



**Jersey Village
Annual Comprehensive
Financial Report
For the Fiscal Year Ending September 30, 2021**



*ANNUAL COMPREHENSIVE
FINANCIAL REPORT*

of the

CITY OF JERSEY VILLAGE, TEXAS

**For the Year Ended
September 30, 2021**

Officials Issuing Report:

**Austin Bless
City Manager**

**Isabel Kato
Finance Director**

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CITY OF JERSEY VILLAGE, TEXAS

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CITY OF JERSEY VILLAGE, TEXAS

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INTRODUCTORY SECTION

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CITY OF JERSEY VILLAGE, TEXAS

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

March 15, 2022

Honorable Mayor and City Council
City of Jersey Village
16501 Jersey Drive
Jersey Village, Texas 77040

Dear Mayor and Members of City Council:

The City of Jersey Village, Texas (the “City”) is required to publish each year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Jersey Village for the fiscal year ending September 30, 2021.

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

The City’s financial statements have been audited by Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending September 30, 2021 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditors concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ending September 30, 2021 are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

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

The ACFR is published to provide the Council, City staff, our citizens, bondholders, and other interested parties with detailed information concerning the financial condition and activities of the

City government. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the City assets from loss, theft, or misuse and compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Strategic Direction

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

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

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

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

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

Profile of the Government

The City, which was formed in 1956, is located 15 miles northwest of downtown Houston. As of September 30, 2021, the City had a land area of 3.58 square miles and an estimated population of approximately 7,921. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statutes to extend its

corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

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

The City provides a full range of municipal services including public safety (police and fire protection), residential solid waste sanitation services, water and wastewater services, public improvements, repair and maintenance of infrastructure, recreational and community activities, and general administrative services. The City also owns and operates a public golf course. As an independent political subdivision of the State of Texas governed by an elected Mayor and Council, the City is considered a primary government.

In accordance with standards established by the Governmental Accounting Standards Board, the City reports all funds and account groups for which the City, as the primary government, is accountable. The Jersey Village Crime Control and Prevention District (the “District”) is considered to meet the criteria of a component unit and, therefore, has been included in the report as a discretely presented component unit. The District was created by the City under Chapter 363 of the Texas Local Government Code for the purpose of providing additional crime control and prevention to the City. The District held a required election on May 2013 on the continuance of the District, which resulted in an overwhelming support to maintain the District for an additional ten years.

Local Economy

The unemployment rate for metro Houston continues to improve but remains above that of Texas and the U.S. According to the Texas Workforce Commission, estimates there are 240,000 Houstonians who are unemployed and actively looking for work, a dramatic improvement from the 470,000 out of work in 2020.

The following is a comparison of unemployment over the past three years for the City compared to Texas and United States:

	2021	2020	2019
United States	5.7%	7.8%	3.7%
Texas	6.0%	8.3%	3.6%
Jersey Village	6.8%	9.6%	3.9%

Long-term Financial Planning

Capital improvement projects are funded with general governmental revenues and proceeds of general obligation and certificates of obligation debt issues. The City annually adopts a Five-Year Capital Improvement Plan and regularly prepares short-term improvement plans for water, wastewater, drainage, municipal facilities, and parks. These plans are prepared by staff and

presented to the City Council for review and acceptance. The plans require funding sources to be identified for each project.

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

Major Initiatives

The City continues to work towards developing the area along Jones Road, south of US 290. In February 2022, the City signed a Letter of Intent with a Developer to develop the land. This 43 acre mixed-use development has been planned for by the city for over 12 years. It will help the city achieve several goals in the Comprehensive Plan while bringing a destination place to the city.

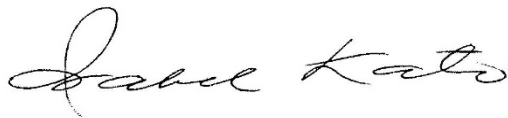
Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jersey Village for its ACFR for the year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This is the 22nd consecutive year that the City has received this prestigious award. We believe our current ACFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for compliance review.

Acknowledgements

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

Respectfully submitted,



Isabel Kato
Director of Finance

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL OFFICIALS

September 30, 2021

<u>Name</u>	<u>Elected Position</u> <u>October 1, 2021 - May 31, 2021</u>	<u>Term</u> <u>Expiration</u>
Andrew Mitcham	Mayor	05/2021
James Singleton	Mayor Pro Tem (Place 4)	05/2022
Greg Holden	Council Member (Place 2)	05/2021
Bobby Warren	Council Member (Place 3)	05/2021
Drew Wasson	Council Member (Place 1)	05/2022
Gary Wubbenhorst	Council Member (Place 5)	05/2022

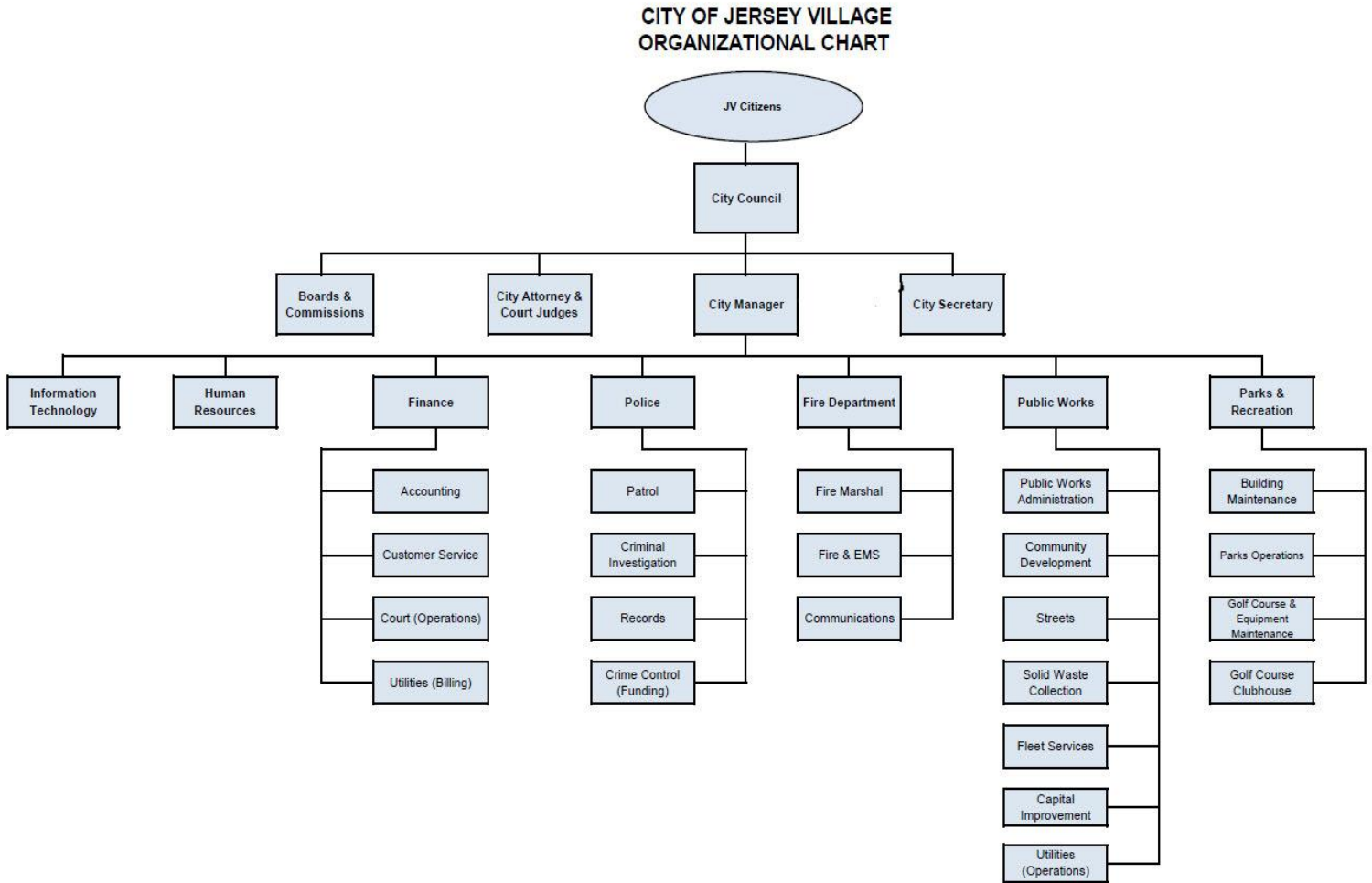
<u>City Council</u>	<u>Elected Position</u> <u>June 1, 2021 - September 30, 2021</u>	<u>Term</u> <u>Expiration</u>
Bobby Warren	Mayor	05/2023
James Singleton	Mayor Pro Tem (Place 4)	05/2022
Drew Wasson	Council Member (Place 1)	05/2022
Sheri Sheppard	Council Member (Place 2)	05/2023
Michelle Mitcham	Council Member (Place 3)	05/2023
Gary Wubbenhorst	Council Member (Place 5)	05/2022

<u>Name</u>	<u>City Position</u>
Austin Bless	City Manager
Lorri Coody	City Secretary
Justin Pruitt	City Attorney
Robert Basford	Parks and Recreation Director
Harry Ward	Public Works Director
Mark Bitz	Fire Chief
Isabel Kato	Finance Director
Kirk Riggs	Police Chief

CITY OF JERSEY VILLAGE, TEXAS

ORGANIZATIONAL CHART

September 30, 2021



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Jersey Village
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 15, 2022

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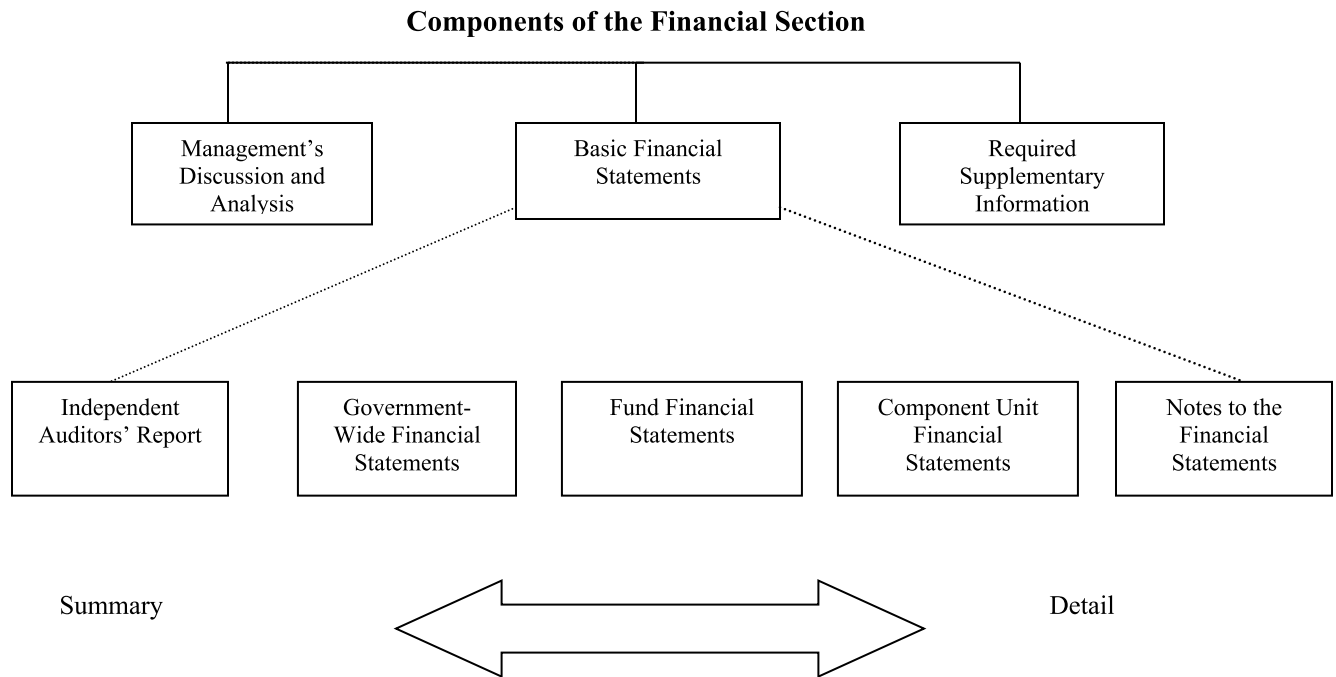
***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

The purpose of the Management’s Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Jersey Village, Texas (the “City”) for the year ending September 30, 2021. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City’s activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City’s financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



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

Government-Wide Statements

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

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

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

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

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

City's debt service fund and traffic safety fund did not technically meet the criteria to be presented as major funds, the City has elected to present them as major funds.

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

Proprietary Funds

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

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

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$105,490,793 as of September 30, 2021. The largest portion of the City's net position, 74 percent, reflects its investments in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 27,530,766	\$ 25,104,147	\$ 8,296,008	\$ 7,924,079	\$ 35,826,774	\$ 33,028,226
Capital assets, net	69,574,286	63,854,700	17,672,083	18,305,169	87,246,369	82,159,869
Total Assets	97,105,052	88,958,847	25,968,091	26,229,248	123,073,143	115,188,095
Deferred charge on refunding	292,130	358,181	-	-	292,130	358,181
Deferred outflows - pensions	684,462	636,213	104,753	98,160	789,215	734,373
Deferred outflows - OPEB	88,147	54,324	13,128	8,507	101,275	62,831
Total Deferred Outflows of Resources	1,064,739	1,048,718	117,881	106,667	1,182,620	1,155,385
Long-term liabilities	12,013,419	13,630,737	608,388	595,343	12,621,807	14,226,080
Other liabilities	4,624,192	2,071,740	710,304	770,200	5,334,496	2,841,940
Total Liabilities	16,637,611	15,702,477	1,318,692	1,365,543	17,956,303	17,068,020
Deferred inflows - pensions	699,205	936,301	97,868	130,266	797,073	1,066,567
Deferred inflows - OPEB	9,668	13,953	1,926	2,511	11,594	16,464
Total Deferred Inflows of Resources	708,873	950,254	99,794	132,777	808,667	1,083,031
Net Position:						
Net investment in capital assets	60,860,770	54,298,603	17,672,083	18,305,169	78,532,853	72,603,772
Restricted	1,223,723	1,215,263	-	-	1,223,723	1,215,263
Unrestricted	18,738,814	17,840,968	6,995,403	6,532,426	25,734,217	24,373,394
Total Net Position	\$ 80,823,307	\$ 73,354,834	\$ 24,667,486	\$ 24,837,595	\$ 105,490,793	\$ 98,192,429

A portion of the City's net position, \$1,223,723 or 1 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$25,734,217, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$7,298,364 during the current fiscal year, an increase of 7 percent in comparison to the prior year. This increase is largely the result of the City keeping expenses lower than revenue to enable the City to have additional funding to assign money for capital projects.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

Statement of Activities

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 1,455,005	\$ 1,028,530	\$ 6,585,253	\$ 6,568,925	\$ 8,040,258	\$ 7,597,455
Operating grants and contributions	6,986,834	4,408,579	-	-	6,986,834	4,408,579
General revenues:						
Ad valorem taxes	7,927,764	7,914,769	-	-	7,927,764	7,914,769
Sales taxes	6,056,811	6,262,714	-	-	6,056,811	6,262,714
Franchise fees	520,250	549,938	-	-	520,250	549,938
Other taxes	54,338	61,963	-	-	54,338	61,963
Investment earnings	12,214	223,431	2,436	47,387	14,650	270,818
Other revenues	577,082	359,259	-	-	577,082	359,259
Total Revenues	23,590,298	20,809,183	6,587,689	6,616,312	30,177,987	27,425,495
Expenses						
General government	4,198,327	4,639,473	-	-	4,198,327	4,639,473
Public safety	6,291,020	5,420,766	-	-	6,291,020	5,420,766
Public works	4,969,271	6,920,041	-	-	4,969,271	6,920,041
Parks and recreation	911,063	891,452	-	-	911,063	891,452
Interest and fiscal agent fees on long-term debt	252,869	315,625	-	-	252,869	315,625
Water and sewer systems	-	-	4,208,227	3,905,511	4,208,227	3,905,511
Golf course	-	-	2,048,846	2,114,531	2,048,846	2,114,531
Total Expenses	16,622,550	18,187,357	6,257,073	6,020,042	22,879,623	24,207,399
Increase in Net Position Before Transfers	6,967,748	2,621,826	330,616	596,270	7,298,364	3,218,096
Transfers	500,725	789,787	(500,725)	(789,787)	-	-
Change in Net Position	7,468,473	3,411,613	(170,109)	(193,517)	7,298,364	3,218,096
Beginning net position	73,354,834	69,943,221	24,837,595	25,031,112	98,192,429	94,974,333
Ending Net Position	\$ 80,823,307	\$ 73,354,834	\$ 24,667,486	\$ 24,837,595	\$ 105,490,793	\$ 98,192,429

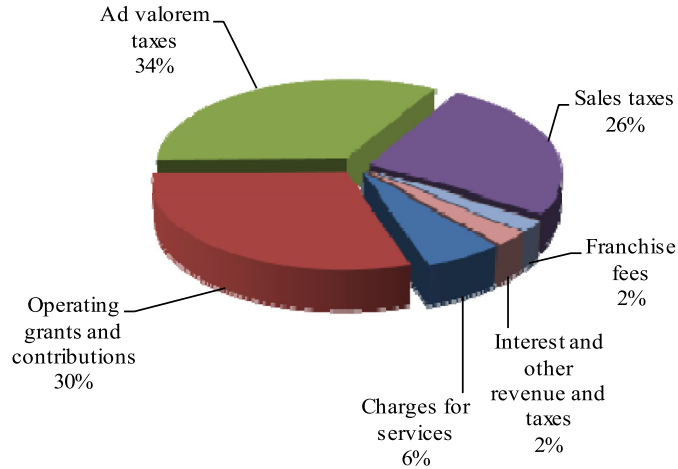
CITY OF JERSEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

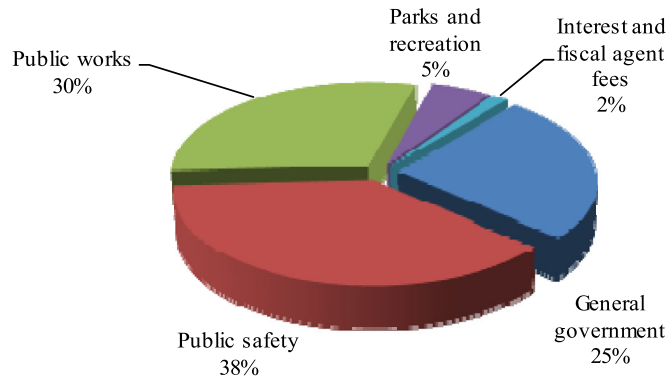
For the Year Ended September 30, 2021

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

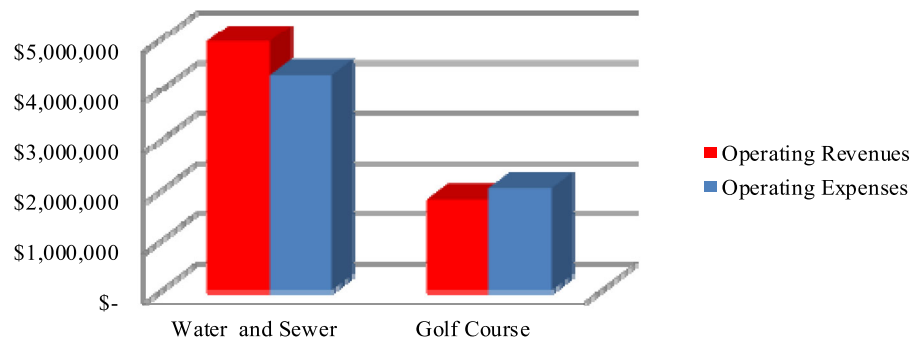
Governmental Revenues



Governmental Expenses



Business-Type Activities



CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

For the year ended September 30, 2021, revenues from governmental activities totaled \$23,590,298. Overall, governmental revenues increased from the prior year by 13 percent. Property taxes continued to be the City's largest revenue source with a slight increase of \$12,995. Operating grants and contributions increased 58 percent largely due to the City receiving a Community Development Block Grant (CDBG) federal grant for City infrastructure. Sales tax revenues which were 26 percent of the governmental activities revenues remained strong due to growth in economic development in prior years.

For the year ended September 30, 2021, expenses for governmental activities totaled \$16,622,550, which is a 9 percent decrease from the prior year due primarily to an overall decrease in public works expenses and general government expenses. The public works expenses decreased primarily due to a decrease in expenses for flood mitigation. General government expenses decreased primarily due to less grant and incentive expenses for economic development.

Operating revenues for business-type activities remained consistent to prior year. Charges for services had a slight increase of \$16,328 from golf course fees and water service revenues. Operating expenses for business-type activities increased by \$237,031 primarily due to an increase in maintenance costs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The City's governmental funds reflect a combined fund balance of \$16,360,085. Of the total governmental fund balance, \$5,944 is nonspendable for prepaid items, \$1,223,723 is restricted for various purposes, \$4,150,960 is assigned by the City Council for capital projects, and \$10,979,458 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the general fund was \$10,979,458, while total fund balance reached \$11,129,819. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 76 percent of total general fund expenditures, while total fund balance represents 77 percent of that same amount. The general fund demonstrated an overall increase of \$3,400,086 primarily due to revenues exceeding expenditures.

The debt service fund has a total fund balance of \$344,428, all of which is restricted for the payment of debt service.

There was a decrease of \$5,684,740 in the capital projects fund balance due to expenditures for capital projects which was funded by bond proceeds and transfers in from the general fund in prior years. The remaining fund balance of \$4,150,960 is assigned for future capital projects.

The traffic safety fund experienced no change in fund balance due to the red-light camera program no longer being in existence.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned increase in budgeted fund balance in the amount of \$435,102 in the general fund after budget amendments. Actual general fund balance increased by \$3,400,086, due to a positive variance of \$2,964,984 primarily due to positive budget variances for revenues and less expenditures and transfers out than expected.

Actual general fund revenues were more than original and amended revenues by \$662,605 during fiscal year 2021. The revenue budget variance was related to more sales tax and intergovernmental revenues than expected.

Actual expenditures were less than budgeted amounts by \$1,054,181 for the fiscal year. This positive budget variance is primarily due to less general government and public works expenditures.

CAPITAL ASSETS

At the end of fiscal year 2021, the City's governmental and business-type activities had invested \$87,246,369 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$7,380,693.

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

- Construction in progress for City infrastructure of \$6,146,134
- Vehicles and equipment for departmental use of \$857,323

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

LONG-TERM DEBT

At the end of the current year, the City had total governmental activities long-term debt outstanding of \$8,540,000 in general obligation bonds. During the year, the City had an overall decrease in long-term debt of \$1,335,225. More detailed information about the City's long-term liabilities is presented in note III. D. to the financial statements.

Current underlying ratings on debt issues are as follows.

	Moody's Investors Service	Standard and Poor's
General obligation bonds	A2	AA+

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

General fund sales tax revenues for fiscal year 2021-2022 decreased when compared to fiscal year 2020-2021. This change is attributed to the elimination of the 1/2-cent property tax relief tax when voters approved the creation of a Fire Control Prevention, and Emergency Medical Services District in May of 2021. The newly created District is supported by a 1/2-cent sales tax that will help fund the City's Fire Department with additional personnel and fire equipment.

The City continues to work toward developing the area along Jones Road, south of U.S. 290. To further this development effort, in February 2022, the City signed a Letter of Intent (LOI) with KHJR Real Estate Advisory Services LLC (KHJR). KHJR's mission is to enable their clients to develop places that make people's lives better by creating high quality real estate developments that are safe, economically successful and offer healthy lifestyles in which communities can come together to: Live, Work and be Well. KHJR is an experienced developer that solves complex real estate challenges through an innovative planning and turn-key project development process coupled with creative Public and Private financial structures.

Aside from the LOI with KHJR, the City will conduct a feasibility study to get a better understanding of development possibilities for this area. The study will focus on:

- Analysis of local market conditions
- Comparable facilities analysis
- Market demand analysis
- Building program analysis
- Financial analysis
- Economic and fiscal impact
- Funding Analysis

This 43-acre mixed-used development has been planned for by the city for over 12 years. It will help the city achieve several goals in the Comprehensive Plan while bringing a destination place to the city.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Jersey Village Crime Control and Prevention District
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 24,814,253	\$ 5,740,208	\$ 30,554,461	\$ 4,196,075
Receivables, net of allowances	4,698,599	413,167	5,111,766	370,415
Internal balances	(1,988,030)	1,988,030	-	-
Due from primary government	-	-	-	25,400
Inventory	-	120,047	120,047	-
Prepaid items	5,944	34,556	40,500	-
Capital assets:				
Nondepreciable capital assets	20,549,992	1,631,305	22,181,297	-
Depreciable capital assets, net	49,024,294	16,040,778	65,065,072	-
Total Assets	97,105,052	25,968,091	123,073,143	4,591,890
<u>Deferred Outflows of Resources</u>				
Deferred charge on refunding	292,130	-	292,130	-
Deferred outflows - pensions	684,462	104,753	789,215	-
Deferred outflows - OPEB	88,147	13,128	101,275	-
Total Deferred Outflows of Resources	1,064,739	117,881	1,182,620	-
<u>Liabilities</u>				
Accounts payable and accrued liabilities	4,113,176	561,697	4,674,873	-
Customer deposits	-	141,784	141,784	-
Due to component unit	25,400	-	25,400	-
Accrued bond interest	10,616	-	10,616	-
Unearned revenue	475,000	6,823	481,823	-
Noncurrent liabilities:				
Due within one year	1,576,073	88,903	1,664,976	-
Due in more than one year	10,437,346	519,485	10,956,831	-
Total Liabilities	16,637,611	1,318,692	17,956,303	-
<u>Deferred Inflows of Resources</u>				
Deferred inflows - pensions	699,205	97,868	797,073	-
Deferred inflows - OPEB	9,668	1,926	11,594	-
Total Deferred Inflows of Resources	708,873	99,794	808,667	-
<u>Net Position</u>				
Net investment in capital assets	60,860,770	17,672,083	78,532,853	-
Restricted for:				
Public communications	111,973	-	111,973	-
Debt service	344,428	-	344,428	-
Park improvements	13,816	-	13,816	-
Tourism	105,789	-	105,789	-
Public safety	618,545	-	618,545	-
Court technology	29,172	-	29,172	-
Crime control	-	-	-	4,591,890
Unrestricted	18,738,814	6,995,403	25,734,217	-
Total Net Position	\$ 80,823,307	\$ 24,667,486	\$ 105,490,793	\$ 4,591,890

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 4,198,327	\$ -	\$ -
Public safety	6,291,020	1,041,670	2,369,727
Public works	4,969,271	-	4,617,107
Parks and recreation	911,063	413,335	-
Interest on long-term debt	252,869	-	-
Total Governmental Activities	16,622,550	1,455,005	6,986,834
Business-Type Activities			
Water and sewer	4,208,227	4,754,704	-
Golf course	2,048,846	1,830,549	-
Total Business-Type Activities	6,257,073	6,585,253	-
Total Primary Government	\$ 22,879,623	\$ 8,040,258	\$ 6,986,834
Component Unit			
Jersey Village Crime Control and Prevention District	\$ 1,849,342	\$ -	\$ -

General Revenues:

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

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Position			Component Unit
Primary Government			
Governmental Activities	Business-Type Activities	Total	Jersey Village Crime Control and Prevention District
\$ (4,198,327)	\$ -	\$ (4,198,327)	\$ -
(2,879,623)	-	(2,879,623)	-
(352,164)	-	(352,164)	-
(497,728)	-	(497,728)	-
(252,869)	-	(252,869)	-
<u>(8,180,711)</u>	<u>-</u>	<u>(8,180,711)</u>	<u>-</u>
-	546,477	546,477	-
<u>-</u>	<u>(218,297)</u>	<u>(218,297)</u>	<u>-</u>
<u>-</u>	<u>328,180</u>	<u>328,180</u>	<u>-</u>
<u>(8,180,711)</u>	<u>328,180</u>	<u>(7,852,531)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,849,342)</u>
7,927,764	-	7,927,764	-
6,056,811	-	6,056,811	2,019,938
520,250	-	520,250	-
54,338	-	54,338	-
12,214	2,436	14,650	2,218
577,082	-	577,082	-
500,725	(500,725)	-	-
<u>15,649,184</u>	<u>(498,289)</u>	<u>15,150,895</u>	<u>2,022,156</u>
7,468,473	(170,109)	7,298,364	172,814
<u>73,354,834</u>	<u>24,837,595</u>	<u>98,192,429</u>	<u>4,419,076</u>
<u>\$ 80,823,307</u>	<u>\$ 24,667,486</u>	<u>\$ 105,490,793</u>	<u>\$ 4,591,890</u>

CITY OF JERSEY VILLAGE, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2021

	General	Debt Service	Capital Projects	Traffic Safety
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 14,277,479	\$ 327,240	\$ 3,008,164	\$ 586,376
Receivables, net	1,855,581	66,508	2,765,192	-
Prepaid items	3,475	-	-	-
Due from other funds	475,000	6,156	3,017,658	-
Total Assets	\$ 16,611,535	\$ 399,904	\$ 8,791,014	\$ 586,376
<u>Liabilities:</u>				
Accounts payable and accrued liabilities	\$ 1,430,792	\$ -	\$ 2,034,939	\$ 1,748
Retainage payable	-	-	586,830	-
Due to other funds	3,056,315	-	-	-
Due to component unit	25,400	-	-	-
Unearned revenue	475,000	-	-	-
Total Liabilities	4,987,507	-	2,621,769	1,748
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - ambulance	176,549	-	-	-
Unavailable revenue - grants	-	-	2,018,285	-
Unavailable revenue - property taxes	317,660	55,476	-	-
Total Deferred Inflows of Resources	494,209	55,476	2,018,285	-
<u>Fund Balances:</u>				
Nonspendable	3,475	-	-	-
Restricted:				
Public communications	111,973	-	-	-
Debt service	-	344,428	-	-
Park improvements	13,816	-	-	-
Tourism	-	-	-	-
Public safety	21,097	-	-	584,628
Court technology and security	-	-	-	-
Assigned:				
Capital projects	-	-	4,150,960	-
Unassigned	10,979,458	-	-	-
Total Fund Balances	11,129,819	344,428	4,150,960	584,628
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,611,535	\$ 399,904	\$ 8,791,014	\$ 586,376

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 453,941	\$ 18,653,200
11,318	4,698,599
2,469	5,944
30,739	3,529,553
<u>\$ 498,467</u>	<u>\$ 26,887,296</u>
\$ 2,607	\$ 3,470,086
-	586,830
345,610	3,401,925
-	25,400
-	475,000
<u>348,217</u>	<u>7,959,241</u>
-	176,549
-	2,018,285
-	373,136
<u>-</u>	<u>2,567,970</u>
2,469	5,944
-	111,973
-	344,428
-	13,816
105,789	105,789
12,820	618,545
29,172	29,172
-	4,150,960
-	10,979,458
<u>150,250</u>	<u>16,360,085</u>
<u>\$ 498,467</u>	<u>\$ 26,887,296</u>

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CITY OF JERSEY VILLAGE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2021

Total fund balances for governmental funds \$ 16,360,085

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

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

Capital assets, nondepreciable	20,549,992
Capital assets, net depreciable	45,239,380

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

2,567,970

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

Current assets and liabilities, net of due to enterprise funds	3,989,135
Capital assets, net depreciable	3,784,914

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

Deferred outflows - pensions	684,462
Deferred inflows - pensions	(699,205)
Net pension liability	(2,257,343)
Deferred outflows - OPEB	88,147
Deferred inflows - OPEB	(9,668)
Total OPEB liability	(382,571)

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

Compensated absences	(367,859)
Accrued interest	(10,616)
Bonds, notes, and other liabilities related to debt	(9,005,646)
Deferred charge on refunding	292,130

Net Position of Governmental Activities	\$ 80,823,307
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See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Traffic Safety</u>
Revenues				
Ad valorem taxes	\$ 6,486,769	\$ 1,446,752	\$ -	\$ -
Sales taxes	6,056,811	-	-	-
Franchise fees	520,250	-	-	-
Other taxes	-	-	-	-
Permits, licenses, and fees	157,390	-	-	-
Fines and forfeitures	854,103	-	-	-
Charges for services	418,126	-	-	-
Intergovernmental	2,369,727	-	2,767,374	-
Investment earnings	6,083	146	3,329	-
Other revenue	571,600	-	-	-
Total Revenues	<u>17,440,859</u>	<u>1,446,898</u>	<u>2,770,703</u>	<u>-</u>
Expenditures				
Current:				
General government	4,245,904	-	-	-
Public safety	6,676,957	-	-	-
Public works	2,677,966	-	8,455,443	-
Parks and recreation	920,083	-	-	-
Debt Service:				
Principal	-	1,245,000	-	-
Interest and fiscal agent fees	-	274,575	-	-
Total Expenditures	<u>14,520,910</u>	<u>1,519,575</u>	<u>8,455,443</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,919,949</u>	<u>(72,677)</u>	<u>(5,684,740)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	657,830	88,418	-	-
Transfers (out)	(177,693)	-	-	-
Total Other Financing Sources (Uses)	<u>480,137</u>	<u>88,418</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,400,086	15,741	(5,684,740)	-
Beginning fund balances	7,729,733	328,687	9,835,700	584,628
Ending Fund Balances	<u>\$ 11,129,819</u>	<u>\$ 344,428</u>	<u>\$ 4,150,960</u>	<u>\$ 584,628</u>

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 7,933,521
-	6,056,811
-	520,250
54,338	54,338
-	157,390
30,177	884,280
-	418,126
-	5,137,101
135	9,693
5,482	577,082
90,132	21,748,592
17,350	4,263,254
24,722	6,701,679
-	11,133,409
-	920,083
-	1,245,000
-	274,575
42,072	24,538,000
48,060	(2,789,408)
-	746,248
(67,830)	(245,523)
(67,830)	500,725
(19,770)	(2,288,683)
170,020	18,648,768
\$ 150,250	\$ 16,360,085

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CITY OF JERSEY VILLAGE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

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

Net changes in fund balances - total governmental funds	\$ (2,288,683)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital asset additions	7,266,331
Depreciation expense	(1,546,745)
<p>The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>	
Principal payments	1,245,000
Amortization of premiums, discounts, and deferred charges	24,174
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.	1,839,185
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	198,741
<p>The change in deferred outflows and deferred inflows related to the net pension and total other postemployment benefits (OPEB) liability are not recognized in the governmental funds.</p>	
Net pension liability	158,789
Deferred outflows - pensions	48,249
Deferred inflows - pensions	237,096
Total OPEB liability	(77,905)
Deferred outflows - OPEB	33,823
Deferred inflows - OPEB	4,285
An internal service fund is used by management to charge the costs of certain capital assets to individual funds. The net revenue (expense) is reported with governmental activities.	326,133
Change in Net Position of Governmental Activities	\$ 7,468,473

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Page 1 of 2)

PROPRIETARY FUNDS

September 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Golf Course	Total Enterprise Funds	Internal Service
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 5,429,745	\$ 310,463	\$ 5,740,208	\$ 6,161,053
Accounts receivable, net	413,167	-	413,167	-
Inventory	-	120,047	120,047	-
Prepays	34,556	-	34,556	-
Due from other funds	180	347,192	347,372	-
Total Current Assets	5,877,648	777,702	6,655,350	6,161,053
Noncurrent assets:				
Capital assets:				
Land	445,240	915,000	1,360,240	-
Construction in process	271,065	-	271,065	-
Buildings and improvements	3,278,442	6,442,314	9,720,756	-
Furniture and equipment	2,194,673	706,776	2,901,449	12,686,227
Water and sewer system	20,768,965	-	20,768,965	-
Less: accumulated depreciation	(10,630,915)	(6,719,477)	(17,350,392)	(8,901,313)
Total Capital Assets (Net)	16,327,470	1,344,613	17,672,083	3,784,914
Total Noncurrent Assets	16,327,470	1,344,613	17,672,083	3,784,914
Total Assets	22,205,118	2,122,315	24,327,433	9,945,967
<u>Deferred Outflows of Resources</u>				
Deferred outflows - pensions	104,753	-	104,753	-
Deferred outflows - OPEB	13,128	-	13,128	-
Total Deferred Outflows of Resources	117,881	-	117,881	-

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

September 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Golf Course	Total	Activities Internal Service
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 396,019	\$ 165,678	\$ 561,697	\$ 56,260
Customer deposits	141,415	369	141,784	-
Compensated absences	12,974	75,929	88,903	-
Unearned revenue	-	6,823	6,823	-
Due to other funds	-	-	-	475,000
Total Current Liabilities	550,408	248,799	799,207	531,260
Noncurrent liabilities:				
Compensated absences	1,442	8,437	9,879	-
Net pension liability	447,092	-	447,092	-
Total OPEB liability	62,514	-	62,514	-
Total Noncurrent Liabilities	511,048	8,437	519,485	-
Total Liabilities	1,061,456	257,236	1,318,692	531,260
Deferred Inflows of Resources				
Deferred inflows - pensions	97,868	-	97,868	-
Deferred inflows - OPEB	1,926	-	1,926	-
Total Deferred Inflows of Resources	99,794	-	99,794	-
Net Position				
Net investment in capital assets	16,327,470	1,344,613	17,672,083	3,784,914
Unrestricted	4,834,279	520,466	5,354,745	5,629,793
Total Net Position	\$ 21,161,749	\$ 1,865,079	23,026,828	\$ 9,414,707
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,640,658	
Total Net Position per Government-Wide Financial Statements.			\$ 24,667,486	

See Notes to Financial Statements.

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

For the Year Ended September 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water and</u>	<u>Golf</u>	<u>Total</u>	<u>Activities</u>
	<u>Sewer</u>	<u>Course</u>	<u>Enterprise</u>	<u>Internal</u>
			<u>Funds</u>	<u>Service</u>
<u>Operating Revenues</u>				
Charges for sales and services	\$ 4,626,710	\$ 1,804,789	\$ 6,431,499	\$ 1,527,001
Other revenues	127,994	25,760	153,754	-
Total Operating Revenues	<u>4,754,704</u>	<u>1,830,549</u>	<u>6,585,253</u>	<u>1,527,001</u>
<u>Operating Expenses</u>				
Costs of sales and services	3,249,674	859,583	4,109,257	292,857
Personnel	366,486	1,114,570	1,481,056	-
Depreciation	675,617	74,693	750,310	749,699
Total Operating Expenses	<u>4,291,777</u>	<u>2,048,846</u>	<u>6,340,623</u>	<u>1,042,556</u>
Operating Income (Loss)	<u>462,927</u>	<u>(218,297)</u>	<u>244,630</u>	<u>484,445</u>
<u>Nonoperating Revenues</u>				
Investment earnings	2,372	64	2,436	2,521
Total Nonoperating Revenues	<u>2,372</u>	<u>64</u>	<u>2,436</u>	<u>2,521</u>
Income (Loss) Before Transfers	<u>465,299</u>	<u>(218,233)</u>	<u>247,066</u>	<u>486,966</u>
Transfers in	-	177,693	177,693	-
Transfers (out)	(678,418)	-	(678,418)	-
Change in Net Position	<u>(213,119)</u>	<u>(40,540)</u>	<u>(253,659)</u>	<u>486,966</u>
Beginning net position	21,374,868	1,905,619		8,927,741
Ending Net Position	<u>\$ 21,161,749</u>	<u>\$ 1,865,079</u>		<u>\$ 9,414,707</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>83,550</u>	
Change in Net Position per Government-Wide Financial Statements			<u>\$ (170,109)</u>	

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Golf Course	Total Enterprise Funds	Activities Internal Service
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 4,680,334	\$ 1,799,525	\$ 6,479,859	\$ 2,002,001
Payments to suppliers	(3,328,577)	(1,060,992)	(4,389,569)	(326,437)
Payments to employees	(410,164)	(1,096,638)	(1,506,802)	-
Net Cash Provided (Used) by Operating Activities	941,593	(358,105)	583,488	1,675,564
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfer to (from) other funds	(678,418)	177,693	(500,725)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(678,418)	177,693	(500,725)	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(76,894)	(40,330)	(117,224)	(826,982)
Net Cash (Used) by Capital and Related Financing Activities	(76,894)	(40,330)	(117,224)	(826,982)
<u>Cash Flows from Investing Activities</u>				
Interest received	2,372	64	2,436	2,521
Net Cash Provided by Investing Activities	2,372	64	2,436	2,521
Net Increase (Decrease) in Cash and Cash Equivalents	188,653	(220,678)	(32,025)	851,103
Beginning cash and cash equivalents	5,241,092	531,141	5,772,233	5,309,950
Ending Cash and Cash Equivalents	\$ 5,429,745	\$ 310,463	\$ 5,740,208	\$ 6,161,053

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Golf Course	Total Enterprise Funds	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 462,927	\$ (218,297)	\$ 244,630	\$ 484,445
Adjustments to reconcile operating income (loss) to net cash provided (Used) by operating activities:				
Depreciation	675,617	74,693	750,310	749,699
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Current Assets:				
Accounts receivable	(74,370)	(33,784)	(108,154)	-
Prepays	(34,556)	-	(34,556)	-
Deferred outflows - pensions	(11,214)	-	(11,214)	-
Due from other funds	-	(177,255)	(177,255)	-
Increase (Decrease) in Current Liabilities:				
Accounts payable and accrued liabilities	(44,347)	(23,715)	(68,062)	(33,580)
Customer deposits	5,406	-	5,406	-
Unearned revenues	-	2,760	2,760	-
Compensated absences	6,168	17,932	24,100	-
Net pension liability	(21,698)	-	(21,698)	-
Deferred inflows - pensions	(32,398)	-	(32,398)	-
Deferred inflows - OPEB	(585)	-	(585)	-
Total OPEB liability	10,643	-	10,643	-
Due to other funds	-	(439)	(439)	475,000
Net Cash Provided (Used) by Operating Activities	\$ 941,593	\$ (358,105)	\$ 583,488	\$ 1,675,564

See Notes to Financial Statements.

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CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

Discretely Presented Component Unit

Jersey Village Crime Control and Prevention District

The Jersey Village Crime Control and Prevention District (the “District”) has been included in the reporting entity as a discretely presented component unit. The District is a not-for-profit entity created to provide additional crime control and prevention to the City. The District’s Board of Directors is appointed by and serves at the discretion of City Council. The City has the ability to impose its will on the District because it may remove appointed members at will, and it must approve the District’s budget and any necessary budget amendments. The District’s operations are reported in a single governmental fund. The District does not issue separate financial statements, as the financial activity reported at the government-wide level is the same as the fund level. A sales and use tax of one half of one percent is levied to fund the District’s budget.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following governmental funds:

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

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

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The nonmajor special revenue funds include the hotel occupancy tax, asset forfeiture, and court security and technology fees funds. The traffic safety fund is considered a nonmajor fund but is included as a major fund for reporting purposes due to its significant cash balance.

The City reports the following enterprise funds:

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

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

Additionally, the City reports the following fund type:

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

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

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

E. Measurement Focus and Basis of Accounting

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

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

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

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

1. Cash and Cash Equivalents

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

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

2. Investments

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

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

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

3. Inventories and Prepaid Items

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

4. Capital Assets

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

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

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

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

5. Deferred Outflows/Inflows of Resources

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

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City’s fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

6. Compensated Employee Absences

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

7. Long-Term Obligations

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

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

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

8. Net Position Flow Assumption

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

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

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

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

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

11. Estimates

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

12. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Other Postemployment Benefits

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, except the capital projects fund, which adopts a project length budget. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control in the approved budget as defined by the charter is the function level in the general fund and all others are at the fund level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2021. The hotel occupancy tax fund, court security and technology fees fund, and asset forfeiture fund are all special revenue funds that have adopted budgets.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2021, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 32,457,653	0.10
Total Fair Value	<u>\$ 32,457,653</u>	
Portfolio weighted average maturity		0.10

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

Credit risk. State law and the City’s investment policy limit investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent. Further, commercial paper must be rated not less than “A-1” or “P-1” or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2021, the City’s investments in TexPool were rated “AAAm” by Standard & Poor’s.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2021, the City’s deposits were fully covered under the FDIC.

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

TexPool

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

TexPool is an external investment pool measured at amortized cost. In order to meet criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of the portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

B. Receivables

The following comprise receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>
Ad valorem taxes	\$ 213,410	\$ 67,865	\$ -	\$ -
Sales taxes	1,119,228	-	-	-
Other taxes	49,886	-	-	-
Ambulance fees	961,607	-	-	-
Intergovernmental	-	-	2,765,192	-
Other	68,317	-	-	11,318
Less allowance	(556,867)	(1,357)	-	-
Total	<u>\$ 1,855,581</u>	<u>\$ 66,508</u>	<u>\$ 2,765,192</u>	<u>\$ 11,318</u>

	<u>Water and Sewer</u>	<u>Component Unit</u>
Other taxes	\$ -	\$ 370,415
Accounts	451,511	-
Less allowance	(38,344)	-
Total	<u>\$ 413,167</u>	<u>\$ 370,415</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

C. Capital Assets

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

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

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 11,835,928	\$ -	\$ -	\$ 11,835,928
Construction in progress	2,567,930	6,146,134	-	8,714,064
Total capital assets not being depreciated	14,403,858	6,146,134	-	20,549,992
Other capital assets:				
Buildings and improvements	11,128,188	560,979	(480)	11,688,687
Machinery and equipment	15,905,356	1,092,426	(532,728)	16,465,054
Infrastructure	50,455,588	-	-	50,455,588
Total other capital assets	77,489,132	1,653,405	(533,208)	78,609,329
Less accumulated depreciation for:				
Buildings and improvements	(5,453,709)	(349,314)	480	(5,802,543)
Machinery and equipment	(11,512,287)	(1,033,512)	532,728	(12,013,071)
Infrastructure	(11,072,294)	(697,127)	-	(11,769,421)
Total accumulated depreciation	(28,038,290)	(2,079,953)	533,208	(29,585,035)
Other capital assets, net	49,450,842	(426,548)	-	49,024,294
Governmental Activities Capital Assets, Net	\$ 63,854,700	\$ 5,719,586	\$ -	69,574,286
			Plus deferred charge on refunding	292,130
			Less associated debt	(9,005,646)
			Net Investment in Capital Assets	\$ 60,860,770

Depreciation was charged to governmental functions as follows:

General government	\$ 56,804
Public safety	270,434
Public works	900,462
Parks and recreation	102,554
Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets	749,699
Total Governmental Activities Depreciation Expense	\$ 2,079,953

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

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

<u>Project Description</u>	<u>Estimated Contract</u>	<u>Expenditures</u>	<u>Remaining Commitment</u>
Convention center golf course	\$ 2,770,000	\$ 144,626	\$ 2,625,374
Wall Street Neighborhood	5,880,000	427,140	5,452,860
Gateway entrance	1,000,000	397,095	602,905
Total	<u>\$ 10,150,000</u>	<u>\$ 1,468,861</u>	<u>\$ 8,681,139</u>

The following is a summary of changes in capital assets for business-type activities for the year ended September 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,360,240	\$ -	\$ -	\$ 1,360,240
Construction in progress	212,657	58,408	-	271,065
Total capital assets not being depreciated	<u>1,572,897</u>	<u>58,408</u>	<u>-</u>	<u>1,631,305</u>
Other capital assets:				
Buildings	9,673,996	47,130	(370)	9,720,756
Water and sewer system	20,768,965	-	-	20,768,965
Machinery and equipment	2,892,255	11,686	(2,492)	2,901,449
Total other capital assets	<u>33,335,216</u>	<u>58,816</u>	<u>(2,862)</u>	<u>33,391,170</u>
Less accumulated depreciation for:				
Buildings	(6,473,582)	(220,539)	370	(6,693,751)
Water and sewer system	(8,354,574)	(326,960)	-	(8,681,534)
Machinery and equipment	(1,774,788)	(202,811)	2,492	(1,975,107)
Total accumulated depreciation	<u>(16,602,944)</u>	<u>(750,310)</u>	<u>2,862</u>	<u>(17,350,392)</u>
Other capital assets, net	<u>16,732,272</u>	<u>(691,494)</u>	<u>-</u>	<u>16,040,778</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 18,305,169</u>	<u>\$ (633,086)</u>	<u>\$ -</u>	<u>\$ 17,672,083</u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 675,617
Golf course	<u>74,693</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 750,310</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

<u>Project Description</u>	<u>Estimated Contract</u>	<u>Expenditures</u>	<u>Remaining Commitment</u>
Scada project	\$ 241,095	\$ 241,095	\$ -
Seattle well tv survey	29,970	29,970	-
	<u>\$ 271,065</u>	<u>\$ 271,065</u>	<u>\$ -</u>

D. Long-Term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 9,785,000	\$ -	\$ 1,245,000	\$ 8,540,000	* \$ 1,245,000
Premium on bonds	555,871	-	90,225	465,646	*
	<u>10,340,871</u>	<u>-</u>	<u>1,335,225</u>	<u>9,005,646</u>	<u>1,245,000</u>
Other liabilities:					
Net pension liability	2,416,132	-	158,789	2,257,343	-
Total OPEB liability	304,666	77,905	-	382,571	-
Compensated absences	569,068	218,585	419,794	367,859	331,073
Total Governmental Activities	<u>\$ 13,630,737</u>	<u>\$ 296,490</u>	<u>\$ 1,913,808</u>	<u>\$ 12,013,419</u>	<u>\$ 1,576,073</u>

Long-term debt due in more than one year \$ 10,437,346

***Debt associated with governmental activity capital assets** \$ 9,005,646

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Net pension liability	\$ 468,790	\$ -	\$ 21,698	\$ 447,092	\$ -
Total OPEB liability	51,871	10,643	-	62,514	-
Compensated absences	74,682	35,508	11,408	98,782	88,903
Total Business-Type Activities	<u>\$ 595,343</u>	<u>\$ 46,151</u>	<u>\$ 33,106</u>	<u>\$ 608,388</u>	<u>\$ 88,903</u>

Long-term debt due in more than one year \$ 519,485

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Balance</u>
Governmental Activities			
General Obligation Bonds			
Series 2012	\$ 9,050,000	2.00-4.00%	\$ 2,765,000
Series 2016	\$ 6,710,000	2.00-3.00%	5,775,000
	Total General Obligation Bonds		\$ 8,540,000

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

Fiscal Year Ending Sep. 30	Governmental Activities		
	Principal	Interest	Total
	2022	\$ 1,290,000	\$ 236,850
2023	1,325,000	197,625	1,522,625
2024	1,370,000	157,200	1,527,200
2025	1,410,000	115,500	1,525,500
2026	1,545,000	71,175	1,616,175
2027	1,600,000	24,000	1,624,000
Total	\$ 8,540,000	\$ 802,350	\$ 9,342,350

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

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

Federal Arbitrage

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

E. Interfund Transactions

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
General	Internal service	\$ 475,000
Golf course	General	347,192
Debt service	General	6,156
Nonmajor	General	30,739
Capital projects	General	2,672,048
Capital projects	Nonmajor	345,610
Water and sewer	General	180
	Total	<u><u>\$ 3,876,925</u></u>

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

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
General	Water and sewer	\$ 590,000
General	Nonmajor	67,830
Debt service	Water and sewer	88,418
Golf course	General	177,693
	Total	<u><u>\$ 923,941</u></u>

Transfers to the general fund from the water and sewer fund were subsidies for administrative expenditures. Transfers to the debt service fund from the water and sewer fund were for debt service payments. The general fund transferred funds to the golf course fund to support maintenance for City facilities.

F. Fund Equity

As of September 30, 2021, \$753,506 of the City’s total fund balance is restricted by enabling legislation.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

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

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

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

The continued spread of the COVID-19 pandemic has given a rise in uncertainties that may have a significant negative impact on the operating activities and results of the City. The occurrence and extent of such impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are uncertain.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 895 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.tmr.com.

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member's deposits and interest.

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

	2021	2020
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/25
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	64
Inactive employees entitled to, but not yet receiving, benefits	99
Active employees	98
Total	261

Contributions

The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the City-matching percentages are either 100 percent, 150 percent, or 200 percent, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.05 percent and 13.75 percent in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2021 were \$883,991, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

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

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

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2021

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

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

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 1,060,160	\$ -	\$ 1,060,160
Interest	1,774,115	-	1,774,115
Change in current period benefits	-	-	-
Difference between expected and actual experience	76,827	-	76,827
Changes in assumptions	-	-	-
Contributions - employer	-	883,991	(883,991)
Contributions - employee	-	440,423	(440,423)
Net investment income	-	1,779,138	(1,779,138)
Benefit payments, including refunds of employee contributions	(1,139,102)	(1,139,102)	-
Administrative expense	-	(11,512)	11,512
Other changes	-	(451)	451
Net Changes	1,772,000	1,952,487	(180,487)
Balance at December 31, 2019	26,322,661	23,437,739	2,884,922
Balance at December 31, 2020	\$ 28,094,661	\$ 25,390,226	\$ 2,704,435

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 6,842,955	\$ 2,704,435	\$ (642,616)

Pension Plan Fiduciary Net Position

Detailed information about the TMRS fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

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

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$441,280.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 68,674	\$ 138,653
Changes in actuarial assumptions	21,403	-
Difference between projected and actual investment earnings	-	658,420
Contributions subsequent to the measurement date	699,138	-
Total	\$ 789,215	\$ 797,073

\$699,138 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30:	Pension Expense
2022	(324,161)
2023	44,072
2024	(387,491)
2025	(39,416)
Total	\$ (706,996)

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

D. Other Postemployment Benefits

TMRS Supplemental Death Benefits

Plan Description

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

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

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a five percent interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the SDBF as of December 31, 2020 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to, but not yet receiving, benefits	31
Active employees	98
Total	<u><u>176</u></u>

Total OPEB Liability

The City's total OPEB liability of \$445,085 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.00%*
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 15,729
Interest	9,986
Differences between expected and actual experience	2,554
Changes of assumptions	62,796
Benefit payments*	<u>(2,517)</u>
	Net Changes
	88,548
Beginning balance	356,537
	Ending Balance
	<u><u>\$ 445,085</u></u>

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

The discount rate decreased from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

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

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

	1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
City's Total OPEB Liability	\$ 553,754	\$ 445,085	\$ 364,200

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$52,038. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,298	\$ 2,394
Changes in actuarial assumptions	91,875	9,200
Contributions subsequent to the measurement date	6,102	-
Total	\$ 101,275	\$ 11,594

\$6,102 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2022.

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

Fiscal Year Ended September 30	OPEB Expense
2022	\$ 26,323
2023	23,718
2024	25,011
2025	8,527
Total	\$ 83,579

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

E. Chapter 380 Economic Development Program Agreements

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

Southwest Developers, LLC

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

Collaborate Development Group LLC

On June 22, 2019, the City entered into a Chapter 380 economic development program agreement (the “Program”) with Collaborate Development Group, LLC. (the “Developer”). The City administers the program of grants to the Developer for a limited time in amounts equal to a portion of City sales tax relating to certain property that would promote local economic development and stimulate business and commercial activity within the City. The Developer will provide development services for the City including purchasing land to develop a commercial retail, hotel, and restaurant project with certain public improvements for the benefit of the City on approximately 43 acres of land. The Developer estimates the total capital investment in the project to be approximately \$145,000,000.

Argos USA LLC

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

Gordon NW Village, LP

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

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 1 of 2)
For the Year Ended September 30, 2021

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Taxes and fees:				
Ad valorem	\$ 6,564,474	\$ 6,564,474	\$ 6,486,769	\$ (77,705)
Sales	5,745,000	5,745,000	6,056,811	311,811
Franchise	580,000	580,000	520,250	(59,750)
Permits, licenses, and fees	149,700	149,700	157,390	7,690
Charges for services	365,750	365,750	418,126	52,376
Fines	1,018,000	1,018,000	854,103	(163,897)
Investment earnings	100,000	100,000	6,083	(93,917)
Intergovernmental	1,924,230	1,924,230	2,369,727	445,497
Other revenues	331,100	331,100	571,600	240,500
Total Revenues	<u>16,778,254</u>	<u>16,778,254</u>	<u>17,440,859</u>	<u>662,605</u>
Expenditures				
General government:				
Administration	698,305	698,304	647,014	51,290
Legal	2,422,615	2,422,615	2,012,509	410,106
Information technology	751,652	751,652	735,034	16,618
Purchasing	23,000	23,000	20,248	2,752
Finance	373,368	428,368	415,101	13,267
Customer service	136,085	136,085	129,919	6,166
Court	424,125	424,125	286,079	138,046
Total General Government	<u>4,829,150</u>	<u>4,884,149</u>	<u>4,245,904</u>	<u>638,245</u>
Public safety:				
Police	3,546,461	3,547,583	3,519,335	28,248
Dispatch	827,626	827,626	835,776	(8,150)
Fire	2,002,584	2,397,850	2,321,846	76,004
Total Public Safety	<u>6,376,671</u>	<u>6,773,059</u>	<u>6,676,957</u>	<u>96,102</u>
Public works:				
Public works administration	297,022	297,022	293,517	3,505
Community development	503,893	503,893	430,177	73,716
Streets	779,235	779,235	669,767	109,468
Building and grounds	370,302	370,302	320,107	50,195
Sanitation	466,926	466,926	449,470	17,456
Fleet services	511,250	511,250	514,928	(3,678)
Total Public Works	<u>2,928,628</u>	<u>2,928,628</u>	<u>2,677,966</u>	<u>250,662</u>
Parks and recreation				
Recreation	201,419	201,419	201,681	(262)
Parks	787,836	787,836	718,402	69,434
Total Parks and Recreation	<u>989,255</u>	<u>989,255</u>	<u>920,083</u>	<u>69,172</u>
Total Expenditures	<u>15,123,704</u>	<u>15,575,091</u>	<u>14,520,910</u>	<u>1,054,181</u>
Excess of Revenues Over Expenditures	<u>1,654,550</u>	<u>1,203,163</u>	<u>2,919,949</u>	<u>1,716,786</u>

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

GENERAL FUND (Page 2 of 2)
For the Year Ended September 30, 2021

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 657,830	\$ 657,830	\$ 657,830	\$ -
Transfers (out)	(1,425,891)	(1,425,891)	(177,693)	1,248,198
Total Other Financing Sources (Uses)	<u>(768,061)</u>	<u>(768,061)</u>	<u>480,137</u>	<u>1,248,198</u>
Net Change in Fund Balance	<u>\$ 886,489</u>	<u>\$ 435,102</u>	<u>3,400,086</u>	<u>\$ 2,964,984</u>
Beginning fund balance			<u>7,729,733</u>	
Ending Fund Balance			<u>\$ 11,129,819</u>	

Notes to Required Supplementary Information:

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

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2021

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

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

Measurement Year*

2018	2019	2020
\$ 943,869	\$ 1,012,984	\$ 1,060,160
1,603,724	1,656,227	1,774,115
(798,906)	44,949	76,827
-	55,925	-
(1,055,612)	(955,247)	(1,139,102)
<u>693,075</u>	<u>1,814,838</u>	<u>1,772,000</u>
<u>23,814,748</u>	<u>24,507,823</u>	<u>26,322,661</u>
<u>\$ 24,507,823</u>	<u>\$ 26,322,661</u>	<u>\$ 28,094,661</u>
\$ 830,647	\$ 867,530	\$ 883,991
386,605	412,261	440,423
(613,787)	3,096,514	1,779,138
(1,055,612)	(955,247)	(1,139,102)
(11,868)	(17,501)	(11,512)
(620)	(526)	(451)
<u>(464,635)</u>	<u>3,403,031</u>	<u>1,952,487</u>
<u>20,499,343</u>	<u>20,034,708</u>	<u>23,437,739</u>
<u>\$ 20,034,708</u>	<u>\$ 23,437,739</u>	<u>\$ 25,390,226</u>
<u>\$ 4,473,115</u>	<u>\$ 2,884,922</u>	<u>\$ 2,704,435</u>
81.75%	89.04%	90.37%
\$ 5,522,931	\$ 5,889,441	\$ 6,291,750
80.99%	48.98%	42.98%

CITY OF JERSEY VILLAGE, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2021

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

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

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

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

3. Other Information:

There were no benefit changes during the year.

Fiscal Year *

2018	2019	2020	2021
\$ 825,456	\$ 837,570	\$ 891,645	\$ 946,041
825,456	837,570	891,645	946,041
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 5,458,931</u>	<u>\$ 5,654,707</u>	<u>\$ 6,262,569</u>	<u>\$ 6,841,956</u>
15.12%	14.81%	14.24%	13.83%

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CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2021

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

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

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

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.75%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who became disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. Other Information:

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

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

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***COMBINING STATEMENTS
AND SCHEDULES***

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

For the Year Ended September 30, 2021

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Ad valorem taxes	\$ 1,498,727	\$ 1,446,752	\$ (51,975)
Investment earnings	10,000	146	(9,854)
Total Revenues	1,508,727	1,446,898	(61,829)
<u>Expenditures</u>			
Debt service:			
Principal	1,245,000	1,245,000	-
Interest and fiscal agent fees	282,325	274,575	7,750
Total Expenditures	1,527,325	1,519,575	7,750
(Deficiency) of Revenues (Under) Expenditures	(18,598)	(72,677)	(54,079)
<u>Other Financing Sources (Uses)</u>			
Transfers in	88,418	88,418	-
Total Other Financing Sources	88,418	88,418	-
Net Change in Fund Balance	\$ 69,820	15,741	\$ (54,079)
Beginning fund balance		328,687	
Ending Fund Balance		\$ 344,428	

Notes to Supplementary Information:

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

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CITY OF JERSEY VILLAGE, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2021

SPECIAL REVENUE FUNDS

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

Hotel Occupancy Tax Fund

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

Court Security and Technology Fees Fund

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

Asset Forfeiture Fund

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

CITY OF JERSEY VILLAGE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2021

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Hotel	Court	Asset	
	Occupancy Tax	Security and Technology Fees	Forfeiture	
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 440,081	\$ -	\$ 13,860	\$ 453,941
Receivables, net	11,318	-	-	11,318
Prepaid items	248	-	2,221	2,469
Due from other funds	-	30,739	-	30,739
Total Assets	\$ 451,647	\$ 30,739	\$ 16,081	\$ 498,467
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 1,567	\$ 1,040	\$ 2,607
Due to other funds	345,610	-	-	345,610
Total Liabilities	345,610	1,567	1,040	348,217
<u>Fund Balances</u>				
Nonspendable	248	-	2,221	2,469
Restricted:				
Tourism	105,789	-	-	105,789
Public safety	-	-	12,820	12,820
Court technology	-	29,172	-	29,172
Total Fund Balances	106,037	29,172	15,041	150,250
Total Liabilities and Fund Balances	\$ 451,647	\$ 30,739	\$ 16,081	\$ 498,467

CITY OF JERSEY VILLAGE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Hotel Occupancy Tax	Court Security and Technology Fees	Asset Forfeiture	
Revenues				
Occupancy tax	\$ 54,338	\$ -	\$ -	\$ 54,338
Fines	-	30,177	-	30,177
Investment earnings	125	-	10	135
Other revenue	-	-	5,482	5,482
Total Revenues	54,463	30,177	5,492	90,132
Expenditures				
Current:				
General government	17,350	-	-	17,350
Public safety	-	16,034	8,688	24,722
Total Expenditures	17,350	16,034	8,688	42,072
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,113	14,143	(3,196)	48,060
Other Financing Sources (Uses)				
Transfer (out)	(19,000)	(48,830)	-	(67,830)
Total Other Financing (Uses)	(19,000)	(48,830)	-	(67,830)
Net Change in Fund Balances	18,113	(34,687)	(3,196)	(19,770)
Beginning fund balances	87,924	63,859	18,237	170,020
Ending Fund Balances	\$ 106,037	\$ 29,172	\$ 15,041	\$ 150,250

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CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2021

	Hotel Occupancy Tax		
	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Occupancy tax	\$ 70,000	\$ 54,338	\$ (15,662)
Investment earnings	1,200	125	(1,075)
Total Revenues	71,200	54,463	(16,737)
<u>Expenditures</u>			
General government	41,900	17,350	24,550
Total Expenditures	41,900	17,350	24,550
Excess of Revenues Over Expenditures	29,300	37,113	7,813
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(19,000)	(19,000)	-
Total Other Financing (Uses)	(19,000)	(19,000)	-
Net Change in Fund Balance	\$ 10,300	18,113	\$ 7,813
Beginning fund balance		87,924	
Ending Fund Balance		\$ 106,037	

Notes to Supplementary Information:

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

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2021

Court Security and Technology Fees			
	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fines	\$ 41,300	\$ 30,177	\$ (11,123)
Expenditures			
Public safety	26,825	16,034	10,791
Excess of Revenues Over Expenditures	14,475	14,143	(332)
Other Financing Sources (Uses)			
Transfers (out)	(48,830)	(48,830)	-
Total Other Financing (Uses)	(48,830)	(48,830)	-
Net Change in Fund Balance	\$ (34,355)	(34,687)	\$ (332)
Beginning fund balance		63,859	
Ending Fund Balance		\$ 29,172	

Notes to Supplementary Information:

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

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2021

	Asset Forfeiture		
	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Investment earnings	\$ 100	\$ 10	\$ (90)
Other revenue	-	5,482	5,482
Total Revenues	100	5,492	5,392
Expenditures			
Public safety	11,700	8,688	3,012
Total Expenditures	11,700	8,688	3,012
Net Change in Fund Balance	\$ (11,600)	(3,196)	\$ 8,404
Beginning fund balance		18,237	
Ending Fund Balance		\$ 15,041	

Notes to Supplementary Information:

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

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	102
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	112
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	122
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	131
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	135
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

CITY OF JERSEY VILLAGE, TEXAS

NET POSITION BY COMPONENT

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Governmental Activities				
Net investment in capital assets	\$ 23,205,799	\$ 29,072,714	\$ 30,316,564	\$ 31,654,577
Restricted	7,298,473	3,646,658	3,329,342	2,930,096
Unrestricted	8,025,517	10,085,847	-	14,575,527
Total Governmental Activities Net Position	\$ 38,529,789	\$ 42,805,219	\$ 33,645,906	\$ 49,160,200
Business-Type Activities				
Net investment in capital assets	\$ 18,085,993	\$ 17,746,030	\$ 17,205,752	\$ 17,000,490
Unrestricted	4,422,826	5,297,596	18,541,697	6,320,937
Total Business-Type Activities Net Position	\$ 22,508,819	\$ 23,043,626	\$ 35,747,449	\$ 23,321,427
Primary Government				
Net investment in capital assets	\$ 41,291,792	\$ 46,818,744	\$ 47,522,316	\$ 48,655,067
Restricted	7,298,473	3,646,658	3,329,342	2,930,096
Unrestricted	12,448,343	15,383,443	18,541,697	20,896,464
Total Primary Government Net Position	\$ 61,038,608	\$ 65,848,845	\$ 69,393,355	\$ 72,481,627

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 31,824,350	\$ 35,856,808	\$ 40,819,897	\$ 51,991,503	\$ 54,298,603	\$ 60,860,770
2,830,414	2,549,847	1,878,602	1,231,295	1,215,263	1,223,723
18,541,697	18,930,408	19,725,575	16,720,423	17,840,968	18,738,814
<u>\$ 53,196,461</u>	<u>\$ 57,337,063</u>	<u>\$ 62,424,074</u>	<u>\$ 69,943,221</u>	<u>\$ 73,354,834</u>	<u>\$ 80,823,307</u>
\$ 17,629,271	\$ 17,347,834	\$ 17,132,700	\$ 18,426,266	\$ 18,305,169	\$ 17,672,083
6,588,580	7,104,061	7,407,323	6,604,846	6,532,426	6,995,403
<u>\$ 24,217,851</u>	<u>\$ 24,451,895</u>	<u>\$ 24,540,023</u>	<u>\$ 25,031,112</u>	<u>\$ 24,837,595</u>	<u>\$ 24,667,486</u>
\$ 49,453,621	\$ 53,204,642	\$ 57,952,597	\$ 70,417,769	\$ 72,603,772	\$ 78,532,853
2,830,414	2,549,847	1,878,602	1,231,295	1,215,263	1,223,723
25,130,277	26,034,469	27,132,898	23,325,269	24,373,394	25,734,217
<u>\$ 77,414,312</u>	<u>\$ 81,788,958</u>	<u>\$ 86,964,097</u>	<u>\$ 94,974,333</u>	<u>\$ 98,192,429</u>	<u>\$ 105,490,793</u>

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET POSITION

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities				
General government	\$ 1,979,509	\$ 1,744,782	\$ 1,741,875	\$ 1,683,153
Public safety	5,221,610	5,029,549	4,840,944	5,075,686
Public works	2,929,708	2,399,621	2,447,946	2,916,512
Parks and recreation	163,273	158,351	225,551	119,532
Interest and fiscal agent fees on long-term debt	850,924	797,826	703,579	719,422
Total Governmental Activities Expenses	<u>11,145,024</u>	<u>10,130,129</u>	<u>9,959,895</u>	<u>10,514,305</u>
Business-type activities				
Water and sewer	3,040,413	2,838,464	2,612,155	2,571,317
Golf course	1,649,470	1,662,206	1,716,718	1,775,044
Total Business-Type Activities Expenses	<u>4,689,883</u>	<u>4,500,670</u>	<u>4,328,873</u>	<u>4,346,361</u>
Total Primary Government Expenses	<u>\$ 15,834,907</u>	<u>\$ 14,630,799</u>	<u>\$ 14,288,768</u>	<u>\$ 14,860,666</u>
Program Revenues				
Governmental activities				
Charges for services				
Public safety	\$ 3,090,178	\$ 2,881,707	\$ 1,431,320	\$ 1,100,279
Parks and recreation	212,593	272,562	363,058	509,817
Operating grants and contributions	609,286	750,143	1,063,628	1,897,233
Total Governmental Activities Program Revenues	<u>3,912,057</u>	<u>3,904,412</u>	<u>2,858,006</u>	<u>3,507,329</u>
Business-type activities				
Charges for services				
Water and sewer	3,894,131	4,092,417	4,000,806	4,150,845
Golf course	1,466,549	1,435,975	1,333,700	1,187,249
Total Business-Type Activities Program Revenues	<u>5,360,680</u>	<u>5,528,392</u>	<u>5,334,506</u>	<u>5,338,094</u>
Total Primary Government Program Revenues	<u>\$ 9,272,737</u>	<u>\$ 9,432,804</u>	<u>\$ 8,192,512</u>	<u>\$ 8,845,423</u>
Net (Expense)/Revenue				
Governmental activities	\$ (7,232,967)	\$ (6,225,717)	\$ (7,101,889)	\$ (7,006,976)
Business-type activities	670,797	1,027,722	1,005,633	991,733
Total Primary Government Net Expense	<u>\$ (6,562,170)</u>	<u>\$ (5,197,995)</u>	<u>\$ (6,096,256)</u>	<u>\$ (6,015,243)</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,529,880	\$ 3,683,493	\$ 3,399,058	\$ 3,169,452	\$ 4,639,473	\$ 4,198,327
4,593,094	4,386,395	4,748,633	4,903,199	5,420,766	6,291,020
5,338,993	3,430,767	4,792,733	2,992,310	6,920,041	4,969,271
651,178	581,277	519,638	717,655	891,452	911,063
648,442	491,413	439,389	307,289	315,625	252,869
<u>12,761,587</u>	<u>12,573,345</u>	<u>13,899,451</u>	<u>12,089,905</u>	<u>18,187,357</u>	<u>16,622,550</u>
3,049,180	3,512,761	3,638,432	3,148,578	3,905,511	4,208,227
1,743,055	1,873,377	1,900,360	2,135,470	2,114,531	2,048,846
4,792,235	5,386,138	5,538,792	5,284,048	6,020,042	6,257,073
<u>\$ 17,553,822</u>	<u>\$ 17,959,483</u>	<u>\$ 19,438,243</u>	<u>\$ 17,373,953</u>	<u>\$ 24,207,399</u>	<u>\$ 22,879,623</u>
\$ 1,111,375	\$ 1,188,568	\$ 1,181,524	\$ 1,292,758	\$ 905,598	\$ 1,041,670
462,972	285,291	238,846	1,240,337	122,932	413,335
980,511	1,313,987	3,552,993	1,433,555	4,408,579	6,986,834
<u>2,554,858</u>	<u>2,787,846</u>	<u>4,973,363</u>	<u>3,966,650</u>	<u>5,437,109</u>	<u>8,441,839</u>
4,595,167	4,518,707	4,670,098	4,496,215	4,739,888	4,754,704
1,196,934	1,281,283	1,387,282	1,500,228	1,829,037	1,830,549
5,792,101	5,799,990	6,057,380	5,996,443	6,568,925	6,585,253
<u>\$ 8,346,959</u>	<u>\$ 8,587,836</u>	<u>\$ 11,030,743</u>	<u>\$ 9,963,093</u>	<u>\$ 12,006,034</u>	<u>\$ 15,027,092</u>
\$ (10,206,729)	\$ (9,785,499)	\$ (8,926,088)	\$ (8,123,255)	\$ (12,750,248)	\$ (8,180,711)
999,866	413,852	518,588	712,395	548,883	328,180
<u>\$ (9,206,863)</u>	<u>\$ (9,371,647)</u>	<u>\$ (8,407,500)</u>	<u>\$ (7,410,860)</u>	<u>\$ (12,201,365)</u>	<u>\$ (7,852,531)</u>

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
General Revenues and Other				
Changes in Net Position				
Governmental activities				
Taxes and fees				
Ad valorem taxes	\$ 5,511,884	\$ 6,146,643	\$ 6,269,652	\$ 6,899,774
Sales taxes	3,035,624	2,998,515	3,282,372	3,333,531
Franchise fees and local taxes	666,253	673,888	674,027	635,236
Investment earnings	20,768	17,834	6,346	14,733
Other revenues	134,121	169,946	258,962	173,688
Transfers	438,718	494,321	1,188,206	110,781
Total Governmental Activities	9,807,368	10,501,147	11,679,565	11,167,743
Business-type activities				
Investment earnings	2,069	1,406	1,037	2,295
Transfers	(438,718)	(494,321)	(1,188,206)	(110,781)
Total Business-Type Activities	(436,649)	(492,915)	(1,187,169)	(108,486)
Total Primary Government	\$ 9,370,719	\$ 10,008,232	\$ 10,492,396	\$ 11,059,257
Change in Net Position				
Governmental activities	\$ 2,574,401	\$ 4,275,430	\$ 4,577,676	\$ 4,160,767
Business-type activities	234,148	534,807	(181,536)	883,247
Total Primary Government	\$ 2,808,549	\$ 4,810,237	\$ 4,396,140	\$ 5,044,014

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 8,216,808	\$ 8,047,479	\$ 7,631,592	\$ 8,008,209	\$ 7,914,769	\$ 7,927,764
4,932,020	4,625,417	4,769,278	5,977,528	6,262,714	6,056,811
636,178	615,525	610,312	560,994	549,938	520,250
76,726	185,333	473,167	581,169	223,431	12,214
262,531	236,105	251,130	162,480	421,222	631,420
118,727	216,242	481,440	352,022	789,787	500,725
<u>14,242,990</u>	<u>13,926,101</u>	<u>14,216,919</u>	<u>15,642,402</u>	<u>16,161,861</u>	<u>15,649,184</u>
15,285	36,434	86,947	130,716	47,387	2,436
<u>(118,727)</u>	<u>(216,242)</u>	<u>(481,440)</u>	<u>(352,022)</u>	<u>(789,787)</u>	<u>(500,725)</u>
<u>(103,442)</u>	<u>(179,808)</u>	<u>(394,493)</u>	<u>(221,306)</u>	<u>(742,400)</u>	<u>(498,289)</u>
<u>\$ 14,139,548</u>	<u>\$ 13,746,293</u>	<u>\$ 13,822,426</u>	<u>\$ 15,421,096</u>	<u>\$ 15,419,461</u>	<u>\$ 15,150,895</u>
\$ 4,036,261	\$ 4,140,602	\$ 5,290,831	\$ 7,519,147	\$ 3,411,613	\$ 7,468,473
896,424	234,044	124,095	491,089	(193,517)	(170,109)
<u>\$ 4,932,685</u>	<u>\$ 4,374,646</u>	<u>\$ 5,414,926</u>	<u>\$ 8,010,236</u>	<u>\$ 3,218,096</u>	<u>\$ 7,298,364</u>

CITY OF JERSEY VILLAGE, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ -	\$ -	\$ 674	\$ -
Restricted	24,297	24,875	31,012	39,109
Unassigned	5,770,244	7,886,398	10,018,365	12,697,557
Total General Fund	\$ 5,794,541	\$ 7,911,273	\$ 10,050,051	\$ 12,736,666
 All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ 2,221	\$ 2,221
Restricted				
Capital project funds	4,204,651	5,001	-	7,549,019
Debt service funds	450,332	474,716	500,482	463,977
Special revenue funds	2,579,531	3,141,766	2,793,875	2,554,137
Assigned				
Capital projects funds	-	-	1,116,824	840,778
Total All Other Governmental Funds	\$ 7,234,514	\$ 3,621,483	\$ 4,413,402	\$ 11,410,132

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 4,853	\$ 259	\$ 259	\$ 259	\$ 259	\$ 3,475
61,587	79,447	95,468	115,444	134,397	146,886
14,441,008	17,275,139	16,521,110	8,101,748	7,595,077	10,979,458
<u>\$ 14,507,448</u>	<u>\$ 17,354,845</u>	<u>\$ 16,616,837</u>	<u>\$ 8,217,451</u>	<u>\$ 7,729,733</u>	<u>\$ 11,129,819</u>
\$ 3,276	\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469
4,521,659	3,669,948	634,352	74,229	426,593	-
456,038	441,734	393,737	331,179	328,687	344,428
2,312,789	2,028,666	1,389,397	784,672	752,179	732,409
3,008,415	966,776	2,826,617	7,891,610	9,409,107	4,150,960
<u>\$ 10,302,177</u>	<u>\$ 7,109,593</u>	<u>\$ 5,246,572</u>	<u>\$ 9,084,159</u>	<u>\$ 10,919,035</u>	<u>\$ 5,230,266</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Taxes	\$ 9,596,403	\$ 9,861,843	\$ 10,389,401	\$ 11,007,424
Permits, licenses, and fees	131,129	133,471	131,473	172,065
Charges for services	212,593	272,562	363,058	509,817
Fines and forfeitures	2,959,049	2,748,236	1,299,847	928,214
Investment earnings	17,212	14,235	5,041	12,526
Intergovernmental	609,286	750,143	1,063,628	1,897,233
Other revenues	58,474	112,545	181,063	62,786
Total Revenues	<u>13,584,146</u>	<u>13,893,035</u>	<u>13,433,511</u>	<u>14,590,065</u>
Expenditures				
General government	1,771,567	1,711,971	1,765,524	1,911,015
Public safety	4,975,131	5,270,514	4,876,359	4,856,290
Public works	5,303,688	6,171,265	2,323,893	3,760,747
Parks and recreation	530,295	552,260	556,575	587,791
Capital outlay	264,013	13,425	-	-
Debt service				
Principal	1,235,000	1,405,000	1,495,000	1,050,000
Interest and fiscal fees	1,032,575	759,220	673,669	577,906
Paid to escrow agent for current bond refunding	135,000	-	-	-
Total Expenditures	<u>15,247,269</u>	<u>15,883,655</u>	<u>11,691,020</u>	<u>12,743,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,663,123)	(1,990,620)	1,742,491	1,846,316
Other Financing Sources (Uses)				
Sale of capital assets	6,615	-	-	-
Transfers in	7,353,718	560,397	2,025,025	625,341
Transfers out	(6,915,000)	(66,076)	(836,819)	(514,560)
Proceeds paid to escrow agent	(9,382,129)	-	-	-
Issuance of debt	9,050,000	-	-	8,000,000
Premium on debt issued	492,088	-	-	-
Total Other Financing Sources (Uses)	<u>605,292</u>	<u>494,321</u>	<u>1,188,206</u>	<u>8,110,781</u>
Net Change in Fund Balances	<u>\$ (1,057,831)</u>	<u>\$ (1,496,299)</u>	<u>\$ 2,930,697</u>	<u>\$ 9,957,097</u>
Debt service as a percentage of noncapital expenditures	19.30%	21.94%	19.97%	14.87%

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 13,878,811	\$ 13,367,966	\$ 13,195,464	\$ 14,601,658	\$ 14,595,723	\$ 14,564,920
203,454	180,908	126,564	116,748	116,342	157,390
397,070	259,218	238,846	1,240,337	122,932	418,126
907,921	1,007,660	1,054,960	1,176,010	789,256	884,280
63,057	155,039	408,902	476,131	177,145	9,693
980,511	1,313,987	3,552,993	1,433,555	4,408,579	5,137,101
168,790	156,624	90,731	84,206	359,259	577,082
<u>16,599,614</u>	<u>16,441,402</u>	<u>18,668,460</u>	<u>19,128,645</u>	<u>20,569,236</u>	<u>21,748,592</u>
3,513,200	3,553,380	3,555,860	12,450,129	4,679,739	4,263,254
4,560,262	4,829,164	5,185,533	5,524,631	5,967,550	6,701,679
4,867,383	5,668,902	4,049,980	3,747,071	6,868,668	11,133,409
623,509	554,607	779,801	803,985	977,633	920,083
-	-	-	-	-	-
1,765,000	1,875,000	7,710,000	1,180,000	1,210,000	1,245,000
782,639	521,778	469,755	336,650	308,275	274,575
-	-	-	-	-	-
<u>16,111,993</u>	<u>17,002,831</u>	<u>21,750,929</u>	<u>24,042,466</u>	<u>20,011,865</u>	<u>24,538,000</u>
487,621	(561,429)	(3,082,469)	(4,913,821)	557,371	(2,789,408)
-	-	-	-	-	-
2,029,632	578,913	10,600,678	6,472,762	3,697,172	746,248
(1,910,905)	(362,671)	(10,119,238)	(6,120,740)	(2,907,385)	(245,523)
(7,281,990)	-	-	-	-	-
6,710,000	-	-	-	-	-
628,469	-	-	-	-	-
<u>175,206</u>	<u>216,242</u>	<u>481,440</u>	<u>(4,561,799)</u>	<u>789,787</u>	<u>500,725</u>
<u>\$ 662,827</u>	<u>\$ (345,187)</u>	<u>\$ (2,601,029)</u>	<u>\$ (9,475,620)</u>	<u>\$ 1,347,158</u>	<u>\$ (2,288,683)</u>
19.45%	19.39%	41.08%	6.83%	8.74%	8.80%

CITY OF JERSEY VILLAGE, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES

Last Ten Years
(modified accrual basis of accounting)

<u>Function</u>	<u>Fiscal Year</u>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Ad valorem taxes	\$ 5,825,494	\$ 6,132,039	\$ 6,355,103	\$ 6,927,755
Sales taxes	3,035,624	2,998,515	3,282,372	3,333,531
Franchise fees	666,253	673,888	674,027	635,236
Other	69,032	57,401	77,899	110,902
Totals	<u>\$ 9,596,403</u>	<u>\$ 9,596,403</u>	<u>\$ 9,861,843</u>	<u>\$ 11,007,424</u>

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 8,216,872	\$ 8,047,543	\$ 7,655,475	\$ 7,984,862	\$ 7,721,108	\$ 7,933,521
4,932,020	4,625,417	4,769,278	5,977,528	6,262,714	6,056,811
636,178	615,525	610,312	560,994	549,938	520,250
93,741	79,481	160,399	78,274	61,963	54,338
\$ 13,878,811	\$ 13,367,966	\$ 13,195,464	\$ 14,601,658	\$ 14,595,723	\$ 14,564,920

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

	Fiscal Year			
	2012	2013	2014	2015
Residential property	\$ 491,833,349	\$ 496,740,074	\$ 520,849,850	\$ 556,078,428
Commercial property	195,666,311	204,473,889	224,196,999	242,011,499
Other	254,734,037	252,948,984	284,337,338	279,381,642
Less: Tax exempt property	<u>(161,049,212)</u>	<u>(138,212,692)</u>	<u>(176,397,106)</u>	<u>(149,483,522)</u>
Total Taxable Assessed Value (1)	<u>\$ 781,184,485</u>	<u>\$ 815,950,255</u>	<u>\$ 852,987,081</u>	<u>\$ 927,988,047</u>
Total Direct Tax Rate	\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.74250

Source: Harris County Certified / Uncertified Tax Roll

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 609,105,279	\$ 657,487,846	\$ 697,956,307	\$ 716,831,184	\$ 721,153,724	\$ 764,803,559
254,969,262	268,838,386	280,814,558	296,336,420	312,527,948	322,466,429
436,409,458	378,991,944	267,381,542	274,421,586	288,860,243	288,690,142
(187,496,940)	(202,797,027)	(203,955,593)	(207,287,908)	(275,262,666)	(278,642,135)
\$ 1,112,987,059	\$ 1,102,521,149	\$ 1,042,196,814	\$ 1,080,301,282	\$ 1,047,279,249	\$ 1,097,317,995
\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.72347

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

	Fiscal Year			
	2012	2013	2014	2015
City of Jersey Village by fund:				
General	\$ 0.46259	\$ 0.48566	\$ 0.49415	\$ 0.58252
Debt service	0.27991	0.25684	0.24835	0.15998
Total Direct Rates	\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.74250
Cypress-Fairbanks Independent School District	\$ 1.43000	\$ 1.45000	\$ 1.45000	\$ 1.44000
Harris County	0.40021	0.40021	0.41455	0.41731
Harris County Flood Control District	0.02809	0.02809	0.02827	0.02736
Port of Houston Authority	0.01952	0.01952	0.01716	0.01531
Harris County Hospital District	0.18216	0.18216	0.17000	0.17000
Harris County Department of Education	0.00662	0.00662	0.00636	0.00600
Lone Star College System	-	0.11600	0.10810	0.10790
Total Direct and Overlapping Rates (1)	\$ 2.80910	\$ 2.94510	\$ 2.93694	\$ 2.92638

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

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

Fiscal Year

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 0.52635	\$ 0.53148	\$ 0.53058	\$ 0.61640	\$ 0.60612	\$ 0.59139
0.21615	0.21102	0.21192	0.12610	0.13638	0.13207
<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.72346</u>
\$ 1.44000	\$ 1.44000	\$ 1.44000	\$ 1.37000	\$ 1.37000	\$ 1.35550
0.41923	0.41801	0.41858	0.40713	0.40713	0.39116
0.28290	0.28310	0.02877	0.27920	0.27920	0.03142
0.01334	0.01256	0.01155	0.10740	0.10740	0.00991
0.17179	0.17110	0.17108	0.16591	0.16591	0.16671
0.00520	0.00520	0.00519	0.00500	0.00500	0.00499
0.10780	0.10780	0.10780	0.10780	0.10780	0.10780
<u>\$ 3.18276</u>	<u>\$ 3.18027</u>	<u>\$ 2.92547</u>	<u>\$ 3.18494</u>	<u>\$ 3.18494</u>	<u>\$ 2.79095</u>

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CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Prologis	\$ 83,303,731	1	7.59%	\$ 41,079,853	2	5.26%
11011 Pleasant LLC	57,107,741	2	5.20%	34,206,780	4	4.38%
GWR Trails CC Owner LLC**	36,517,349	3	3.33%	22,210,100	5	2.84%
Trails Rock Creek Holdings LP	26,619,058	4	2.43%	13,752,789	8	1.76%
BHA Real Estate Holdings LLC	24,784,277	5	2.26%	-	N/A	-
Gordon NW Village LP	24,236,988	6	2.21%	-	N/A	-
Sonic LS Chevrolet	19,583,660	7	1.78%	16,087,323	6	2.06%
Joe Myers Automotive, LLC*	17,292,167	8	1.58%	40,994,662	3	5.25%
NNN Auto Owner II, LLC	15,641,673	9	1.43%	-	N/A	-
Joe Myers Ford II, LLC	14,319,395	10	1.30%	-	N/A	-
Goodman Manufacturing Corp.	-	N/A	-	58,344,200	1	7.47%
Baceline Value Fund I	-	N/A	-	15,273,582	7	1.96%
National Oilwell Inc	-	N/A	-	13,058,960	9	1.67%
Car Son LMC LP	-	N/A	-	12,893,313	10	1.65%
Subtotal	<u>319,406,039</u>		<u>29.11%</u>	<u>267,901,562</u>		<u>34.29%</u>
Other Taxpayers	<u>777,911,956</u>		<u>70.89%</u>	<u>513,282,923</u>		<u>65.71%</u>
Total	<u><u>\$ 1,097,317,995</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 781,184,485</u></u>		<u><u>100.00%</u></u>

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

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

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

CITY OF JERSEY VILLAGE, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Tax levy	\$ 5,800,295	\$ 6,058,430	\$ 6,306,997	\$ 6,890,311
Current tax collected*	5,746,879	6,014,066	6,288,377	6,837,787
Percentage of current tax collections	99.08%	99.27%	99.70%	99.24%
Net collections and refunds in subsequent years**	<u>39,664</u>	<u>31,352</u>	<u>1,601</u>	<u>25,743</u>
Total Tax Collections	<u>\$ 5,786,543</u>	<u>\$ 6,045,418</u>	<u>\$ 6,289,978</u>	<u>\$ 6,863,530</u>
Total collections as a percentage of current levy	99.76%	99.79%	99.73%	99.61%

Source: Harris County Tax Assessor-Collector

* Collected within the year of the levy.

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

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 8,265,028	\$ 8,185,070	\$ 7,738,311	\$ 8,021,237	\$ 7,776,048	\$ 8,147,586
8,225,760	7,731,341	7,700,027	7,970,669	7,672,971	7,933,521
99.52%	94.46%	99.51%	99.37%	98.67%	97.37%
38,018	(95,859)	(78,328)	(83,530)	-	-
<u>\$ 8,263,778</u>	<u>\$ 7,635,482</u>	<u>\$ 7,621,699</u>	<u>\$ 7,887,139</u>	<u>\$ 7,672,971</u>	<u>\$ 7,933,521</u>
99.98%	93.29%	98.49%	98.33%	98.67%	97.37%

CITY OF JERSEY VILLAGE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Primary Government				
Governmental Activities:				
General obligation bonds	\$ 18,900,000	\$ 17,770,000	\$ 16,570,000	\$ 15,830,000
Certificates of obligation	880,000	605,000	310,000	8,000,000
Capital leases	229,511	777,534	396,073	-
Premium on bonds	634,591	586,559	538,527	490,495
Total Primary Government	\$ 20,644,102	\$ 19,739,093	\$ 17,814,600	\$ 24,320,495
 Personal Income	 \$ 346,330,800	 \$ 346,330,800	 \$ 347,500,000	 \$ 348,000,000
 Debt as a Percentage of Personal Income	 5.96%	 5.70%	 5.13%	 6.99%
 Population	 7,785	 7,862	 7,901	 7,898
 Debt Per Capita	 \$ 2,652	 \$ 2,511	 \$ 2,255	 \$ 3,079

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

Fiscal Year

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 14,440,000	\$ 13,320,000	\$ 12,175,000	\$ 10,995,000	\$ 9,785,000	\$ 8,540,000
7,320,000	6,565,000	-	-	-	-
-	-	-	-	-	-
925,134	830,728	736,321	646,096	555,871	465,646
<u>\$ 22,685,134</u>	<u>\$ 20,715,728</u>	<u>\$ 12,911,321</u>	<u>\$ 11,641,096</u>	<u>\$ 10,340,871</u>	<u>\$ 9,005,646</u>
\$ 349,000,000	\$ 378,195,480	\$ 410,008,680	\$ 410,008,680	\$ 544,610,844	\$ 554,636,341
6.50%	5.48%	3.15%	2.84%	1.90%	1.62%
7,928	7,929	7,970	7,992	8,017	7,921
\$ 2,861	\$ 2,613	\$ 1,620	\$ 1,457	\$ 1,290	\$ 1,137

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

	Fiscal Year			
	2012	2013	2014	2015
Net Taxable Assessed Value				
All property	\$ 781,184,485	\$ 815,950,255	\$ 852,987,081	\$ 927,988,047
Net Bonded Debt				
Gross bonded debt	\$ 20,009,511	\$ 19,152,534	\$ 17,276,073	\$ 23,830,000
Less debt service funds	(450,332)	(474,716)	(500,482)	(463,978)
Net Bonded Debt	<u>\$ 19,559,179</u>	<u>\$ 18,677,818</u>	<u>\$ 16,775,591</u>	<u>\$ 23,366,022</u>
Ratio of Net Bonded Debt To Assessed Value	2.50%	2.29%	1.97%	2.52%
Population	7,785	7,862	7,901	7,898
Net Bonded Debt Per Capita	\$ 2,512	\$ 2,376	\$ 2,123	\$ 2,958

Fiscal Year

2016	2017	2018	2019	2020	2021
<u>\$ 1,112,987,059</u>	<u>\$ 1,102,521,149</u>	<u>\$ 1,042,196,814</u>	<u>\$ 1,080,301,282</u>	<u>\$ 1,047,279,249</u>	<u>\$ 1,097,317,995</u>
\$ 21,760,000 <u>(456,038)</u>	\$ 22,685,134 <u>(441,734)</u>	\$ 12,911,321 <u>(393,737)</u>	\$ 11,641,096 <u>(331,179)</u>	\$ 10,340,871 <u>(328,687)</u>	\$ 8,540,000 <u>(344,428)</u>
<u>\$ 21,303,962</u>	<u>\$ 22,243,400</u>	<u>\$ 12,517,584</u>	<u>\$ 11,309,917</u>	<u>\$ 10,012,184</u>	<u>\$ 8,195,572</u>
1.91%	2.02%	1.20%	1.05%	0.96%	0.75%
7,928	7,929	7,970	7,992	8,017	7,921
\$ 2,687	\$ 2,805	\$ 1,571	\$ 1,415	\$ 1,249	\$ 1,035

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CITY OF JERSEY VILLAGE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
For the Year Ended September 30, 2021

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Cypress-Fairbanks Independent School District	\$ 3,107,910,000	1.355%	\$ 42,112,181
Harris County	2,004,118,885	0.391%	7,839,311
Harris County Department of Education	20,749,607	0.005%	1,077
Lone Star College District	563,955,000	0.108%	607,943
Harris County Flood Control District	713,005,000	0.031%	224,026
Port of Houston Authority	564,149,000	0.010%	55,907
Harris County Hospital District	-	0.167%	-
Subtotal, overlapping debt	<u>6,973,887,492</u>		<u>50,840,446</u>
City Direct Debt	\$ 9,005,646	100.000%	<u>9,005,646</u>
Total Direct and Overlapping Debt			<u><u>\$ 59,846,092</u></u>

Source: Various governmental units mentioned above

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

CITY OF JERSEY VILLAGE, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Gross Revenues (1)	\$ 3,895,964	\$ 4,093,684	\$ 4,001,738	\$ 4,152,908
Operating Expenses (2)	\$ 2,750,154	\$ 2,608,672	\$ 2,356,645	\$ 2,728,013
Net Revenues Available for Debt Service	\$ 1,145,810	\$ 1,485,012	\$ 1,645,093	\$ 1,424,895
Debt Service Requirements (3)				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -
Coverage	0.00	0.00	0.00	0.00

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 4,595,167	\$ 4,518,707	\$ 4,670,098	\$ 4,496,215	\$ 4,739,888	\$ 4,754,704
\$ 2,655,492	\$ 2,974,499	\$ 3,079,683	\$ 2,646,874	\$ 3,211,814	\$ 3,616,160
\$ 1,939,675	\$ 1,544,208	\$ 1,590,415	\$ 1,849,341	\$ 1,528,074	\$ 1,138,544
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00	0.00	0.00	0.00	0.00	0.00

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CITY OF JERSEY VILLAGE, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year Ended Sep. 30	Population (1)	Personal Income (4)	Per Capita Personal Income	Median Age	School Enrollment (2)	Unemployment Rate (3)
2012	7,785	\$ 346,330,800	\$ 45,272	32.7	4,300	6.9%
2013	7,862	\$ 346,330,800	\$ 44,051	37.8	4,400	6.2%
2014	7,901	\$ 347,500,000	\$ 43,982	37.8	4,500	5.0%
2015	7,898	\$ 348,000,000	\$ 44,062	39.0	4,500	4.9%
2016	7,928	\$ 349,000,000	\$ 46,000	43.6	4,600	4.9%
2017	7,929	\$ 378,195,480	\$ 47,304	44.7	4,650	4.1%
2018	7,970	\$ 410,008,680	\$ 51,444	38.3	4,677	3.9%
2019	7,992	\$ 476,083,440	\$ 59,570	38.5	4,690	3.2%
2020	8,017	\$ 544,610,844	\$ 67,932	39.0	5,000	9.6%
2021	7,921	\$ 554,636,341	\$ 70,021	39.0	4,155	5.6%

Data sources:

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

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CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jersey Village High School	306	1	7.02%	270	2	8.96%
Joe Myers Toyota	180	2	4.13%	272	1	9.03%
Joe Myers Ford	178	3	4.08%	195	4	6.47%
Sonic-LS Chevrolet	159	4	3.65%	200	3	6.64%
Sam's East, Inc.	155	5	3.56%	165	5	5.47%
City of Jersey Village	153	6	3.51%	144	6	4.78%
Post Elementary School	118	7	2.71%	102	9	3.38%
Foundry Methodist	68	8	1.56%	132	7	4.38%
CEMEX	54	9	1.24%	-	N/A	-
Champion Forest Baptist Church - JV	37	10	0.85%	44	10	1.46%
Joe Myers Mazda	-	N/A	-	111	8	3.68%
Total	<u>1,408</u>		<u>32.29%</u>	<u>1,635</u>		<u>54.25%</u>

Source: Personnel department of each employer above

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>General Fund:</u>										
Administrative										
Administration	3	3	3	3	3	2	2	2	2	2
Information Technology	2	2	2	2	2	2	3	3	3	3
Municipal Court	4	4	4	4	4	4	4	4	3	3
City Secretary	1	1	1	1	1	1	1	1	1	1
Finance	4	4	4	4	4	4	4	4	4	4
Public Safety										
Police	28	30	30	30	30	30	29	29	29	30
Fire	6	6	6	6	6	6	6	6	6	10
Communications	7	7	7	7	7	7	7	9	9	9
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Streets	3	3	3	3	3	3	3	3	3	3
Community Development	4	4	4	4	4	4	4	4	4	5
Fleet Services	2	2	2	2	2	2	2	2	2	2
Parks and Recreation										
Parks	7	8	8	8	8	8	9	10	10	9
General Fund Total	73	76	76	76	76	75	76	79	78	83
<u>Enterprise Fund:</u>										
Water and Sewer	5	5	5	5	5	5	5	5	5	5
Golf Course	13	13	13	13	13	13	13	13	13	13
Enterprise Fund Total	18	18	18	18	18	18	18	18	18	18
<u>Special Revenue Fund:</u>										
Police	2	2	1	1	-	1	1	1	1	1
Special Revenue Fund Total	2	2	1	1	-	1	1	1	1	1
Total City Positions	<u>93</u>	<u>96</u>	<u>95</u>	<u>95</u>	<u>94</u>	<u>94</u>	<u>95</u>	<u>98</u>	<u>97</u>	<u>102</u>

NOTES:

Around 20-35 temporary and seasonal employees are hired during the summer months as pool personnel and front desk personnel. This count is not reflected above.
 On-call firefighters (9) are not included.
 Source of full-time employee equivalent: The City's payroll processing software.

CITY OF JERSEY VILLAGE, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2012	2013	2014	2015
Police				
Physical arrests	814	1153	778	849
Parking violations	82	30	20	47
Traffic violations	11,074	11,489	9,553	9,702
Fire				
Calls for service	1,634	1,615	1,216	1,123
Water				
Service calls	1,634	1,716	2,014	211
Water main breaks	15	12	4	2
Average daily consumption (thousands of gallons)	1368.0	1478.0	1285.0	1285.0
Total consumption (thousands of gallons)	499.5	539.6	469.2	469.2
Peak daily consumption (thousands of gallons)	3.9	3.6	4.9	4.9
Sewer				
Average daily sewage treatment (thousands of gallons)	0.2	0.2	0.3	0.3
Peak daily consumption (thousands of gallons)	0.5	0.5	0.5	0.8

Source: Various City departments

Fiscal Year						
2016	2017	2018	2019	2020	2021	
1034	919	803	715	418	466	
32	26	37	20	17	20	
11,687	7,455	11,624	12,282	8,540	4,529	
1,188	1,312	1,360	1,248	1,303	1,514	
1,641	2,295	1,989	1,511	996	1,049	
4	6	2	3	12	15	
1265.0	1194.0	1056.0	1224.0	1194.0	1194.0	
461.8	466.4	378.9	449.5	311.8	311.8	
3.2	1.8	3.2	3.2	1.8	1.8	
0.3	0.3	0.4	0.7	0.8	0.8	
0.8	0.8	0.5	0.9	1.1	1.1	

CITY OF JERSEY VILLAGE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2012	2013	2014	2015
Police				
Stations	1	1	1	1
Patrol units	16	16	16	16
Fire				
Stations	1	1	1	1
Volunteers	32	33	33	40
Other public works				
Streets (miles - centerlines)	29.6	29.6	29.6	29.6
Streetlights	47	47	47	47
Traffic signals	11	11	11	11
Parks and recreation				
Parks	4	4	4	4
Parks acreage	53.65	53.65	53.65	53.65
Swimming pools	1	1	1	1
Water				
Water wells	4	4	4	4
Water mains (miles)	36.6	36.6	36.6	36.6
Fire hydrants	466	468	468	468
Storage capacity (thousands of gallons)	2,550	2,550	2,550	2,550
Sewer				
Sanitary sewers (miles)	36.2	36.2	36.2	36.2
Storm sewers (miles)	21.7	21.7	21.7	21.7
Treatment capacity (thousands of gallons)	800	800	800	800

Source: Various City departments

Fiscal Year						
2016	2017	2018	2019	2020	2021	
1	1	1	1	1	1	1
16	16	16	16	16	16	16
1	1	1	1	1	1	1
43	34	31	35	37	37	22
29.6	29.6	29.6	29.6	29.6	29.6	29.6
47	47	47	47	47	47	47
11	11	11	11	11	11	11
4	4	4	4	4	4	4
53.65	53.65	53.65	53.65	53.65	53.65	53.65
1	1	1	1	1	1	1
4	4	4	4	4	3	3
36.6	35.8	35.8	35.8	35.8	35.8	35.8
468	455	455	455	455	455	455
2,550	2,550	2,550	2,550	2,550	2,550	2,550
36.2	35.2	35.2	35.2	35.2	35.2	35.2
21.7	20.7	20.7	20.7	20.7	20.7	20.7
800	800	800	800	800	800	800

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16327 Lakeview Dr. Jersey Village, TX 77040

EXHIBIT B

2021 City of Jersey Village Single Audit Reports

SINGLE AUDIT REPORTS

**CITY OF JERSEY VILLAGE,
TEXAS**

**For the Year Ended
September 30, 2021**

CITY OF JERSEY VILLAGE, TEXAS

SINGLE AUDIT REPORTS

For the Year Ended September 30, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 15, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 15, 2022



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Jersey Village, Texas' (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated March 15, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 15, 2022

CITY OF JERSEY VILLAGE, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended September 30, 2021

No prior findings.

CITY OF JERSEY VILLAGE, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2021

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the City.
2. No material weaknesses or significant deficiencies in internal control were disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the basic financial statements were disclosed during the audit.
4. No material weaknesses or significant deficiencies in internal control over major federal award programs were disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs for the City are reported in Part C of this schedule.
7. The programs included as major programs included:

<u>AL Number</u>	<u>Program Title</u>
14.228	Community Development Block Grant
97.039	Hazard Mitigation Grant Programs

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The City did not qualify as a low-risk auditee in the context of Uniform Guidance.

B. FINDINGS – BASIC FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS – FEDERAL AWARDS

None

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Pass-through Texas General Land Office:</i>			
Emergency Protective Measures Disaster Grant	97.036	EM-3540-TX	\$ 56,410
<i>Pass-through Texas Department of Emergency Management:</i>			
Hazard Mitigation Grant Programs	97.039	DR-3540-TX	2,078,632
<i>Pass-through Texas Water Development Board:</i>			
Flood Mitigation Assistance	97.029	1700012330	912,467
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>3,047,509</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Pass-through Texas General Land Office:</i>			
Community Development Block Grant	14.228	B-16-DL-48-0001	1,292,043
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,292,043</u>
TOTAL FEDERAL AWARDS EXPENDED			<u><u>\$ 4,339,552</u></u>

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2021

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. INDIRECT COST RATE

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

4. DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

During the emergency period of COVID-19, federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of the donated PPE, but such amounts are not included in the SEFA. The City did not receive any donated PPE during the reporting year.