounts</u>
General Fund	Spec. Rev. Fund - Asset Forfeiture	\$ 3,012
General Fund	Internal Service Fund	51,300
Spec. Rev. Fund - Hotel Occup.	General Fund	159
Debt Service Fund	General Fund	296,755
Capital Projects Fund	General Fund	752,397
Enterprise Fund	General Fund	385,088
		<u>\$ 1,488,711</u>

NOTE 8 - FUND EQUITY

Reservations

Retained earnings in the Enterprise Fund of \$321,001 is reserved for the following:

Water and sewer construction	\$ 15,500
Water capacity	124,406
Wastewater capacity	181,095
	<u>\$ 321,001</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

Designations

Fund balance in the General Fund of \$11,456 is designated as follows:

Future maintenance	\$	8,598
Police department		1,120
Fire department		567
Parks department		1,171
	\$	<u>11,456</u>

Fund balance in the Special Revenue Fund of \$238,752 is designated as follows:

Economic development	\$	157,339
Crime control and prevention		81,413
	\$	<u>238,752</u>

Fund balance in the Capital Projects Fund of \$1,765,028 is designated for authorized construction.

NOTE 9 - CONTRIBUTED CAPITAL

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

	<u>1999</u>	<u>1998</u>
Contributed capital at beginning of year	\$ 5,770,590	\$ 5,704,034
Additions - Capital Projects Fund	218,932	156,556
Annexation of MUD Nos. 247 and 199	3,955,572	
Deductions - Depreciation on contributed assets	(180,000)	(90,000)
Contributed Capital at End of Year	\$ <u>9,765,094</u>	\$ <u>5,770,590</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

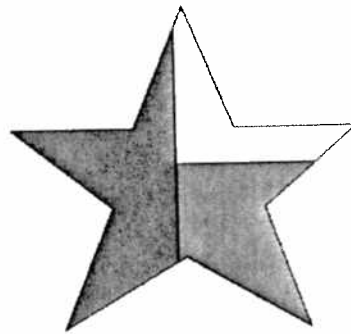
NOTE 10 - COMMITMENTS AND CONTINGENCIES

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage.

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

NOTE 11 - DISSOLUTION OF MUNICIPAL UTILITY DISTRICTS AND ANNEXATIONS

The City annexed two Municipal Utility Districts effective December 14, 1998. The Districts were dissolved effective March 1, 1999. The City assumed the powers, duties, assets and obligations of the dissolved Districts pursuant to Section 43.075 of Vernon's Texas Code Annotated. The annexations and dissolutions resulted in net assets of approximately \$4 million to be recorded in the City's Utility System Enterprise Fund. Water distribution and wastewater collection system assets with a book value of approximately \$3.6 million were included as additions to contributed capital in the City's Utility System Enterprise Fund. Cash and temporary investments of approximately \$.4 million were included as additions to contributed capital in the City's Utility System Enterprise Fund. Drainage improvements of approximately \$2 million were added to the General Fixed Assets Account Group. General obligation debt of approximately \$5.4 million was recorded in the General Long-Term Debt Account Group. Approximately \$2.3 million was received by the Debt Service Fund for debt service payments. Approximately \$.8 million was received by the Capital Projects Fund for authorized construction.



A Texas Star Community

COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES



GOVERNMENTAL FUND TYPES



GENERAL FUND

The General Fund accounts for all financial activities, except those required to be accounted for in a separate fund. It is the City's main operating fund and accounts for typical general city revenues and a wide variety of activities that benefit the citizens as a whole.



CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-1

GENERAL FUND
COMPARATIVE BALANCE SHEETS

September 30, 1999 and 1998

<u>Assets</u>	<u>1999</u>	<u>1998</u>
Cash and temporary investments	\$ 3,748,392	\$ 2,088,926
Receivables:		
Taxes	51,396	37,860
Accounts	29,623	11,619
Due from other funds	54,312	340
Other assets		50
	<hr/>	<hr/>
Total Assets	\$ 3,883,723	\$ 2,138,795
	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities and Equity</u>		
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$ 371,587	\$ 339,241
Due to other funds	1,434,399	35,738
Deferred revenue	51,396	37,860
	<hr/>	<hr/>
Total Liabilities	1,857,382	412,839
	<hr/> <hr/>	<hr/> <hr/>
<u>Equity</u>		
Fund Balances:		
Unreserved:		
 Designated		
Future maintenance	8,598	8,598
Police department	1,120	1,048
Fire department	567	1,401
Parks department	1,171	1,009
Undesignated	2,014,885	1,713,900
	<hr/>	<hr/>
Total Equity	2,026,341	1,725,956
	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities and Equity	\$ 3,883,723	\$ 2,138,795
	<hr/> <hr/>	<hr/> <hr/>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 1 of 5

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

Year Ended September 30, 1999
with comparative actual balances for the Year Ended September 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues				
Property taxes	\$ 1,735,874	\$ 1,902,539	\$ 166,665	\$ 1,622,075
Other taxes	1,283,000	1,530,487	247,487	1,063,300
Licenses and permits	60,100	87,731	27,631	120,499
Fines and warrants	281,300	365,854	84,554	250,481
Fees and charges for services	151,000	165,902	14,902	176,192
Mutual aid	3,800		(3,800)	4,375
Intergovernmental	40,822	51,021	10,199	17,029
Interest on investments	103,000	158,665	55,665	125,032
Other	154,349	172,691	18,342	38,618
Total Revenues	<u>3,813,245</u>	<u>4,434,890</u>	<u>621,645</u>	<u>3,417,601</u>
Expenditures				
General Government:				
City Administration:				
Personnel services	178,823	174,684	4,139	166,012
Supplies	2,974	2,690	284	4,504
Repairs and maintenance	4,604	4,604		2,596
Other services and charges	60,717	60,554	163	55,059
Capital outlay	10,025	10,025		3,977
Total City Administration	<u>257,143</u>	<u>252,557</u>	<u>4,586</u>	<u>232,148</u>
Legal and Other Services:				
Personnel services	123	123		135
Other services and charges	122,127	122,112	15	300,596
Total Legal and Other Services	<u>122,250</u>	<u>122,235</u>	<u>15</u>	<u>300,731</u>
Central Store:				
Supplies	18,789	16,002	2,787	14,590
Repairs and maintenance	5,849	5,315	534	3,917
Other services and charges	8,581	6,931	1,650	10,985
Capital outlay	9,800	8,813	987	38,007
Total Central Store	<u>43,019</u>	<u>37,061</u>	<u>5,958</u>	<u>67,499</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 2 of 5

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

Year Ended September 30, 1999
with comparative actual balances for the Year Ended September 30, 1998

	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
Expenditures (continued)				
General Government: (continued)				
Finance:				
Personnel services	98,582	94,717	3,865	91,933
Supplies	5,189	4,020	1,169	2,052
Repairs and maintenance	4,281	4,268	13	4,006
Other services and charges	15,600	13,856	1,744	13,200
Capital outlay	1,500		1,500	1,150
Total Finance	<u>125,152</u>	<u>116,861</u>	<u>8,291</u>	<u>112,341</u>
Customer Service:				
Personnel services	72,820	67,025	5,795	53,177
Supplies	2,450	2,095	355	2,208
Repairs and maintenance	1,802	1,330	472	1,499
Other services and charges	32,538	30,174	2,364	20,463
Capital outlay	16,409	16,408	1	6,489
Total Customer Service	<u>126,019</u>	<u>117,032</u>	<u>8,987</u>	<u>83,836</u>
Municipal Court:				
Personnel services	80,065	76,128	3,937	66,939
Supplies	2,382	1,898	484	2,031
Repairs and maintenance	1,918	1,445	473	2,595
Other services and charges	70,800	65,976	4,824	41,678
Capital outlay	3,393	3,393		9,343
Total Municipal Court	<u>158,558</u>	<u>148,840</u>	<u>9,718</u>	<u>122,586</u>
Total General Government	<u>832,141</u>	<u>794,586</u>	<u>37,555</u>	<u>919,141</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 3 of 5

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

Year Ended September 30, 1999

with comparative actual balances for the Year Ended September 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Expenditures (continued)				
Public Safety:				
Police:				
Personnel services	1,011,283	940,980	70,303	881,920
Supplies	25,518	21,757	3,761	21,402
Repairs and maintenance	18,150	15,196	2,954	8,282
Other services and charges	86,466	82,358	4,108	25,612
Capital outlay	226,804	183,578	43,226	13,463
Total Police	<u>1,368,221</u>	<u>1,243,869</u>	<u>124,352</u>	<u>950,679</u>
Dispatch:				
Personnel services	224,318	183,940	40,378	182,804
Supplies	3,700	2,685	1,015	4,105
Repairs and maintenance	3,353	1,242	2,111	730
Other services and charges	7,200	5,274	1,926	5,117
Capital outlay	21,200	21,128	72	
Total Dispatch	<u>259,771</u>	<u>214,269</u>	<u>45,502</u>	<u>192,756</u>
Fire:				
Personnel services	94,057	75,120	18,937	56,162
Supplies	42,986	32,606	10,380	24,544
Repairs and maintenance	7,800	5,847	1,953	7,576
Other services and charges	50,900	42,722	8,178	52,258
Capital outlay	15,124	14,268	856	10,490
Total Fire	<u>210,867</u>	<u>170,563</u>	<u>40,304</u>	<u>151,030</u>
Fire Marshal:				
Personnel services	91,563	84,313	7,250	73,597
Supplies	3,135	2,506	629	2,694
Repairs and maintenance	600		600	
Other services and charges	4,065	933	3,132	1,175
Capital outlay				947
Total Fire Marshal	<u>99,363</u>	<u>87,752</u>	<u>11,611</u>	<u>78,413</u>
Total Public Safety	<u>1,938,222</u>	<u>1,716,453</u>	<u>221,769</u>	<u>1,372,878</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 4 of 5

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

Year Ended September 30, 1999
with comparative actual balances for the Year Ended September 30, 1998

	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
Expenditures (continued)				
Public Works:				
Administration:				
Personnel services	147,381	136,846	10,535	127,707
Supplies	4,570	3,922	648	4,300
Repairs and maintenance	1,700	855	845	1,111
Other services and charges	36,360	33,657	2,703	29,463
Capital outlay	4,370	2,430	1,940	10,249
Total Administration	<u>194,381</u>	<u>177,710</u>	<u>16,671</u>	<u>172,830</u>
Code Enforcement:				
Personnel services	53,321	47,298	6,023	43,816
Supplies	3,050	2,541	509	2,598
Other services and charges	3,800	1,927	1,873	2,633
Capital outlay	1,000	450	550	1,905
Total Code Enforcement	<u>61,171</u>	<u>52,216</u>	<u>8,955</u>	<u>50,952</u>
Streets:				
Personnel services	139,372	139,437	(65)	124,319
Supplies	2,200	1,667	533	4,394
Repairs and maintenance	29,890	26,643	3,247	35,313
Other services and charges	123,350	121,326	2,024	91,452
Capital outlay	16,660	15,575	1,085	13,486
Total Streets	<u>311,472</u>	<u>304,648</u>	<u>6,824</u>	<u>268,964</u>
Buildings & Grounds:				
Personnel services	42,562	41,358	1,204	35,047
Supplies	3,180	2,830	350	5,474
Repairs and maintenance	22,400	20,937	1,463	34,546
Other services and charges	56,300	41,719	14,581	41,883
Total Buildings & Grounds	<u>124,442</u>	<u>106,844</u>	<u>17,598</u>	<u>116,950</u>
Sanitation:				
Other services and charges	229,600	212,178	17,422	226,467
Total Sanitation	<u>229,600</u>	<u>212,178</u>	<u>17,422</u>	<u>226,467</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 5 of 5

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

Year Ended September 30, 1999

with comparative actual balances for the Year Ended September 30, 1998

	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
Expenditures (continued)				
Public Works (continued):				
Fleet Service:				
Personnel services	55,161	54,379	782	50,630
Supplies	53,196	52,756	440	51,912
Repairs and maintenance	19,670	19,339	331	16,338
Other services and charges	1,520	1,453	67	104
Total Fleet Service:	<u>129,547</u>	<u>127,927</u>	<u>1,620</u>	<u>118,984</u>
Total Public Works	<u>1,050,613</u>	<u>981,523</u>	<u>69,090</u>	<u>955,147</u>
Parks and Recreation:				
Personnel services	187,945	184,238	3,707	162,371
Supplies	14,425	12,403	2,022	22,276
Repairs and maintenance	25,400	24,534	866	18,063
Other services and charges	2,225	1,943	282	619
Capital outlay	18,900	18,278	622	28,765
Total Parks and Recreation	<u>248,895</u>	<u>241,396</u>	<u>7,499</u>	<u>232,094</u>
Total Expenditures	<u>4,069,871</u>	<u>3,733,958</u>	<u>335,913</u>	<u>3,479,260</u>
Revenues Over (Under) Expenditures	<u>(256,626)</u>	<u>700,932</u>	<u>957,558</u>	<u>(61,659)</u>
Other Financing Sources (Uses)				
Sale of assets		5,336	5,336	14,635
Operating transfers in	231,687	231,687		231,687
Operating transfers (out)	(637,570)	(637,570)		(334,500)
Total Other Financing Sources (Uses)	<u>(405,883)</u>	<u>(400,547)</u>	<u>5,336</u>	<u>(88,178)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>(662,509)</u>	<u>300,385</u>	<u>962,894</u>	<u>(149,837)</u>
Fund balances - Beginning	<u>1,725,956</u>	<u>1,725,956</u>		<u>1,875,793</u>
Fund Balances - Ending	<u>\$ 1,063,447</u>	<u>\$ 2,026,341</u>	<u>\$ 962,894</u>	<u>\$ 1,725,956</u>

SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to financing specific purposes. The following describes the various types of Special Revenue Funds used by the City:

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

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

Crime Control & Prevention – This fund accounts for a blended component unit which collects sales taxes which are designated for crime control and prevention expenditures.



CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-1

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

September 30, 1999
with comparative totals for September 30, 1998

	<u>Hotel Occupancy</u>	<u>Asset Forfeiture</u>	<u>Crime Control & Prevention</u>	<u>Totals</u>	
				<u>1999</u>	<u>1998</u>
<u>Assets</u>					
Cash and temporary investments	\$ 157,180	\$ 4,320	\$ 80,105	\$ 241,605	\$ 481,012
Due from other funds	159			159	159
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 157,339</u>	<u>\$ 4,320</u>	<u>\$ 80,105</u>	<u>\$ 241,764</u>	<u>\$ 481,171</u>
 <u>Liabilities and Fund Balance</u>					
<u>Liabilities</u>					
Due to other funds	<u>\$</u>	<u>\$ 3,012</u>	<u>\$</u>	<u>\$ 3,012</u>	<u>\$</u>
 <u>Fund Balances</u>					
Unreserved and designated					
Hotel occupancy	157,339			157,339	476,959
Asset forfeiture		1,308		1,308	4,212
Crime control & prevention			80,105	80,105	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 157,339</u>	<u>\$ 4,320</u>	<u>\$ 80,105</u>	<u>\$ 241,764</u>	<u>\$ 481,171</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-2

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

Year Ended September 30, 1999
with comparative totals for the Year Ended September 30, 1998

	<u>Hotel Occupancy</u>	<u>Asset Forfeiture</u>	<u>Crime Control & Prevention</u>	<u>Totals</u>	
				<u>1999</u>	<u>1998</u>
<u>Revenues</u>					
Hotel occupancy tax	\$ 48,540	\$	\$	\$ 48,540	\$ 38,810
Sales tax			156,089	156,089	
Interest on investments	19,270	208	188	19,666	24,715
Other					4,125
Total Revenues	<u>67,810</u>	<u>208</u>	<u>156,277</u>	<u>224,295</u>	<u>67,650</u>
<u>Expenditures</u>					
Current:					
Public safety		3,112	76,172	79,284	
Capital Outlay	<u>387,430</u>			<u>387,430</u>	
Total Expenditures	<u>387,430</u>	<u>3,112</u>	<u>76,172</u>	<u>466,714</u>	
Revenues Over (Under) Expenditures	(319,620)	(2,904)	80,105	(242,419)	67,650
Fund Balances, beg of year	<u>476,959</u>	<u>4,212</u>		<u>481,171</u>	<u>413,521</u>
Fund Balances, End of Year	<u>\$ 157,339</u>	<u>\$ 1,308</u>	<u>\$ 80,105</u>	<u>\$ 238,752</u>	<u>\$ 481,171</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-3

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

Year Ended September 30, 1999
with comparative totals for the Year Ended September 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues				
Hotel occupancy tax	\$ 45,000	\$ 48,540	\$ 3,540	\$ 38,810
Interest on investments	20,000	19,270	(730)	24,647
Other				
Total Revenues	<u>65,000</u>	<u>67,810</u>	<u>2,810</u>	<u>63,457</u>
Expenditures				
Current:				
General government	129,145		129,145	
Capital Outlay	387,430	387,430		
Total Expenditures	<u>516,575</u>	<u>387,430</u>	<u>129,145</u>	
Revenues Over (Under) Expenditures	(451,575)	(319,620)	131,955	63,457
Operating Transfers (Out)				
Fund Balances, beginning of year	<u>476,959</u>	<u>476,959</u>		<u>413,502</u>
Fund Balances, End of Year	<u>\$ 25,384</u>	<u>\$ 157,339</u>	<u>\$ 131,955</u>	<u>\$ 476,959</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-4

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

Year Ended September 30, 1999
with comparative totals for the Year Ended September 30, 1998

	1999			1998
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Interest on investments	\$ 100	\$ 208	\$ 108	\$ 68
Other				4,125
Total Revenues	<u>100</u>	<u>208</u>	<u>108</u>	<u>4,193</u>
Expenditures				
Current:				
Public safety	4,000	3,112	888	
Total Expenditures	<u>4,000</u>	<u>3,112</u>	<u>888</u>	
Revenues Over (Under) Expenditures	(3,900)	(2,904)	996	4,193
Operating Transfers (Out)				
Fund Balances, beginning of year	<u>4,212</u>	<u>4,212</u>		<u>19</u>
Fund Balances, End of Year	<u>\$ 312</u>	<u>\$ 1,308</u>	<u>\$ 996</u>	<u>\$ 4,212</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-5

**SPECIAL REVENUE FUND (JERSEY VILLAGE CRIME
CONTROL AND PREVENTION DISTRICT)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Year Ended September 30, 1999
with comparative totals for the Year Ended September 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues				
Sales tax	\$ 151,900	\$ 156,089	\$ 4,189	\$
Interest on investments		188	188	
Total Revenues	<u>151,900</u>	<u>156,277</u>	<u>4,377</u>	
Expenditures				
Current:				
Public safety	151,900	76,172	75,728	
Total Expenditures	<u>151,900</u>	<u>76,172</u>	<u>75,728</u>	
Revenues Over (Under) Expenditures		80,105	80,105	
Operating Transfers (Out)				
Fund Balances, beginning of year				
Fund Balances, End of Year	<u>\$</u>	<u>\$ 80,105</u>	<u>\$ 80,105</u>	<u>\$</u>



A Texas Star Community

DEBT SERVICE FUND

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



CITY OF JERSEY VILLAGE, TEXAS

Exhibit D-1

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

September 30, 1999 and 1998

<u>Assets</u>	<u>1999</u>	<u>1998</u>
Cash and temporary investments	\$ 786,478	\$ 444,181
Taxes receivable	31,247	12,139
Due from other funds	296,755	2,331
Total Assets	\$ 1,114,480	\$ 458,651
<u>Liabilities and Equity</u>		
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$	\$
Due to other funds		75,000
Deferred revenue	31,247	12,139
Total Liabilities	31,247	87,139
<u>Equity</u>		
Fund Balances:		
Reserved for debt service	1,083,233	371,512
Total Equity	1,083,233	371,512
Total Liabilities and Equity	\$ 1,114,480	\$ 458,651

CITY OF JERSEY VILLAGE, TEXAS

Exhibit D-2

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

Year Ended September 30, 1999
with comparative totals for the Year Ended September 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues				
Property taxes	\$ 601,850	\$ 718,349	\$ 116,499	\$ 476,059
Interest on investments	35,000	24,059	(10,941)	24,763
Total Revenues	<u>636,850</u>	<u>742,408</u>	<u>105,558</u>	<u>500,822</u>
Expenditures				
Principal retirement	2,040,000	1,965,000	75,000	300,000
Interest retirement	389,524	337,699	51,825	159,325
Fiscal charges	7,300	5,694	1,606	2,621
Total Expenditures	<u>2,436,824</u>	<u>2,308,393</u>	<u>128,431</u>	<u>461,946</u>
Revenues Over Expenditures	(1,799,974)	(1,565,985)	233,989	38,876
Fund Balances, beginning of year	371,512	371,512		332,636
Residual equity transfer	<u>2,277,706</u>	<u>2,277,706</u>		
Fund Balances, End of Year	<u>\$ 849,244</u>	<u>\$ 1,083,233</u>	<u>\$ 233,989</u>	<u>\$ 371,512</u>

CAPITAL PROJECTS FUND

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



CITY OF JERSEY VILLAGE, TEXAS

Exhibit E-1

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<u>Assets</u>		
Cash and temporary investments	\$ 1,012,631	\$ 1,423,443
Due from other funds	752,397	33,248
	<hr/>	<hr/>
Total Assets	\$ 1,765,028	\$ 1,456,691
	<hr/>	<hr/>
<u>Liabilities and Equity</u>		
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$	\$
Due to other funds		
	<hr/>	<hr/>
Total Liabilities	<hr/>	<hr/>
<u>Equity</u>		
Fund Balances:		
Unreserved:		
Designated for construction	1,765,028	1,456,691
	<hr/>	<hr/>
Total Equity	1,765,028	1,456,691
	<hr/>	<hr/>
Total Liabilities and Equity	\$ 1,765,028	\$ 1,456,691
	<hr/>	<hr/>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit E-2

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

Year Ended September 30, 1999

with comparative actual balances for the Year Ended September 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues				
Intergovernmental	\$	\$	\$	\$ 719,925
Interest on investments	16,000	55,235	39,235	40,518
Other	14,200	14,200		
Total Revenues	<u>30,200</u>	<u>69,435</u>	<u>39,235</u>	<u>760,443</u>
Expenditures				
Capital Outlay:				
General Government:				
City Hall	642,765	623,570	19,195	
Land				50,228
Public Safety:				
Fire	5,000	3,500	1,500	3,581
Public Works:				
Parks	248,500	248,417	83	6,136
Streets	968,890	460,150	508,740	102,744
Water and sewer	1,125,875	247,805	878,070	376,640
Total Expenditures	<u>2,991,030</u>	<u>1,583,442</u>	<u>1,407,588</u>	<u>539,329</u>
Revenues Over (Under) Expenditures	<u>(2,960,830)</u>	<u>(1,514,007)</u>	<u>1,446,823</u>	<u>221,114</u>
Other Financing Sources				
Operating transfers in	1,037,570	1,037,570		600,000
Total Other Financing Sources	<u>1,037,570</u>	<u>1,037,570</u>		<u>600,000</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>(1,923,260)</u>	<u>(476,437)</u>	<u>1,446,823</u>	<u>821,114</u>
Fund balances - Beginning	1,456,691	1,456,691		635,577
Residual equity transfer	784,774	784,774		
Fund Balances - Ending	<u>\$ 318,205</u>	<u>\$ 1,765,028</u>	<u>\$ 1,446,823</u>	<u>\$ 1,456,691</u>

PROPRIETARY FUND TYPE



ACCOUNT GROUPS



ENTERPRISE FUND

The Enterprise Fund is used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The operations of the water and sewer system are accounted for in the Enterprise Fund to reflect the results of operations similar to private enterprises.



CITY OF JERSEY VILLAGE, TEXAS

Exhibit F-1

ENTERPRISE FUND
COMPARATIVE BALANCE SHEET

September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and temporary investments	\$ 688,768	\$ 625,721
Accounts receivable	204,436	97,398
Due from other funds	385,088	75,000
Total Current Assets	<u>1,278,292</u>	<u>798,119</u>
<u>Land, Buildings and Equipment</u>	12,563,887	8,775,927
Less accumulated depreciation	(2,956,355)	(2,672,925)
Land, Buildings and Equipment, Net	<u>9,607,532</u>	<u>6,103,002</u>
Total Assets	<u>\$ 10,885,824</u>	<u>\$ 6,901,121</u>
<u>Liabilities and Equity</u>		
<u>Current Liabilities</u>		
Accounts payable and accrued liabilities	\$ 10,362	\$ 12,359
Due to other funds		340
Customer deposits	61,164	51,351
Total Liabilities	<u>71,526</u>	<u>64,050</u>
<u>Equity</u>		
Contributed Capital	9,765,094	5,770,590
Retained Earnings:		
Reserved:		
Water and sewer construction	15,500	15,500
Water capacity	124,406	73,268
Wastewater capacity	181,095	120,866
Unreserved	728,203	856,847
Total Equity	<u>10,814,298</u>	<u>6,837,071</u>
Total Liabilities and Equity	<u>\$ 10,885,824</u>	<u>\$ 6,901,121</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit F-2

ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)

Year Ended September 30, 1999

with comparative actual balances for the Year Ended September 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<u>Operating Revenues</u>				
Water and sewer service	\$ 1,258,000	\$ 1,350,162	\$ 92,162	\$ 1,214,431
Penalties and interest	18,000	12,030	(5,970)	16,639
Impact fees	34,000	47,396	13,396	41,660
Other	500	14,231	13,731	12,831
Total Operating Revenues	<u>1,310,500</u>	<u>1,423,819</u>	<u>113,319</u>	<u>1,285,561</u>
<u>Operating Expenses</u>				
Water and Sewer Operations:				
Personnel services	215,397	196,433	18,964	181,251
Materials and supplies	32,860	23,099	9,761	20,987
Repairs and maintenance	80,619	67,871	12,748	46,235
Utilities	130,000	129,972	28	99,003
Purchased sewer services	195,200	194,281	919	228,874
Other services and charges	140,902	123,095	17,807	76,775
Capital outlay	17,000	13,456	3,544	12,900
Total Operating Expenses	<u>811,978</u>	<u>748,207</u>	<u>63,771</u>	<u>666,025</u>
Operating Income	<u>498,522</u>	<u>675,612</u>	<u>177,090</u>	<u>619,536</u>
<u>Non-Operating Revenues</u>				
Interest revenue	28,500	28,772	272	30,370
Total Non-Operating Revenues	<u>28,500</u>	<u>28,772</u>	<u>272</u>	<u>30,370</u>
Operating Transfers (Out)	<u>(631,687)</u>	<u>(631,687)</u>		<u>(531,687)</u>
Net Income (Loss) (Budgetary Basis)	<u>\$ (104,665)</u>	<u>72,697</u>	<u>\$ 177,362</u>	<u>118,219</u>
<u>Adjustments</u>				
Depreciation expense		(103,430)		(99,059)
Capital outlay		13,456		12,900
Net Adjustments		<u>(89,974)</u>		<u>(86,159)</u>
Net Income (Loss) (GAAP Basis)		<u>(17,277)</u>		<u>32,060</u>
Retained earnings, beginning of year		<u>1,066,481</u>		<u>1,034,421</u>
Retained Earnings, End of Year		<u>\$ 1,049,204</u>		<u>\$ 1,066,481</u>

GENERAL FIXED ASSETS

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



CITY OF JERSEY VILLAGE, TEXAS

Exhibit G-1

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

September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<u>General Fixed Assets</u>		
Land, buildings and improvements	\$ 9,242,188	\$ 5,423,412
Vehicles	900,691	788,589
Equipment	1,330,707	1,241,226
Construction in progress	5,381	114,261
	<hr/>	<hr/>
Total General Fixed Assets	\$ 11,478,967	\$ 7,567,488
	<hr/> <hr/>	<hr/> <hr/>
<u>Investment in General Fixed Assets</u>		
General obligation bonds	\$ 3,312,000	\$ 3,312,000
Certificates of obligation	4,065,136	2,345,569
Municipality	2,011,502	1,809,919
Annexation of utility districts	1,990,329	
Donations	100,000	100,000
	<hr/>	<hr/>
Total Investment in General Fixed Assets	\$ 11,478,967	\$ 7,567,488
	<hr/> <hr/>	<hr/> <hr/>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit G-2

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

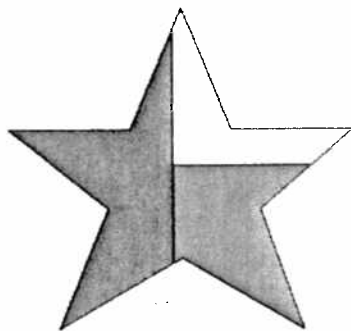
September 30, 1999

<u>Function and Activity</u>	<u>Land, Buildings & Improvements</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
<u>General Government</u>					
City Hall	\$ 1,310,154	\$	\$ 764,565	\$	\$ 2,074,719
Total General Government	<u>1,310,154</u>		<u>764,565</u>		<u>2,074,719</u>
<u>Public Safety</u>					
Police	1,051,369	364,130	171,226		1,586,725
Fire	<u>128,500</u>	<u>383,454</u>	<u>245,620</u>		<u>757,574</u>
Total Public Safety	<u>1,179,869</u>	<u>747,584</u>	<u>416,846</u>		<u>2,344,299</u>
<u>Public Works</u>					
Streets and drainage	5,516,318	153,107	143,039		5,812,464
Fleet services	<u>200,000</u>				<u>200,000</u>
Total Public Safety	<u>5,716,318</u>	<u>153,107</u>	<u>143,039</u>		<u>6,012,464</u>
<u>Community Services</u>					
Parks & recreation	300,000		6,257		306,257
Civic center	387,430				387,430
Swimming pool	<u>348,417</u>				<u>348,417</u>
Total Community Services	<u>1,035,847</u>		<u>6,257</u>		<u>1,042,104</u>
Construction in Progress				<u>5,381</u>	<u>5,381</u>
Total General Fixed Assets	<u>\$ 9,242,188</u>	<u>\$ 900,691</u>	<u>\$ 1,330,707</u>	<u>\$ 5,381</u>	<u>\$ 11,478,967</u>

GENERAL LONG-TERM DEBT

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





A Texas Star Community

CITY OF JERSEY VILLAGE, TEXAS

Exhibit G-3

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

Year Ended September 30, 1999

<u>Function and Activity</u>	<u>General Fixed Assets October 1, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>General Fixed Assets Sept. 30, 1999</u>
<u>General Government</u>				
City Hall	\$ 1,413,821	\$ 660,898	\$	\$ 2,074,719
Total General Government	<u>1,413,821</u>	<u>660,898</u>		<u>2,074,719</u>
<u>Public Safety</u>				
Police	1,462,056	202,367	(77,698)	1,586,725
Fire	<u>736,002</u>	<u>21,572</u>		<u>757,574</u>
Total Public Safety	<u>2,198,058</u>	<u>223,939</u>	<u>(77,698)</u>	<u>2,344,299</u>
<u>Public Works</u>				
Streets and drainage	3,237,140	2,575,324		5,812,464
Fleet services	<u>200,000</u>			<u>200,000</u>
Total Public Safety	<u>3,437,140</u>	<u>2,575,324</u>		<u>6,012,464</u>
<u>Community Services</u>				
Parks & recreation	304,208	2,049		306,257
Civic center		387,430		387,430
Swimming pool	<u>100,000</u>	<u>248,417</u>		<u>348,417</u>
Total Community Services	<u>404,208</u>	<u>637,896</u>		<u>1,042,104</u>
Construction in Progress	<u>114,261</u>	<u>1,719,567</u>	<u>(1,828,447)</u>	<u>5,381</u>
Total General Fixed Assets	<u>\$ 7,567,488</u>	<u>\$ 5,817,624</u>	<u>\$ (1,906,145)</u>	<u>\$ 11,478,967</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit H-1

**COMPARATIVE SCHEDULES OF
GENERAL LONG-TERM DEBT**

September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<u>Amount Available and to be Provided for the Payment of General Long-Term Debt</u>		
Amount available in Debt Service Fund	\$ 1,083,233	\$ 371,512
Amount to be provided for retirement of general long-term debt	<u>8,520,636</u>	<u>2,303,488</u>
Total Amount Available and to be Provided	<u>\$ 9,603,869</u>	<u>\$ 2,675,000</u>
 <u>General Long-Term Debt Payable</u>		
Bond anticipation note payable	\$ 1,255,000	\$
Certificates of obligation	2,125,000	2,300,000
General obligation bonds	4,019,991	375,000
Accrued interest on premium compound interest bonds	<u>2,203,878</u>	<u></u>
Total General Long-Term Debt Payable	<u>\$ 9,603,869</u>	<u>\$ 2,675,000</u>

CITY OF JERSEY VILLAGE, TEXAS

SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT

September 30, 1999

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue
03/15/79	General Obligation Bonds - Series 1979	5.25 - 7.20%	\$ 1,250,000
07/15/86	General Obligation Bonds - Series 1986	7.00 - 9.00%	1,200,000
06/01/94	Certificates of Obligation - Series 1994	5.00 - 6.50%	1,900,000
03/21/95	Certificates of Obligation - Series 1995	5.00 - 6.00%	750,000
1986	MUD No. 247 C.O. - Series 1986	8.00 - 8.50%	1,600,000
10/18/91	MUD No. 247 Refunding Bonds - 1991	6.25 - 8.10%	3,924,991
08/01/96	MUD No. 199 Refunding Bonds -1996	4.75 - 6.25%	1,225,000
Totals			

<u>Amounts Outstanding October 1, 1998</u>	<u>Annexed Current Year</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amounts Outstanding Sept. 30, 1999</u>	<u>Interest Current Year</u>
\$ 75,000	\$	\$	\$ 75,000	\$	\$ 2,138
300,000			75,000	225,000	18,525
1,650,000			100,000	1,550,000	87,550
650,000			75,000	575,000	31,100
	1,250,000		1,250,000		51,825
	3,034,991		310,000	2,724,991	112,800
	1,150,000		80,000	1,070,000	33,761
<u>\$ 2,675,000</u>	<u>\$ 5,434,991</u>	<u>\$</u>	<u>\$ 1,965,000</u>	<u>\$ 6,144,991</u>	<u>\$ 337,699</u>

CITY OF JERSEY VILLAGE, TEXAS

**SCHEDULE OF GENERAL LONG-TERM DEBT
SERVICE REQUIREMENTS TO MATURITY**

September 30, 1999

Due During Fiscal Year Ending Sept. 30,	Annual Requirements for All Series			General Obligation Bonds Series 1986		
	Total	Total	Total	Principal	Interest Due	Total
	Principal	Interest		Due	March 15,	
	Due	Due		March 15	Sept. 15	
2000	\$ 750,000	\$ 385,771	\$ 1,135,771	\$ 75,000	\$ 13,125	\$ 88,125
2001	785,000	337,595	1,122,595	75,000	7,875	82,875
2002	457,476	629,224	1,086,700	75,000	2,625	77,625
2003	430,755	623,930	1,054,685			
2004	405,224	618,911	1,024,135			
2005	274,163	587,626	861,789			
2006	275,729	586,586	862,315			
2007	282,094	560,074	842,168			
2008	310,054	560,330	870,384			
2009	317,732	529,776	847,508			
2010	9,317	704,723	714,040			
2011	7,447	706,593	714,040			
2012	565,000	149,040	714,040			
2013	615,000	103,275	718,275			
2014	660,000	53,460	713,460			
Totals	\$ 6,144,991	\$ 7,136,914	\$ 13,281,905	\$ 225,000	\$ 23,625	\$ 248,625

	MUD No. 247 Refunding Series 1991			MUD No. 199 Refunding Series 1996		
	Principal	Interest Due	Total	Principal	Interest Due	Total
	Due	October 1,		Due	October 1,	
	April 1	April 1		April 1	April 1	
2000	\$ 340,000	\$ 202,660	\$ 542,660	\$ 85,000	\$ 63,523	\$ 148,523
2001	370,000	177,160	547,160	90,000	59,060	149,060
2002	37,476	491,564 *	529,040	95,000	54,110	149,110
2003	30,755	508,285 *	539,040	100,000	48,695	148,695
2004	25,224	523,816 *	549,040	105,000	42,895	147,895
2005	19,163	509,876 *	529,039	105,000	36,700	141,700
2006	15,729	523,311 *	539,040	110,000	30,400	140,400
2007	12,094	511,946 *	524,040	120,000	23,690	143,690
2008	10,054	528,986 *	539,040	125,000	16,250	141,250
2009	7,732	516,308 *	524,040	135,000	8,437	143,437
2010	9,317	704,723 *	714,040			
2011	7,447	706,593 *	714,040			
2012	565,000	149,040	714,040			
2013	615,000	103,275	718,275			
2014	660,000	53,460	713,460			
Totals	\$ 2,724,991	\$ 6,211,003	\$ 8,935,994	\$ 1,070,000	\$ 383,760	\$ 1,453,760

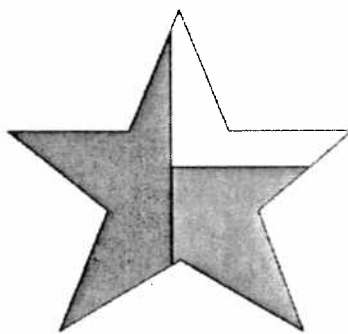
* Includes accreted interest on premium compound interest bonds.

Due During Fiscal Year Ending Sept. 30,	Certificate of Obligation Series 1994		
	Principal Due March 15	Interest Due March 15, Sept. 15	Total
	2000	\$ 150,000	\$ 80,163
2001	150,000	72,250	222,250
2002	150,000	64,675	214,675
2003	150,000	56,950	206,950
2004	150,000	49,075	199,075
2005	150,000	41,050	191,050
2006	150,000	32,875	182,875
2007	150,000	24,438	174,438
2008	175,000	15,094	190,094
2009	175,000	5,031	180,031
2010			
2011			
2012			
2013			
2014			
Totals	<u>\$ 1,550,000</u>	<u>\$ 441,601</u>	<u>\$ 1,991,601</u>

	Certificate of Obligation Series 1995		
	Principal Due March 15	Interest Due March 15, Sept. 15	Total
	2000	\$ 100,000	\$ 26,300
2001	100,000	21,250	121,250
2002	100,000	16,250	116,250
2003	150,000	10,000	160,000
2004	125,000	3,125	128,125
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
Totals	<u>\$ 575,000</u>	<u>\$ 76,925</u>	<u>\$ 651,925</u>



A Texas Star Community



A Texas Star Community

CITY OF JERSEY VILLAGE, TEXAS
GENERAL GOVERNMENT REVENUES BY SOURCE

Last Ten Fiscal Years

Function	1990	1991	1992	1993
Property taxes	\$ 1,661,402	\$ 1,628,329	\$ 1,806,602	\$ 1,923,292
Other taxes	492,503	548,833	712,572	670,440
Licenses and permits	28,381	34,844	36,131	33,683
Fines and warrants	390,992	276,094	234,616	270,571
Fees and charges for services	46,085	45,164	39,606	31,750
Mutual aid	9,570	8,825	8,240	9,375
Intergovernmental				
Interest on investments	85,517	75,211	47,761	44,019
Other revenue	107,687	124,031	111,282	83,178
	<u>\$ 2,822,137</u>	<u>\$ 2,741,331</u>	<u>\$ 2,996,810</u>	<u>\$ 3,066,308</u>

Includes General, Special Revenue and Debt Service Funds.

Source - Accounting records of the City.

Table 1

<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
\$ 1,934,908	\$ 2,000,348	\$ 1,910,704	\$ 2,025,203	\$ 2,098,134	\$ 2,620,888
695,633	740,539	968,365	1,048,605	1,102,110	1,735,116
35,058	48,845	57,656	37,359	120,499	87,731
247,397	147,467	208,879	217,036	250,481	365,854
35,609	31,189	30,880	126,971	176,192	165,902
7,575	4,100		3,920	4,375	
23,070		34,153	28,411	17,029	51,021
58,843	112,880	125,321	150,907	174,510	202,390
44,713	78,975	63,172	74,428	42,743	172,691
<u>\$ 3,082,806</u>	<u>\$ 3,164,343</u>	<u>\$ 3,399,130</u>	<u>\$ 3,712,840</u>	<u>\$ 3,986,073</u>	<u>\$ 5,401,593</u>

CITY OF JERSEY VILLAGE, TEXAS

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

<u>Function</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
General government	\$ 750,938	\$ 499,132	\$ 496,369	\$ 515,457
Public safety	916,323	1,038,564	946,167	967,659
Public works	578,233	649,288	657,873	643,251
Parks and recreation	165,617	212,179	229,747	190,151
Debt service	<u>451,740</u>	<u>481,897</u>	<u>536,164</u>	<u>513,485</u>
	<u>\$ 2,862,851</u>	<u>\$ 2,881,060</u>	<u>\$ 2,866,320</u>	<u>\$ 2,830,003</u>

Includes General, Special Revenue and Debt Service Funds.

Source - Accounting records of the City.

Table 2

<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
\$ 858,083	\$ 599,038	\$ 554,444	\$ 623,901	\$ 919,141	\$ 794,586
1,110,552	1,143,729	1,224,660	1,318,004	1,372,878	1,795,737
708,912	755,126	780,232	852,707	955,147	981,523
216,244	172,774	200,510	183,004	232,094	241,396
<u>497,381</u>	<u>535,803</u>	<u>448,388</u>	<u>482,423</u>	<u>461,946</u>	<u>2,308,393</u>
<u><u>\$ 3,391,172</u></u>	<u><u>\$ 3,206,470</u></u>	<u><u>\$ 3,208,234</u></u>	<u><u>\$ 3,460,039</u></u>	<u><u>\$ 3,941,206</u></u>	<u><u>\$ 6,121,635</u></u>

CITY OF JERSEY VILLAGE, TEXAS

Table 3

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Levy and Adjust.</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Levy and Adjust.</u>	<u>Outstanding Delinquent Taxes</u>	<u>O/S Delinquent Taxes as Percent of Levy and Adjust.</u>
1990	1989	\$ 0.7304	\$ 1,652,066	\$ 1,650,217	99.89 %	\$ 52,218	3.16 %
1991	1990	0.7300	1,655,203	1,619,024	97.81	88,397	5.34
1992	1991	0.7185	1,810,022	1,795,843	99.22	102,576	5.67
1993	1992	0.7300	1,877,669	1,919,377	102.22	60,868	3.24
1994	1993	0.7300	1,904,604	1,904,908	100.02	60,564	3.18
1995	1994	0.7300	1,972,375	1,981,369	100.46	51,570	2.61
1996	1995	0.6841	1,907,160	1,903,522	99.81	55,208	2.89
1997	1996	0.6841	2,004,325	2,003,970	99.98	55,563	2.77
1998	1997	0.6841	2,075,236	2,080,800	100.27	49,999	2.41
1999	1998	0.6841	2,653,532	2,620,888	98.77	82,643	3.11

Source - Tax assessor/collector's records.

CITY OF JERSEY VILLAGE, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY

Table 4

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Assessed Value to Estimated Actual Value</u>
1990	1989	\$ 226,422,190	\$ 233,873,720	96.81 %
1991	1990	216,010,200	223,447,520	96.67
1992	1991	249,479,770	257,535,570	96.87
1993	1992	256,069,560	266,172,010	96.20
1994	1993	264,119,510	273,472,470	96.58
1995	1994	270,188,356	278,714,280	96.94
1996	1995	278,791,996	286,530,390	97.30
1997	1996	289,851,600	297,896,974	97.30
1998	1997	298,945,530	313,892,807	95.24
1999	1998	319,000,537	328,582,998	97.08

Source - Tax assessor/collector's records.

CITY OF JERSEY VILLAGE, TEXAS

PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City of Jersey Village</u>	<u>Cypress-Fairbanks ISD</u>	<u>Harris County</u>	<u>Port of Houston Authority</u>
<u>Tax Levies and Adjust.</u>					
1990	1989	\$ 1,652,066	\$ 93,481,858	\$ 342,106,783	\$ 13,285,192
1991	1990	1,655,203	100,666,253	339,934,538	14,325,485
1992	1991	1,810,022	58,815,671	341,733,008	17,091,568
1993	1992	1,877,669	56,296,766	371,558,722	16,726,662
1994	1993	1,904,604	131,002,581	382,535,958	13,808,086
1995	1994	1,972,375	139,421,783	412,804,415	14,976,058
1996	1995	1,907,160	162,792,374	473,600,094	14,952,080
1997	1996	2,004,325	173,088,071	523,916,738	24,162,556
1998	1997	2,075,236	176,423,440	520,373,005	24,359,472
1999	1998	2,653,532	171,055,799	547,937,258	28,031,572
<u>Tax Rates (*)</u>					
1990	1989	\$ 0.7304	\$ 1.4000	\$ 0.3260	\$ 0.0127
1991	1990	0.7300	1.4900	0.3148	0.0133
1992	1991	0.7185	0.8200	0.3219	0.0153
1993	1992	0.7300	0.7680	0.3291	0.0150
1994	1993	0.7300	1.7200	0.3385	0.0122
1995	1994	0.7300	1.7500	0.3647	0.0122
1996	1995	0.6841	1.7500	0.4068	0.0128
1997	1996	0.6841	1.7500	0.4248	0.0196
1998	1997	0.6841	1.7700	0.4187	0.0200
1999	1998	0.6841	1.7700	0.4166	0.0213

Source - Tax Department records of the various taxing authorities.

(*) Per \$100 valuation.

Table 5

	<u>Harris County Flood Control</u>	<u>Harris County Hospital Dist.</u>	<u>Total</u>
\$	53,821,732	\$ 163,778,597	\$ 668,126,228
	66,823,478	179,433,767	702,838,724
	58,953,528	220,564,979	698,968,776
	63,103,788	231,593,278	741,156,885
	62,882,159	214,409,517	806,542,905
	71,147,820	208,822,817	849,145,268
	88,468,765	144,111,169	885,831,642
	98,265,975	152,708,834	974,146,499
	98,929,284	153,862,379	976,022,816
	105,183,974	162,785,387	1,017,647,522
\$	0.0513	\$ 0.1660	\$ 2.6864
	0.0619	0.1662	2.7762
	0.0528	0.1962	2.1247
	0.0559	0.1962	2.0942
	0.0557	0.1898	3.0462
	0.0557	0.1898	3.1024
	0.0760	0.1238	3.0535
	0.0797	0.1238	3.0820
	0.0796	0.1238	3.0962
	0.0800	0.1238	3.0958

CITY OF JERSEY VILLAGE, TEXAS

Table 6

TAX RATE DISTRIBUTION

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Tax Rate</u>
1990	1989	\$ 0.54830	\$ 0.18210	\$ 0.73040
1991	1990	0.57000	0.16000	0.73000
1992	1991	0.52557	0.19293	0.71850
1993	1992	0.52609	0.20391	0.73000
1994	1993	0.53236	0.19764	0.73000
1995	1994	0.57600	0.15400	0.73000
1996	1995	0.52802	0.15606	0.68408
1997	1996	0.51764	0.16644	0.68408
1998	1997	0.52966	0.15442	0.68408
1999	1998	0.53279	0.15129	0.68408

Source - City's tax ordinances.

Tax rates are per \$100 valuation.

CITY OF JERSEY VILLAGE, TEXAS

Table 7

PRINCIPAL TAXPAYERS

September 30, 1999

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
1. Beeler Sanders V Ltd.	Real	\$ 14,473,870	4.54 %
2. Beeler Sanders V Ltd.	Real	13,913,720	4.36
3. Beeler Sanders V Ltd.	Real	12,935,740	4.06
4. Customized Transport.	Personal	9,940,540	3.12
5. Joe Myers Ford, Inc.	Personal	7,676,220	2.41
6. Beeler Sanders V Ltd.	Real	7,271,490	2.28
7. Wal-Mart Properties	Personal	6,492,960	2.04
8. FMC Corporation	Personal	5,665,860	1.78
9. Joe Myers Toyota, Inc.	Personal	5,303,110	1.66
10. Sam's East Inc.	Personal	4,691,030	1.47
		<u>\$ 88,364,540</u>	<u>27.70 %</u>

Source - Tax assessor/collector's records.

CITY OF JERSEY VILLAGE, TEXAS

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

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>
1990	4,812	\$ 226,422,190	\$ 2,315,000
1991	4,850	216,010,200	2,222,000
1992	4,890	249,479,770	1,864,000
1993	4,926	256,069,560	1,506,000
1994	4,970	264,119,510	3,043,000
1995	5,000	270,188,356	3,525,000
1996	5,000	278,791,996	3,275,000
1997	5,056	289,851,600	2,975,000
1998	5,310	298,945,530	2,675,000
1999	8,000	319,000,537	6,144,991

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

Table 8

<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
\$ 209,238	\$ 2,105,762	0.93 %	\$ 438
164,073	2,057,927	0.95	424
100,626	1,763,374	0.71	361
174,042	1,331,958	0.52	270
294,919	2,748,081	1.04	553
291,380	3,233,620	1.20	647
301,779	2,973,221	1.07	595
332,636	2,642,364	0.91	523
371,512	2,303,488	0.77	434
1,083,233	5,061,758	1.59	633

CITY OF JERSEY VILLAGE, TEXAS

Table 9

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

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service Requirements</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service Requirements to Expend.</u>
1990	\$ 293,000	\$ 158,740	\$ 451,740	\$ 2,862,851	15.78 %
1991	339,253	142,644	481,897	2,881,060	16.73
1992	390,791	145,373	536,164	2,866,320	18.71
1993	393,735	119,750	513,485	2,830,003	18.14
1994	401,944	95,437	497,381	3,391,172	14.67
1995	310,441	225,362	535,803	3,206,470	16.71
1996	250,000	198,388	448,388	3,208,234	13.98
1997	300,000	182,423	482,423	3,460,039	13.94
1998	300,000	161,946	461,946	3,941,206	11.72
1999	1,965,000	343,393	2,308,393	3,813,242	60.54

CITY OF JERSEY VILLAGE, TEXAS

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

Table 10

September 30, 1999

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Outstanding as of</u>	<u>Percentage Applicable to City of Jersey Village</u>	<u>City of Jersey Village Share of Debt</u>
Cypress-Fairbanks I.S.D.	\$ 401,571,343	8/31/1999	2.83 %	\$ 11,364,469
Harris County (including Toll Rd)	779,159,546	4/30/1999	0.25	1,947,899
Harris Co. Dept. of Education	215,000	4/30/1999	0.25	538
Harris Co. Flood Control District	161,025,087	2/28/99	0.24	386,460
Port of Houston Authority	170,945,000	12/31/98	0.25	427,363
Total Net Overlapping Debt				<u>14,126,729</u>
City of Jersey Village				<u>6,144,991</u>
Total Net Direct and Overlapping Debt				<u><u>\$ 20,271,720</u></u>

CITY OF JERSEY VILLAGE, TEXAS

Table 11

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Unemployment Rate (A)</u>
1990	4812	\$ 49,386	36	5.4 %
1991	4850	49,923	37	5.7
1992	4890	50,460	39	7.3
1993	4926	52,071	40	6.8
1994	4970	53,148	41	6.2
1995	5000	53,684	41	5.4
1996	5000	54,225	41	5.2
1997	5056	56,394	40	5.2
1998	5310	57,521	40	4.5
1999	8000	59,534	40	4.0

(A) Source - Texas Workforce Commission

CITY OF JERSEY VILLAGE, TEXAS

Table 12

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Value</u>	<u>Construction *</u>	<u>Bank Deposits</u>
1990	\$ 233,873,720	\$ 72,869,856	\$ 112,869,856
1991	223,447,520	86,906,275	102,906,275
1992	257,535,570	89,524,377	106,524,377
1993	266,172,010	93,907,270	111,907,270
1994	273,472,470	94,994,481	113,994,481
1995	278,714,280	84,224,925	104,224,920
1996	280,149,310	95,674,282	106,284,660
1997	289,851,600	108,680,040	108,410,353
1998	298,945,530	17,785,550	109,494,456
1999	319,000,537	11,750,894	111,609,000

* Construction values in years 1990 through 1997 include the City of Jersey Village and surrounding areas. Beginning in 1998, only construction values within the City of Jersey Village are included.

CITY OF JERSEY VILLAGE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF ACTUARIAL LIABILITIES
AND FUNDING PROGRESS

Last Six Calendar Years

	<u>1998</u>	<u>1997</u>
Actuarial Value of Assets	\$ 734,674	\$ 470,116
Actuarial Accrued Liability	\$ 1,572,654	\$ 1,378,564
Percentage Funded	46.7%	34.1%
Unfunded Actuarial Accrued Liability	\$ 837,980	\$ 908,448
Annual Covered Payroll	\$ 1,599,598	\$ 1,471,627
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	52.4%	61.7%
Net Pension Obligation at the Beginning of Period	<u>\$</u>	<u>\$</u>
Annual Required Contribution	197,743	144,933
Interest on Net Pension Obligation		
Adjustment to the Annual Required Contribution		
Annual Pension Cost	<u>197,743</u>	<u>144,933</u>
Contributions Made	197,743	144,933
Increase in Net Pension Obligation		
Net Pension Obligation at the End of Period	<u><u>\$</u></u>	<u><u>\$</u></u>

N/A- Not applicable. The actuarial valuations were made for the pension benefit obligation as of December 31, 1994. The City began the TMRS plan effective May 1, 1995.

Table 13

<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
\$ 274,149	\$ 105,073	\$ N/A	\$ N/A
\$ 843,290	\$ 625,881	\$ N/A	\$ N/A
32.5%	16.8%	N/A	N/A
\$ 569,141	\$ 520,808	\$ N/A	\$ N/A
\$ 1,439,720	\$ 1,380,750	\$ N/A	\$ N/A
39.5%	37.7%	N/A	N/A
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
178,225	162,926	N/A	N/A
		N/A	N/A
		N/A	N/A
<u>178,225</u>	<u>162,926</u>	<u>N/A</u>	<u>N/A</u>
178,225	162,926	N/A	N/A
		N/A	N/A
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u><u>178,225</u></u>	<u><u>162,926</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

CITY OF JERSEY VILLAGE, TEXAS

MISCELLANEOUS STATISTICAL DATA

September 30, 1999

Date of incorporation April 16, 1956

Date of present charter August, 1986

Form of government Home Rule

Area 2283 acres

Miles of Streets

Streets - Paved 31 miles
Streets - Unpaved None

Fire Protection

Number of stations 1
Number of employees (Full-time equivalent) None
Number of volunteers 40

Fire Prevention

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

Police Protection

Number of stations 1
Number of sworn officers (Full-time equivalent) 14
Number of patrol units 3

Recreation

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

Miles of storm sewers 23

Education

High School

Number of teachers	172
Number of students	3,100

Grades 1-9

Number of teachers	208
Number of students	3,040

City Employees

Department heads	5
------------------	---

Employees:

Full-time	57
Part-time (Full-time equivalent)	10

Election

Number of Votes Cast:

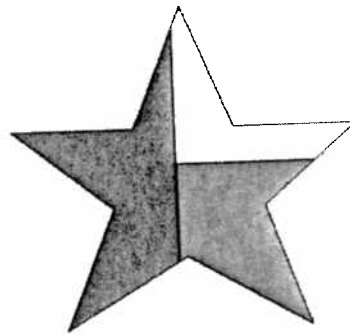
Last City Election - Regular Election	1,047
---------------------------------------	-------

Water

Source	Ground Water
Average daily consumption	756,000 gallons
Maximum daily consumption	2,298,000 gallons
Water mains	39 miles
Number of connections	1,890

Sewer

Average daily flow	512,000 gallons
Maximum daily flow	1,407,000 gallons
Sanitary sewer mains	32 miles
Number of connections	1,820



A Texas Star Community