

*COMPREHENSIVE
ANNUAL FINANCIAL REPORT*

of the

CITY OF JERSEY VILLAGE, TEXAS

Year Ended
September 30, 2010

Officials Issuing Report:

**Mike Castro
City Manager**

**Isabel Kato
Finance Director**

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CITY OF JERSEY VILLAGE, TEXAS

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INTRODUCTORY SECTION

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City of *Jersey Village*

Incorporated 1956

A Texas Star Community

January 10, 2011

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 each year to publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Jersey Village for the fiscal year ended September 30, 2010.

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

The City’s financial statements have been audited by Belt Harris Pechacek, LLLP., a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the financial statements for the year ended September 30, 2010 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 statement in the form of Management’s Discussion and Analysis (“MD&A”). The letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

Strategic Direction

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

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

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

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

- **Fiscal Responsibility** – Continue fiscally sound local government practices through active budget controls and a focus on strategic planning within the community.
- **Public Safety** – Provide a safe and secure environment resulting from a partnership between Jersey Village residents, the Police and Fire Departments.
- **Flood Prevention and Mitigation** – The City will continue efforts to reduce flooding in the City and use its influence to encourage the Harris County Flood Control District to complete major flood mitigation programs affecting Jersey Village in a timely manner.
- **Emergency Preparedness** – Our Emergency Management plan is complete and all essential City staff members are in compliance with NIMS standards.
- **Economic Development** – The City will focus economic development efforts on increasing the commercial tax base through the attraction of companies and the expansion of existing businesses. The City is working on the Phase 3 of the feasibility study in relation with the Transit Oriented Development.
- **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, 2010 the City had a land area of 3.58 square miles and an estimated population of approximately 7,600. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statutes to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

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

The City provides a full range of municipal services including public safety (police and fire protection), residential solid waste sanitation services, water and wastewater services, public improvements, repair and maintenance of infrastructure, recreational and community activities and general administrative

services. The City also owns and operates a public golf course. As an independent political subdivision of the State of Texas governed by an elected Mayor and Council, the City is considered a primary government.

In accordance with standards established by the Governmental Accounting Standards Board, the City reports all funds and account groups for which the City, as the primary government, is accountable. The Jersey Village Crime Control and Prevention District (the "District") is considered to meet the criteria of a component unit and, therefore, has been included in the report as a discretely presented component unit. The District was created by the City under Chapter 363 of the Texas Local Government Code for the purpose of providing additional crime control and prevention to the City. The District held a required election in May 2003 on the continuance of the District, which resulted in an overwhelming support to maintain the District for an additional ten years.

Local Economy. The Texas unemployment rate, at 9.1 percent, is lower than the U.S. unemployment rate of 9.6 percent. The area of Houston-Galveston Brazoria is, as well, lower than the State of Texas level at 8.2 percent. So far in 2010, Houston's modest gains in payroll employment have been high when compared to the rest of the country, even with a number of regional uncertainties like airline mergers, the status of the space program and a moratorium on deepwater drilling.

| | 2010 | 2009 | 2008 |
|----------------|------|-------|------|
| United States | 9.6% | 9.5% | 6.0% |
| Texas | 9.1% | 8.1 % | 5.1% |
| Jersey Village | 8.2% | 8.5% | 5.1% |

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

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

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

Major Initiatives

Fiscal Year (FY) 2009-2010 was a year of accomplishments and challenges for the City of Jersey Village. The list below highlights some of the more significant City activities this past year:

- **The City of Jersey Village almost completed the 2007 Street Project.**
- **After almost twenty years, the City of Jersey Village, together with Harris County, celebrated the groundbreaking of the Jones Road Extension project in August 2010. This project will improve the traffic flow problem in Northwest Harris County.**

- During our budget work session in April 2010, the City Manager presented Council with the financial condition of the City with the expectation that property values will have a fairly small decrease and taking in consideration the nationwide economic situation, fiscal measurements with the expenditures were taken by the Administration without affecting the level of services to our citizens.

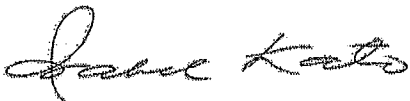
Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jersey Village for its Comprehensive Annual Financial Report for the year ended September 30, 2009. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This is the fourteenth consecutive year that the City has received this prestigious award. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for compliance review.

Acknowledgements

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

Respectfully submitted,



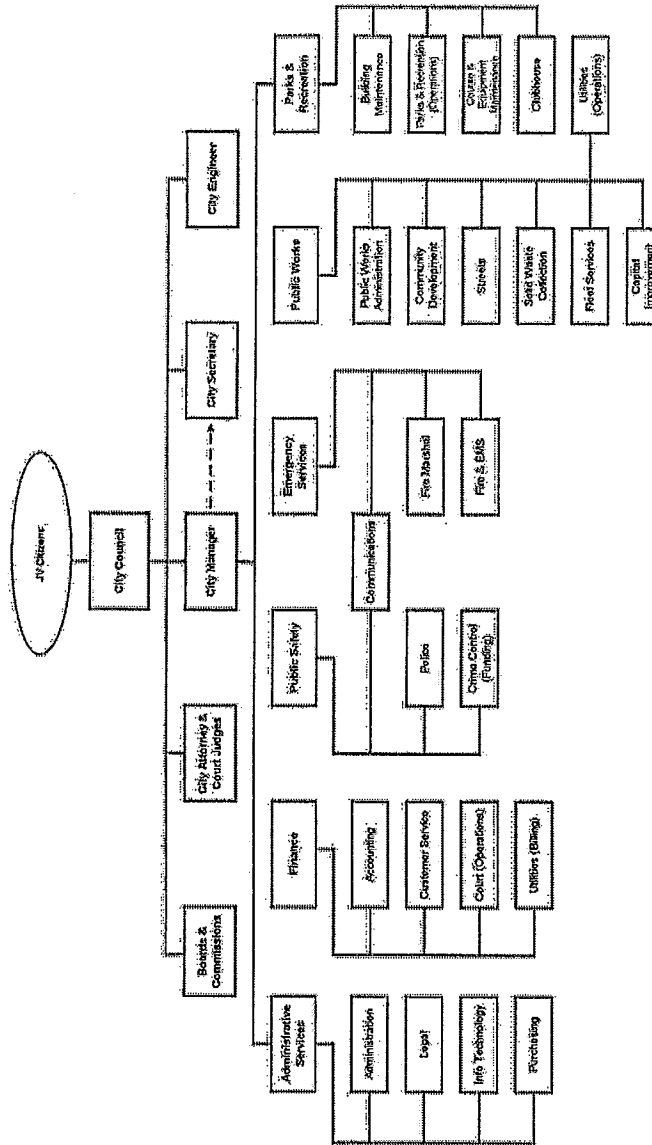
Isabel Kato
Director of Finance

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CITY OF JERSEY VILLAGE, TEXAS

ORGANIZATIONAL CHART

September 30, 2010



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

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to
City of Jersey Village,
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

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



A handwritten signature in black ink, appearing to read "M. L. R. M.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written in a cursive style.

Executive Director

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL OFFICIALS

September 30, 2010

| <u>City Officials</u> | <u>Elective Position</u> | <u>Term Expires</u> |
|-----------------------|--------------------------|---------------------|
| Russell Hamley | Mayor | 05/2011 |
| Joyce Berube | Council Member | 05/2012 |
| Rod Erskine | Council Member | 05/2011 |
| Curtis Haverty | Council Member | 05/2011 |
| Mark Maloy | Council Member | 05/2012 |
| Jill Klein | Council Member | 05/2012 |

| <u>Key Staff</u> | <u>Position</u> |
|------------------------|-------------------------------|
| Mike Castro | City Manager |
| Lorri Coody | City Secretary |
| Martha T. Williams | City Attorney |
| Michael Brown | Parks and Recreation Director |
| Mark Bitz | Fire Chief |
| Isabel Kato | Finance Director |
| Charles Wedemeyer, Jr. | Police Chief |
| Ismael Segundo | Director of Public Works |

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City") as of September 30, 2010 and for the year ended, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Providing Governmental & Nonprofit Audits Sealed with Excellence

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
January 20, 2011

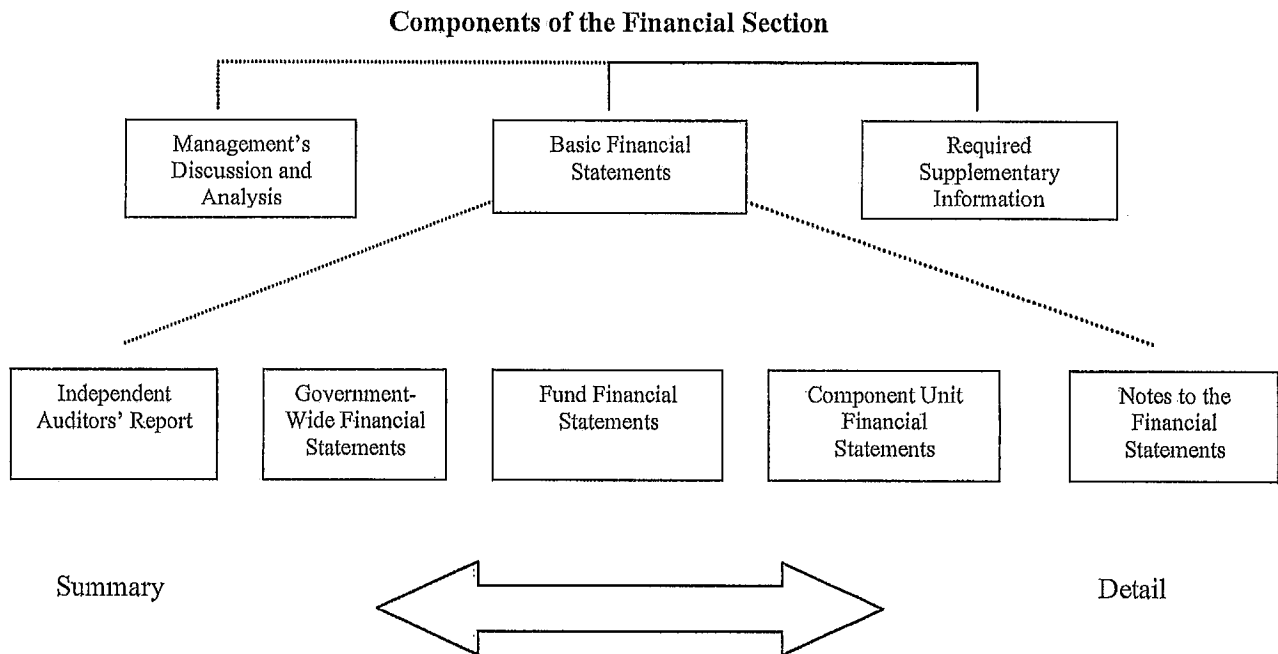
*MANAGEMENT'S DISCUSSION
AND ANALYSIS*

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CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
 For The Year Ended September 30, 2010

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, 2010. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Governmental Accounting Standards Board (GASB) Statement No. 34 establishes the content of the minimum requirements for the MD&A. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



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

Government-Wide Statements

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

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2010

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

The Statement of Net Assets presents information on all of the City's assets and liabilities. The difference between the two is reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2010

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service, and capital project funds, which are considered to be major funds. The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

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

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

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. For the City, assets exceed liabilities by \$54,599,073 as of September 30, 2010.

As required by GASB Statement No. 34, a comparative analysis of government-wide data has been presented as a component of the MD&A for the year ending September 30, 2010. The largest portion of the City's net assets, 72 percent, reflects its investments in capital assets (e.g., land, buildings, equipments, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2010

Statement of Net Assets:

The following table reflects the condensed Statement of Net Assets:

SUMMARY OF STATEMENT OF NET ASSETS

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--|----------------------------|----------------------|-----------------------------|----------------------|--------------------------------|----------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$ 21,701,305 | \$ 18,754,147 | \$ 4,364,517 | \$ 5,439,689 | \$ 26,065,822 | \$ 24,193,836 |
| Capital assets, net | 37,427,520 | 34,830,940 | 17,831,127 | 17,505,161 | 55,258,647 | 52,336,101 |
| Total Assets | 59,128,825 | 53,585,087 | 22,195,644 | 22,944,850 | 81,324,469 | 76,529,937 |
| Long-term liabilities | 22,923,296 | 23,989,708 | 95,873 | 761,062 | 23,019,169 | 24,750,770 |
| Other liabilities | 3,243,944 | 1,416,468 | 462,283 | 637,321 | 3,706,227 | 2,053,789 |
| Total Liabilities | 26,167,240 | 25,406,176 | 558,156 | 1,398,383 | 26,725,396 | 26,804,559 |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related debt | 21,384,544 | 11,219,378 | 17,831,127 | 16,805,161 | 39,215,671 | 28,024,539 |
| Restricted | 6,751,632 | 7,455,122 | - | 715,000 | 6,751,632 | 8,170,122 |
| Unrestricted | 4,825,409 | 9,504,411 | 3,806,361 | 4,026,306 | 8,631,770 | 13,530,717 |
| Total Net Assets | \$ 32,961,585 | \$ 28,178,911 | \$ 21,637,488 | \$ 21,546,467 | \$ 54,599,073 | \$ 49,725,378 |

A portion of the City's net assets, \$6,751,632 or 12 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, \$8,631,770 or 16 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net assets increased by \$4,873,695 during the current fiscal year, an increase of 10 percent in comparison to the prior year. This increase is largely the result of an increase in operating grants and contributions as Jones Road extension increased substantially during the year.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2010

Statement of Activities:

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

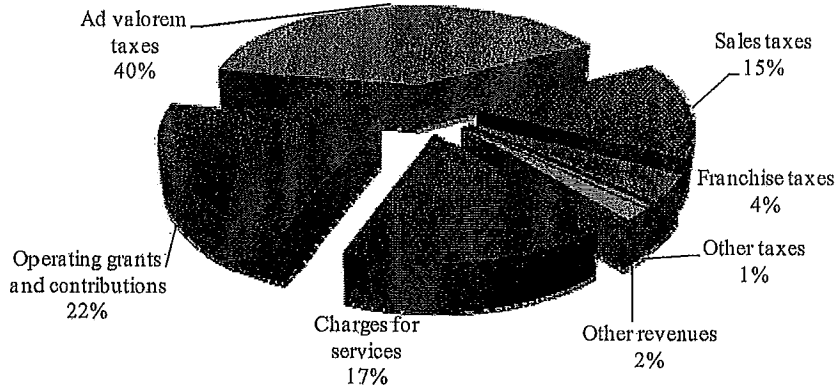
CHANGES IN NET ASSETS

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|----------------------------|----------------------|-----------------------------|----------------------|--------------------------------|----------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 2,620,858 | \$ 2,435,185 | \$ 4,226,895 | \$ 4,778,702 | \$ 6,847,753 | \$ 7,213,887 |
| Operating grants and contributions | 3,439,600 | 1,111,357 | - | - | 3,439,600 | 1,111,357 |
| General revenues: | | | | | | |
| Ad valorem taxes | 6,198,169 | 6,100,687 | - | - | 6,198,169 | 6,100,687 |
| Sales taxes | 2,411,159 | 2,532,587 | - | - | 2,411,159 | 2,532,587 |
| Franchise taxes | 632,605 | 759,233 | - | - | 632,605 | 759,233 |
| Other taxes | 66,567 | 86,747 | - | - | 66,567 | 86,747 |
| Investment earnings | 36,792 | 134,912 | 5,614 | 19,186 | 42,406 | 154,098 |
| Other revenues | 275,580 | 358,394 | - | - | 275,580 | 358,394 |
| Total Revenues | <u>15,681,330</u> | <u>13,519,102</u> | <u>4,232,509</u> | <u>4,797,888</u> | <u>19,913,839</u> | <u>18,316,990</u> |
| Expenses | | | | | | |
| General government | 2,046,283 | 2,211,902 | - | - | 2,046,283 | 2,211,902 |
| Public safety | 5,136,312 | 4,421,088 | - | - | 5,136,312 | 4,421,088 |
| Public works | 2,391,025 | 2,069,991 | - | - | 2,391,025 | 2,069,991 |
| Parks and recreation | 525,477 | 476,072 | - | - | 525,477 | 476,072 |
| Interest and fiscal agent fees on long-term debt | 1,220,035 | 1,283,271 | - | - | 1,220,035 | 1,283,271 |
| Water and sewer systems | - | - | 2,092,496 | 2,572,957 | 2,092,496 | 2,572,957 |
| Golf course | - | - | 1,628,516 | 1,563,335 | 1,628,516 | 1,563,335 |
| Total Expenses | <u>11,319,132</u> | <u>10,462,324</u> | <u>3,721,012</u> | <u>4,136,292</u> | <u>15,040,144</u> | <u>14,598,616</u> |
| Increase (Decrease) in Net Assets Before Transfers | 4,362,198 | 3,056,778 | 511,497 | 661,596 | 4,873,695 | 3,718,374 |
| Transfers | 420,476 | 1,048,773 | (420,476) | (405,343) | - | 643,430 |
| Change in Net Assets | 4,782,674 | 4,105,551 | 91,021 | 256,253 | 4,873,695 | 4,361,804 |
| Beginning Net Assets | 28,178,911 | 24,073,360 | 21,546,467 | 21,290,214 | 49,725,378 | 45,363,574 |
| Ending Net Assets | <u>\$ 32,961,585</u> | <u>\$ 28,178,911</u> | <u>\$ 21,637,488</u> | <u>\$ 21,546,467</u> | <u>\$ 54,599,073</u> | <u>\$ 49,725,378</u> |

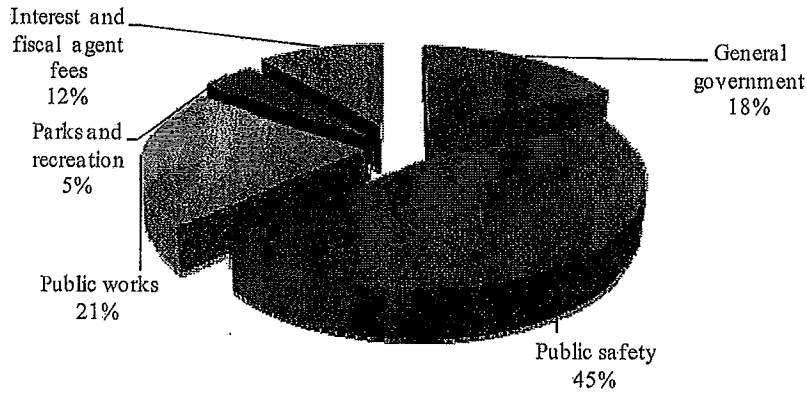
CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 For The Year Ended September 30, 2010

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

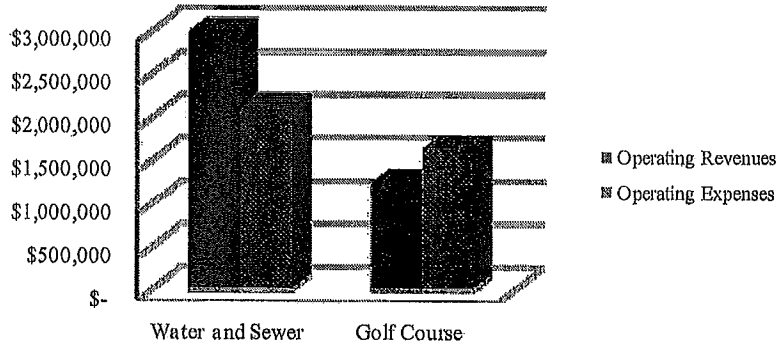
Governmental Revenues



Governmental Expenses



Business-type Activities



CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2010

For the year ended September 30, 2010, revenues from governmental activities totaled \$15,681,330. Overall, governmental revenues increased by 16 percent from prior year. Property tax revenues, the City's largest revenue source, increased by one percent because of the increase in taxable value. The City's investment earnings are steadily declining with a decrease of 73 percent from the prior year due to falling interest rates. The City continues to invest its funds in TexPool.

For the year ended September 30, 2010, expenses for governmental activities totaled \$11,319,132, which is comparable to the prior year.

Operating revenues for business-type activities declined from the prior year. Charges for services decreased \$551,807 or 12 percent due to higher water consumption in the prior year. Operating expenses for business-type activities decreased by ten percent due to decreases in water and sewer systems maintenance and repairs, as well as consumption.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The City's governmental funds reflect a combined fund balance of \$16,394,471. Various reserves included \$1,198 for park improvements and \$764,760 for public safety. There was an increase in the combined fund balance of \$942,475 over the prior year.

The general fund is the chief operating fund of the City. At the end of the current year, the unreserved, undesignated fund balance of the general fund was \$9,646,412, while total fund balance reached \$9,662,132. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 120.8 percent of total general fund expenditures, while total fund balance represents 121.0 percent of the total general fund expenditures. The general fund demonstrated an overall increase of \$1,101,927 as a result of higher revenues than anticipated for fines and miscellaneous sources and an overall reduction in expenditures.

The debt service fund has a total fund balance of \$413,552, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$8,476. This increase can be attributed to the transfer of funds from the water and sewer fund.

The capital projects fund experienced a decrease in fund balance of \$2,606,412 due to the completion of a project in the current year.

The Jones road extension capital project fund increased fund balance as a result of an increase in intergovernmental revenue during the year.

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

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2010

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned decrease in budgeted fund balance in the amount of \$935,339 in the general fund. However, the net change in fund balance was \$1,101,927, resulting in a positive variance of \$2,037,266 from budgeted as amended over actual.

Actual general fund budgeted revenues exceeded original and amended revenues by \$705,494 during 2010. This positive variance includes the positive variances of \$215,831 for fine revenues and \$160,989 for ad valorem revenues.

Actual expenditures were less than budgeted amounts by \$1,331,772 for the fiscal year. The greatest positive variance was in police as a result of personnel vacancies within the department and legal.

CAPITAL ASSETS

At the end of year 2010, the City's governmental activities funds had invested \$37,427,520 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$2,596,580. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34 with an increase in depreciation expense of \$1,098,770.

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

- Completion of the street and drainage system projects for \$7,730,849

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

LONG-TERM DEBT

At the end of the current year, the City had total governmental activities long term debt outstanding of \$21,812,976. Of this amount, \$15,657,447 was general obligation bonds, \$5,770,000 was certificates of obligation, and \$385,529 represented capital leases.

During the year, the City had a reduction in the overall long-term debt of \$2,047,215, which includes redemption of revenue bonds at year end.

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

Current underlying ratings on debt issues are as follows:

| | Moody's Investors Service | Standard and Poor's |
|--------------------------|---------------------------------|------------------------|
| Water revenue bonds | A3 | AA |
| General obligation bonds | A2 | AA |

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2010

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During 2009, the Houston region was impacted from the downturn of the economy but it was not as severe compared to other parts of the country. A significant concern for the City is the prospect of declining home values, coupled with declining sales tax receipts. A simultaneous decline in both home values and sales tax will have severe implications for the budget, as the City's general fund revenue is principally made up of property taxes, sales taxes, and franchise fees. Revenue projections for the budget are based on historical data, estimates from the finance department and input from individual department's heads. Revenue projections have been projected conservatively, taking into account a slowing regional and national economy.

Overall, revenues for the fiscal year 2010-11 are projected at 6.3% decrease over fiscal year 2009-10. The General Fund portion of the property tax revenue is estimated to be approximately \$3.9 million. The ad valorem tax rate continues at .7425 cent per hundred dollar assessed valuation. Of this tax rate, 48.1595 cents is utilized for maintenance and operation activities of the general fund, and the remaining amount, 26.0905 cents, is used for the debt service fund. The City's portion of the sales tax rate is one and one-half cents, with an additional half-cent for crime control and prevention. The general fund receives one and one-half cent with the additional half cent as an instrument for property tax reduction.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Isabel Kato, Finance Director, 16501 Jersey Drive, Jersey Village, TX, 77040, telephone 713.466.2104, or for general City information, visit the City's website at www.ci.jersey-village.tx.us.

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BASIC FINANCIAL STATEMENTS

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CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET ASSETS

September 30, 2010

| | Primary Government | | | Component Unit |
|---|----------------------------|-----------------------------|---------------|---------------------------------|
| | Governmental Activities | Business-Type Activities | Total | Jersey Village Crime Control |
| <u>Assets</u> | | | | |
| Cash and equity in pooled cash and investments | \$ 21,885,590 | \$ 2,287,176 | \$ 24,172,766 | \$ 811,838 |
| Receivables, net of allowances | 1,167,283 | 361,126 | 1,528,409 | 137,231 |
| Internal balances | (1,670,661) | 1,670,661 | - | - |
| Due from component unit | 77,153 | - | 77,153 | - |
| Due from primary government | - | - | - | 409,000 |
| Inventory | - | 45,554 | 45,554 | - |
| Deferred charges | 241,940 | - | 241,940 | - |
| Capital assets: | | | | |
| Non-depreciable capital assets | 4,276,367 | 1,497,245 | 5,773,612 | - |
| Depreciable capital assets, net | 33,151,153 | 16,333,882 | 49,485,035 | - |
| Total Assets | 59,128,825 | 22,195,644 | 81,324,469 | 1,358,069 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | 2,757,928 | 355,891 | 3,113,819 | - |
| Customer deposits | - | 95,541 | 95,541 | - |
| Due to component unit | 409,000 | - | 409,000 | - |
| Due to primary government | - | - | - | 77,153 |
| Accrued bond interest | 77,016 | - | 77,016 | - |
| Unearned revenue | - | 10,851 | 10,851 | - |
| Noncurrent liabilities: | | | | |
| Due within one year | 1,575,472 | 38,349 | 1,613,821 | - |
| Due in more than one year | 21,347,824 | 57,524 | 21,405,348 | - |
| Total Liabilities | 26,167,240 | 558,156 | 26,725,396 | 77,153 |
| <u>Net Assets</u> | | | | |
| Invested in capital assets, net of related debt | 21,384,544 | 17,831,127 | 39,215,671 | - |
| Restricted for: | | | | |
| Capital projects | 4,639,945 | - | 4,639,945 | - |
| Debt service | 417,125 | - | 417,125 | - |
| Special revenue projects | 1,694,562 | - | 1,694,562 | - |
| Jersey Village crime control | - | - | - | 1,280,916 |
| Unrestricted | 4,825,409 | 3,806,361 | 8,631,770 | - |
| Total Net Assets | \$ 32,961,585 | \$ 21,637,488 | \$ 54,599,073 | \$ 1,280,916 |

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2010

| Functions/Programs | Expenses | Program Revenues | |
|---------------------------------------|----------------------|-------------------------|--|
| | | Charges for Services | Operating Grants and Contributions |
| Primary Government | | | |
| Governmental Activities | | | |
| General government | \$ 2,046,283 | \$ - | \$ - |
| Public safety | 5,136,312 | 2,324,301 | 3,439,600 |
| Public works | 2,391,025 | - | - |
| Parks and recreation | 525,477 | 296,557 | - |
| Interest on long-term debt | 1,220,035 | - | - |
| Total Governmental Activities | 11,319,132 | 2,620,858 | 3,439,600 |
| Business-type Activities | | | |
| Utility | 2,092,496 | 2,983,242 | - |
| Golf course | 1,628,516 | 1,243,653 | - |
| Total Business-Type Activities | 3,721,012 | 4,226,895 | - |
| Total Primary Government | \$ 15,040,144 | \$ 6,847,753 | \$ 3,439,600 |
| Component unit | | | |
| Jersey Village crime control | \$ 672,681 | \$ - | \$ - |
| | 672,681 | - | - |

General Revenues:

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

Total General Revenues and Transfers

Change in Net Assets

Beginning Net Assets

Ending Net Assets

See Notes to Financial Statements.

| Net Revenue (Expense) and Changes in Net Assets | | | Component Unit |
|---|--------------------------|----------------------|---------------------|
| Primary Government | | Total | |
| Governmental Activities | Business-type Activities | | |
| \$ (2,046,283) | \$ - | \$ (2,046,283) | \$ - |
| 627,589 | - | 627,589 | - |
| (2,391,025) | - | (2,391,025) | - |
| (228,920) | - | (228,920) | - |
| (1,220,035) | - | (1,220,035) | - |
| <u>(5,258,674)</u> | <u>-</u> | <u>(5,258,674)</u> | <u>-</u> |
| - | 890,746 | 890,746 | - |
| - | (384,863) | (384,863) | - |
| - | 505,883 | 505,883 | - |
| <u>(5,258,674)</u> | <u>505,883</u> | <u>(4,752,791)</u> | <u>-</u> |
| - | - | - | (672,681) |
| - | - | - | (672,681) |
| 6,198,169 | - | 6,198,169 | - |
| 2,411,159 | - | 2,411,159 | 762,364 |
| 632,605 | - | 632,605 | - |
| 66,567 | - | 66,567 | - |
| 36,792 | 5,614 | 42,406 | 2,302 |
| 275,580 | - | 275,580 | - |
| 420,476 | (420,476) | - | - |
| <u>10,041,348</u> | <u>(414,862)</u> | <u>9,626,486</u> | <u>764,666</u> |
| 4,782,674 | 91,021 | 4,873,695 | 91,985 |
| <u>28,178,911</u> | <u>21,546,467</u> | <u>49,725,378</u> | <u>1,188,931</u> |
| <u>\$ 32,961,585</u> | <u>\$ 21,637,488</u> | <u>\$ 54,599,073</u> | <u>\$ 1,280,916</u> |

CITY OF JERSEY VILLAGE, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2010

| | General | Debt Service | Capital Projects | Jones Road Extension |
|--|----------------------|---------------------|---------------------|-------------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and equity in pooled cash and investments | \$ 13,875,462 | \$ 1,099,641 | \$ 2,684,653 | \$ - |
| Receivables, net | 1,031,455 | 121,209 | 3,301 | - |
| Due from other funds | 225,500 | 15,853 | - | 3,795,096 |
| Due from component unit | 77,153 | - | - | - |
| Total Assets | \$ 15,209,570 | \$ 1,236,703 | \$ 2,687,954 | \$ 3,795,096 |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 688,862 | \$ - | \$ 333,765 | \$ 498,362 |
| Retainage payable | - | - | 157,053 | - |
| Due to other funds | 4,452,757 | 674,553 | 444,925 | - |
| Due to component unit | - | - | 409,000 | - |
| Deferred revenue | 405,819 | 148,598 | - | - |
| Total Liabilities | 5,547,438 | 823,151 | 1,344,743 | 498,362 |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Debt service | - | 413,552 | - | - |
| Capital purchases | - | - | - | 3,296,734 |
| Park improvements | 1,198 | - | - | - |
| Tourism | - | - | - | - |
| Public safety | 14,522 | - | - | - |
| Court technology | - | - | - | - |
| Unreserved, undesignated reported in: | | | | |
| General fund | 9,646,412 | - | - | - |
| Capital projects funds | - | - | 1,343,211 | - |
| Total Fund Balances | 9,662,132 | 413,552 | 1,343,211 | 3,296,734 |
| Total Liabilities and Fund Balances | \$ 15,209,570 | \$ 1,236,703 | \$ 2,687,954 | \$ 3,795,096 |

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

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

Capital assets, non-depreciable

Capital assets, net depreciable

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

Internal service funds are used by management to charge the costs of certain capital assets to individual funds.

The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.

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

Accrued interest payable

Non-current liabilities due in one year

Non-current liabilities due in more than one year

Deferred charges for issuance costs

Net Assets of Governmental Activities

See Notes to Financial Statements.

| <u>Nonmajor Governmental</u> | <u>Total Governmental</u> |
|----------------------------------|-------------------------------|
| \$ 1,521,430 | \$ 19,181,186 |
| 11,318 | 1,167,283 |
| 858,218 | 4,894,667 |
| - | 77,153 |
| <u>\$ 2,390,966</u> | <u>\$ 25,320,289</u> |

| | |
|----------------|------------------|
| \$ 709,524 | \$ 2,230,513 |
| - | 157,053 |
| 2,600 | 5,574,835 |
| - | 409,000 |
| - | 554,417 |
| <u>712,124</u> | <u>8,925,818</u> |

| | |
|---------------------|-------------------|
| - | 413,552 |
| - | 3,296,734 |
| - | 1,198 |
| 690,510 | 690,510 |
| 750,238 | 764,760 |
| 238,094 | 238,094 |
| - | 9,646,412 |
| - | 1,343,211 |
| <u>1,678,842</u> | <u>16,394,471</u> |
| <u>\$ 2,390,966</u> | |

4,276,367
32,305,663

554,417

2,189,039

(77,016)
(1,575,472)
(21,347,824)
241,940
\$ 32,961,585

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

| | <u>General</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Jones Road Extension</u> |
|--|---------------------|-------------------------|-----------------------------|---------------------------------|
| <u>Revenues</u> | | | | |
| Ad valorem taxes | \$ 3,891,286 | \$ 2,283,469 | \$ - | \$ - |
| Sales taxes | 2,411,159 | - | - | - |
| Franchise taxes | 632,605 | - | - | - |
| Other taxes | - | - | - | - |
| Permits, licenses, and fees | 84,507 | - | - | - |
| Fines and forfeitures | 834,831 | - | - | - |
| Charges for services | 296,557 | - | - | - |
| Intergovernmental | 688,847 | - | - | 2,750,753 |
| Investment earnings | 22,618 | 1,974 | 6,843 | - |
| Other revenue | 275,580 | - | - | - |
| Total Revenues | 9,137,990 | 2,285,443 | 6,843 | 2,750,753 |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General government | 1,857,043 | - | - | - |
| Public safety | 3,746,963 | - | - | - |
| Public works | 1,810,318 | - | 590,513 | - |
| Parks and recreation | 570,739 | - | - | - |
| Capital outlay | - | - | 2,432,742 | 544,376 |
| Debt service: | | | | |
| Principal | - | 701,317 | - | - |
| Interest and fiscal agent fees | - | 1,637,126 | - | - |
| Total Expenditures | 7,985,063 | 2,338,443 | 3,023,255 | 544,376 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,152,927 | (53,000) | (3,016,412) | 2,206,377 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers in | 350,000 | 61,476 | 410,000 | - |
| Transfers (out) | (401,000) | - | - | - |
| Total Other Financing Sources (Uses) | (51,000) | 61,476 | 410,000 | - |
| Net Change in Fund Balances | 1,101,927 | 8,476 | (2,606,412) | 2,206,377 |
| Beginning Fund Balances | 8,560,205 | 405,076 | 3,949,623 | 1,090,357 |
| Ending Fund Balances | \$ 9,662,132 | \$ 413,552 | \$ 1,343,211 | \$ 3,296,734 |

See Notes to Financial Statements.

| <u>Nonmajor Governmental</u> | <u>Total</u> |
|----------------------------------|---------------|
| \$ - | \$ 6,174,755 |
| - | 2,411,159 |
| - | 632,605 |
| 66,567 | 66,567 |
| - | 84,507 |
| 1,404,963 | 2,239,794 |
| - | 296,557 |
| - | 3,439,600 |
| 1,239 | 32,674 |
| - | 275,580 |
| 1,472,769 | 15,653,798 |
| 56,025 | 1,913,068 |
| 1,184,637 | 4,931,600 |
| - | 2,400,831 |
| - | 570,739 |
| - | 2,977,118 |
| - | 701,317 |
| - | 1,637,126 |
| 1,240,662 | 15,131,799 |
| 232,107 | 521,999 |
| 655,835 | 1,477,311 |
| (655,835) | (1,056,835) |
| - | 420,476 |
| 232,107 | 942,475 |
| 1,446,735 | 15,451,996 |
| \$ 1,678,842 | \$ 16,394,471 |

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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, 2010

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

| | | |
|---|-----------|-------------------------|
| Net changes in fund balances - total governmental funds | \$ | 942,475 |
| <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | | |
| Capital asset expenditures | | 2,849,860 |
| Depreciation expense | | (1,098,770) |
| <p>The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.</p> | | |
| Principal payments | | 1,157,041 |
| Amortization of bond issuance costs, premiums, and discounts | | (16,768) |
| <p>Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.</p> | | |
| | | 23,414 |
| <p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p> | | |
| | | (87,056) |
| <p>Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The net revenue (expense) is reported with governmental activities.</p> | | |
| | | 1,012,478 |
| Change in Net Assets of Governmental Activities | \$ | <u>4,782,674</u> |

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET ASSETS (Page 1 of 2)

PROPRIETARY FUNDS

September 30, 2010

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|---|---------------------|----------------------|---|
| | Water and Sewer | Golf Course | Total | |
| Assets | | | | |
| Current assets: | | | | |
| Cash and equity in pooled cash and investments | \$ 1,782,928 | \$ 504,248 | \$ 2,287,176 | \$ 2,704,404 |
| Accounts receivable, net | 335,610 | 25,516 | 361,126 | - |
| Inventory | - | 45,554 | 45,554 | - |
| Due from other funds | 524,668 | 155,500 | 680,168 | - |
| Total Current Assets | 2,643,206 | 730,818 | 3,374,024 | 2,704,404 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land | 445,240 | 915,000 | 1,360,240 | - |
| Construction in process | 137,005 | - | 137,005 | - |
| Buildings and improvements | 356,589 | 5,720,600 | 6,077,189 | - |
| Furniture and equipment | 704,382 | 643,450 | 1,347,832 | 3,903,835 |
| Water and sewer system | 18,098,761 | - | 18,098,761 | - |
| Less: accumulated depreciation | (5,551,872) | (3,638,028) | (9,189,900) | (3,058,345) |
| Total Capital Assets (Net) | 14,190,105 | 3,641,022 | 17,831,127 | 845,490 |
| Total Noncurrent Assets | 14,190,105 | 3,641,022 | 17,831,127 | 845,490 |
| Total Assets | \$ 16,833,311 | \$ 4,371,840 | \$ 21,205,151 | \$ 3,549,894 |

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET ASSETS (Page 2 of 2)

PROPRIETARY FUNDS

September 30, 2010

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|---|----------------|---------------|---|
| | Water and Sewer | Golf Course | Total | |
| <u>Liabilities</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 298,781 | \$ 57,110 | \$ 355,891 | \$ 370,362 |
| Customer deposits | 95,172 | 369 | 95,541 | - |
| Compensated absences | 18,288 | 20,061 | 38,349 | - |
| Unearned revenue | - | 10,851 | 10,851 | - |
| Total Current Liabilities | 412,241 | 88,391 | 500,632 | 370,362 |
| Noncurrent liabilities: | | | | |
| Compensated absences | 27,433 | 30,091 | 57,524 | - |
| Total Noncurrent Liabilities | 27,433 | 30,091 | 57,524 | - |
| Total Liabilities | 439,674 | 118,482 | 558,156 | 370,362 |
| <u>Net Assets</u> | | | | |
| Invested in capital assets, net of related debt | 14,190,105 | 3,641,022 | 17,831,127 | 845,490 |
| Unrestricted | 2,203,532 | 612,336 | 2,815,868 | 2,334,042 |
| Total Net Assets | \$ 16,393,637 | \$ 4,253,358 | \$ 20,646,995 | \$ 3,179,532 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | | 990,493 | |
| Total Net Assets per Government-wide Financial Statements. | | | \$ 21,637,488 | |

See Notes to Financial Statements.

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

For the Year Ended September 30, 2010

| | <u>Business-Type Activities - Enterprise Funds</u> | | | <u>Governmental Activities - Internal Service Funds</u> |
|--|--|------------------------|------------------|---|
| | <u>Water and Sewer</u> | <u>Golf Course</u> | <u>Total</u> | |
| <u>Operating Revenues</u> | | | | |
| Charges for sales and services | \$ 2,945,593 | \$ 1,243,653 | \$ 4,189,246 | \$ 870,485 |
| Other revenues | 37,649 | - | 37,649 | 44,000 |
| Total Operating Revenues | <u>2,983,242</u> | <u>1,243,653</u> | <u>4,226,895</u> | <u>914,485</u> |
| <u>Operating Expenses</u> | | | | |
| Costs of sales and services | 1,504,059 | 593,115 | 2,097,174 | 95,887 |
| Personnel | 340,326 | 740,433 | 1,080,759 | - |
| Depreciation | 267,786 | 294,968 | 562,754 | 349,654 |
| Total Operating Expenses | <u>2,112,171</u> | <u>1,628,516</u> | <u>3,740,687</u> | <u>445,541</u> |
| Operating Income (Loss) | <u>871,071</u> | <u>(384,863)</u> | <u>486,208</u> | <u>468,944</u> |
| <u>Nonoperating Revenues (Expenses)</u> | | | | |
| Investment earnings | 4,703 | 911 | 5,614 | 4,118 |
| Interest expense | (32,858) | - | (32,858) | (25,438) |
| Total Nonoperating Revenues (Expenses) | <u>(28,155)</u> | <u>911</u> | <u>(27,244)</u> | <u>(21,320)</u> |
| Income (Loss) Before Transfers | 842,916 | (383,952) | 458,964 | 447,624 |
| Transfers (out) | (420,476) | - | (420,476) | - |
| Change in Net Assets | 422,440 | (383,952) | 38,488 | 447,624 |
| Beginning Net Assets | 15,971,197 | 4,637,310 | | 2,731,908 |
| Ending Net Assets | <u>\$ 16,393,637</u> | <u>\$ 4,253,358</u> | | <u>\$ 3,179,532</u> |

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

Change in Net Assets of Business-type Activities

52,533
\$ 91,021

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, 2010

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|---|---|-------------------|---------------------|---|
| | Water and Sewer | Golf Course | Total | |
| <u>Cash Flows from Operating Activities</u> | | | | |
| Receipts from customers and users | \$ 2,295,289 | \$ 1,231,728 | \$ 3,527,017 | \$ 914,485 |
| Payments to suppliers | (1,651,223) | (783,579) | (2,434,802) | (172,240) |
| Payments to employees | (355,878) | (721,337) | (1,077,215) | - |
| Net Cash Provided (Used) by Operating Activities | 288,188 | (273,188) | 15,000 | 742,245 |
| <u>Cash Flows from Noncapital</u> | | | | |
| <u>Financing Activities</u> | | | | |
| Transfer to other funds | (420,476) | - | (420,476) | - |
| Net Cash (Used) by Capital and Related Financing Activities | (420,476) | - | (420,476) | - |
| <u>Cash Flows from Capital and Related</u> | | | | |
| <u>Financing Activities</u> | | | | |
| Acquisition and construction of capital assets | (835,552) | (21,741) | (857,293) | (155,690) |
| Principal paid on capital debt | (100,000) | - | (100,000) | - |
| Interest paid on capital debt | (32,858) | - | (32,858) | (25,438) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (968,410) | (21,741) | (990,151) | (181,128) |
| <u>Cash Flows from Investing Activities</u> | | | | |
| Interest received | 4,703 | 911 | 5,614 | 4,118 |
| Net Cash Provided by Investing Activities | 4,703 | 911 | 5,614 | 4,118 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,095,995) | (294,018) | (1,390,013) | 565,235 |
| Beginning Cash and Cash Equivalents | 2,878,923 | 798,266 | 3,677,189 | 2,139,169 |
| Ending Cash and Cash Equivalents | \$ 1,782,928 | \$ 504,248 | \$ 2,287,176 | \$ 2,704,404 |

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2010

| | <u>Business-Type Activities - Enterprise Funds</u> | | | <u>Governmental Activities - Internal Service Funds</u> |
|--|--|------------------------|------------------|---|
| | <u>Water and Sewer</u> | <u>Golf Course</u> | <u>Total</u> | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | |
| Operating income (loss) | \$ 871,071 | \$ (384,863) | \$ 486,208 | \$ 468,944 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Depreciation | 267,786 | 294,968 | 562,754 | 349,654 |
| Changes in Operating Assets and Liabilities: | | | | |
| (Increase) Decrease in Current Assets: | | | | |
| Accounts receivable | 42,046 | (2,559) | 39,487 | - |
| Inventory | - | (5,602) | (5,602) | - |
| Due from other funds | (729,999) | (155,500) | (885,499) | - |
| Increase (Decrease) in Current Liabilities: | | | | |
| Accounts payable and accrued liabilities | (147,164) | (34,964) | (182,128) | (76,353) |
| Customer deposits | 163 | - | 163 | - |
| Compensated absence | (15,715) | 19,096 | 3,381 | - |
| Unearned revenue | - | (3,764) | (3,764) | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 288,188</u> | <u>\$ (273,188)</u> | <u>\$ 15,000</u> | <u>\$ 742,245</u> |

See Notes to Financial Statements.

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CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS

For The Year Ended September 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

Discretely Presented Component Unit

Jersey Village Crime Control and Prevention District

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

B. Financial Statement Presentation

These financial statements include implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain requirements in the statement include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the City’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the City’s activities.
- A change in the fund financial statements to focus on the major funds.

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

- **Invested in capital assets, net of related debt** – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information about the City as a whole. These statements include all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

in the fund financial statements. In the fund financial statements, the accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Following is a description of the various funds:

Governmental Funds

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

General Fund

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

Debt Service Fund

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

Capital Projects Funds

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

Special Revenue Funds

The special revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds include the Jersey Village Crime Control and Prevention District (discretely presented component unit), hotel occupancy tax, asset forfeiture, traffic safety, red light camera, and restricted court fee funds. All special revenue funds are considered nonmajor funds for reporting purposes.

Proprietary Fund Types

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB.

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

Enterprise Funds

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

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

Additionally, the City reports the following fund types:

Internal Service Funds

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

D. Measurement Focus and Basis of Accounting

The government-wide Statements of Net Assets and Statements of Activities and all proprietary funds are accounted for on a flow of economic resources measurement focus, accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet. Proprietary fund equity consists of net assets. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, *Continued*

For The Year Ended September 30, 2010

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

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

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

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

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

E. Assets, Liabilities, and Net Assets or Fund Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and funds in a privately managed public funds investment pool ("TexPool"). For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

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

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

2. Receivables

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

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

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

Property taxes

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

3. Inventories and Prepaid Items

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

4. Capital Assets

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

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

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

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

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

5. Compensated Employee Absences

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

6. Long-Term Obligations

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

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

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with interest earned in the debt service fund. Though a portion of the general obligation debt was directly related to the purchase of water and sewer infrastructure, the debt service expenditures are

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, *Continued*

For The Year Ended September 30, 2010

included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

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

7. Fund Equity

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

8. Post-Employment Healthcare Benefits

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

9. Estimates

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

A. Excess of Expenditures Over Appropriations

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

General Fund

Public works:

Building and grounds

\$9,129

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, *Continued*

For The Year Ended September 30, 2010

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year-end) are completed. Such encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2010, the City had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|-------------------------------------|----------------------|--|
| TexPool | \$ 23,970,391 | 0.00 |
| Total fair value | <u>\$ 23,970,391</u> | |
| Portfolio weighted average maturity | | 0.00 |

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

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of September 30, 2010, the City's deposits were fully covered under the FDIC.

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

TexPool

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

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

B. Receivables

The following comprise receivable balances at year end:

| | General | Debt Service | Capital | |
|-------------------|---------------------|-------------------|-----------------|------------------|
| | | | Projects | Nonmajor |
| Ad valorem taxes | \$ 203,127 | \$ 123,031 | \$ - | \$ - |
| Other taxes | 464,349 | - | - | - |
| Accounts | - | - | - | - |
| Intergovernmental | 91,812 | - | 3,301 | - |
| Other | 368,964 | - | - | 11,318 |
| Less allowance | (96,797) | (1,822) | - | - |
| | <u>\$ 1,031,455</u> | <u>\$ 121,209</u> | <u>\$ 3,301</u> | <u>\$ 11,318</u> |

| | Water and Sewer | Golf Course | Component Unit |
|-------------------|--------------------|------------------|-------------------|
| Other taxes | \$ - | \$ - | \$ 137,231 |
| Accounts | 397,299 | - | - |
| Intergovernmental | 9,446 | 25,516 | - |
| Less allowance | (71,135) | - | - |
| | <u>\$ 335,610</u> | <u>\$ 25,516</u> | <u>\$ 137,231</u> |

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, *Continued*

For The Year Ended September 30, 2010

C. Capital Assets

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

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

| | Primary Government | | | Ending Balance |
|--|----------------------|----------------------|--|----------------------|
| | Beginning Balance | Increases | (Decreases) | |
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,956,455 | \$ - | \$ - | \$ 1,956,455 |
| Construction in progress | 6,693,539 | 3,357,222 | (7,730,849) | 2,319,912 |
| Total capital assets not being depreciated | 8,649,994 | 3,357,222 | (7,730,849) | 4,276,367 |
| Other capital assets: | | | | |
| Buildings and improvements | 6,519,931 | 71,898 | - | 6,591,829 |
| Machinery and equipment | 5,205,501 | 236,247 | - | 5,441,748 |
| Infrastructure | 25,924,824 | 7,760,832 | - | 33,685,656 |
| Total other capital assets | 37,650,256 | 8,068,977 | - | 45,719,233 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (2,538,567) | (541,974) | - | (3,080,541) |
| Machinery and equipment | (3,799,703) | (349,652) | - | (4,149,355) |
| Infrastructure | (5,131,040) | (207,144) | - | (5,338,184) |
| Total accumulated depreciation | (11,469,310) | (1,098,770) | - | (12,568,080) |
| Other capital assets, net | 26,180,946 | 6,970,207 | - | 33,151,153 |
| Totals | \$ 34,830,940 | \$ 10,327,429 | \$ (7,730,849) | 37,427,520 |
| | | | Less associated debt | (16,042,976) |
| | | | Invested in Capital Assets, Net of Related Debt | \$ 21,384,544 |

Depreciation was charged to governmental functions as follows:

| | |
|---|---------------------|
| General government | \$ 115,740 |
| Public safety | 221,116 |
| Public works | 367,781 |
| Parks and recreation | 44,481 |
| Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets | 349,652 |
| Total Governmental Activities Depreciation Expense | \$ 1,098,770 |

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, *Continued*

For The Year Ended September 30, 2010

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>(Decreases)/ Reclassifications</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|---|---------------------------|
| Business-type Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,360,240 | \$ - | \$ - | \$ 1,360,240 |
| Construction in progress | 380,855 | 108,046 | (351,896) | 137,005 |
| Total capital assets not being depreciated | <u>1,741,095</u> | <u>108,046</u> | <u>(351,896)</u> | <u>1,497,245</u> |
| Other capital assets: | | | | |
| Buildings | 5,791,049 | 286,140 | - | 6,077,189 |
| Water and sewer system | 17,625,966 | 472,795 | - | 18,098,761 |
| Machinery and equipment | 974,197 | 373,635 | - | 1,347,832 |
| Total other capital assets | <u>24,391,212</u> | <u>1,132,570</u> | <u>-</u> | <u>25,523,782</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (2,738,776) | (302,357) | - | (3,041,133) |
| Water and sewer system | (5,098,441) | (20,811) | - | (5,119,252) |
| Machinery and equipment | (789,929) | (239,586) | - | (1,029,515) |
| Total accumulated depreciation | <u>(8,627,146)</u> | <u>(562,754)</u> | <u>-</u> | <u>(9,189,900)</u> |
| Other capital assets, net | <u>15,764,066</u> | <u>569,816</u> | <u>-</u> | <u>16,333,882</u> |
| Totals | <u>\$ 17,505,161</u> | <u>\$ 677,862</u> | <u>\$ (351,896)</u> | <u>\$ 17,831,127</u> |

Depreciation was charged to business-type functions as follows:

| | |
|--|-------------------|
| Water and sewer | \$ 267,786 |
| Golf course | <u>294,968</u> |
| Total Business-type Activities Depreciation Expense | <u>\$ 562,754</u> |

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

D. Long-Term Debt

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

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Amounts Due within One Year</u> |
|---|------------------------------|-------------------|---------------------|---|--|
| Governmental Activities: | | | | | |
| Bonds, notes and other payables: | | | | | |
| General obligation bonds | \$ 16,126,764 | \$ - | \$ 469,317 | \$ 15,657,447 * | \$ 377,447 |
| Premium on bonds | 118,100 | 123,840 | 16,769 | 225,171 | - |
| Accreted interest on premium compound interest bonds | 1,023,823 | 66,334 | 555,683 | 534,474 | 557,553 |
| Certificates of obligation | 6,000,000 | - | 230,000 | 5,770,000 | 245,000 |
| Capital leases | 460,975 | - | 75,446 | 385,529 * | 79,864 |
| | <u>23,729,662</u> | <u>190,174</u> | <u>1,347,215</u> | <u>22,572,621</u> | <u>1,259,864</u> |
| Other liabilities: | | | | | |
| Compensated absences | 260,046 | 98,850 | 8,221 | 350,675 | 315,608 |
| Total Governmental Activities | <u>\$ 23,989,708</u> | <u>\$ 289,024</u> | <u>\$ 1,355,436</u> | <u>\$ 22,923,296</u> | <u>\$ 1,575,472</u> |
| | | | | <u>Long-term debt due in more than one year</u> | <u>\$ 21,347,824</u> |
| Business-type Activities: | | | | | |
| Revenue bonds | \$ 700,000 | \$ - | \$ 700,000 | \$ - | \$ - |
| Compensated absences | 61,062 | 35,539 | 728 | 95,873 | 38,349 |
| Total Business-Type Activities | <u>\$ 761,062</u> | <u>\$ 35,539</u> | <u>\$ 700,728</u> | <u>\$ 95,873</u> | <u>\$ 38,349</u> |
| | | | | <u>Long-term debt due in more than one year</u> | <u>\$ 57,524</u> |
| *Debt associated with governmental activity capital assets | | | | <u>\$ 16,042,976</u> | |

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For The Year Ended September 30, 2010

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

| Description | Interest Rates | Balance |
|---|----------------|----------------------|
| Governmental Activities | | |
| General Obligation Bonds | | |
| Series 1991 | 6.25-8.10% | \$ 1,847,447 |
| Series 2002 | 4.75-6.75% | 1,605,000 |
| Series 2003 | 3.00-4.80% | 3,730,000 |
| Series 2007 | 4.25-6.25% | 8,475,000 |
| Total General Obligation Bonds | | 15,657,447 |
| Certificates of Obligation | | |
| Series 2000 | 5.00-7.00% | 5,770,000 |
| Total Certificates of Obligation | | 5,770,000 |
| Total Bond and Certificates of Obligation | | 21,427,447 |
| Capital Leases | | |
| Police MDT computers | 5.05% | 23,932 |
| Pumper | | 361,597 |
| Total Capital Leases | | 385,529 |
| Total Governmental Activities Long-Term Debt | | \$ 21,812,976 |

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

| Year Ending Dec 31 | Governmental Activity | | Total |
|--------------------------|-----------------------|---------------------|----------------------|
| | Principal | Interest | |
| 2011 | \$ 622,447 | 1,603,224 | \$ 2,225,671 |
| 2012 | 1,235,000 | 1,012,309 | 2,247,309 |
| 2013 | 1,315,000 | 930,694 | 2,245,694 |
| 2014 | 1,405,000 | 842,711 | 2,247,711 |
| 2015 | 965,000 | 742,915 | 1,707,915 |
| 2016-2020 | 5,575,000 | 2,919,055 | 8,494,055 |
| 2021-2025 | 7,010,000 | 1,515,749 | 8,525,749 |
| 2026-2027 | 3,300,000 | 141,951 | 3,441,951 |
| Total | \$ 21,427,447 | \$ 9,708,608 | \$ 31,136,055 |

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

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

Capital Leases

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

| Year Ending Sep 30 | Governmental Activity | | Total |
|--------------------------|-----------------------|------------------|-------------------|
| | Principal | Interest | |
| 2011 | \$ 79,865 | \$ 22,642 | \$ 102,507 |
| 2012 | 76,155 | 18,051 | 94,206 |
| 2013 | 72,072 | 13,833 | 85,905 |
| 2014 | 76,416 | 9,489 | 85,905 |
| 2015 | 81,021 | 4,883 | 85,904 |
| Total | \$ 385,529 | \$ 68,898 | \$ 454,427 |

The assets acquired through capital leases are as follows:

| Asset: | Governmental Activities |
|--------------------------------|----------------------------|
| Machinery and equipment | \$ 488,373 |
| Less: Accumulated depreciation | (21,163) |
| Total | \$ 467,210 |

Federal Arbitrage

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

E. Interfund Transactions

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

| Due To | Due From | Amounts |
|-------------------|----------------------|---------------------|
| Capital projects | General fund | \$ 225,500 |
| General fund | Debt service fund | 1,928 |
| Capital projects | Debt service fund | 13,925 |
| General fund | Jones road extension | 3,795,096 |
| Debt service fund | Water and sewer fund | 524,553 |
| Debt service fund | Golf course fund | 150,000 |
| Nonmajor | Nonmajor | 2,600 |
| Capital projects | Golf course fund | 5,500 |
| Capital projects | Nonmajor | 200,000 |
| General fund | Nonmajor | 655,617 |
| General fund | Water and sewer fund | 116 |
| | | \$ 5,574,835 |

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

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:

| Transfer In | Transfer Out | Amounts |
|------------------|-----------------|--------------|
| General | Water and sewer | \$ 350,000 |
| Debt service | Water and sewer | 61,476 |
| Capital projects | Water and sewer | 9,000 |
| Capital projects | General | 401,000 |
| Nonmajor | Nonmajor | 655,835 |
| | | \$ 1,477,311 |

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

F. Fund Equity

The City records fund balance reserves at the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditure.

The following is a list of fund balances reserved or designated recognized by the City:

| | | |
|---------------------------------|----|-----------|
| General Fund | | |
| Reserved for parks | \$ | 1,198 |
| Reserved for public safety | \$ | 14,522 |
| Debt Service Fund | | |
| Reserved for debt service | \$ | 413,552 |
| Jones Road Extension | | |
| Reserved for capital purchases | \$ | 3,296,734 |
| Non Major Funds | | |
| Reserved for public safety | \$ | 750,238 |
| Reserved for tourism | \$ | 690,510 * |
| Reserved for court technology | \$ | 238,094 * |

* Restricted by enabling legislation.

IV. OTHER INFORMATION

A. Risk Management

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

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

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

Pension Plans

Texas Municipal Retirement System

Plan Description

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

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

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

| | <u>2010</u> | <u>2009</u> |
|--|------------------------------|------------------------------|
| Employee deposit rate | 7.00% | 7.00% |
| Matching ratio (City to employee) | 2 to 1 | 2 to 1 |
| Years required for vesting | 5 | 5 |
| Service requirement eligibility (expressed as age/yrs of service) | 60/5, 0/25 | 60/5, 0/25 |
| Updated service credit | 100% Repeating, Transfers | 100% Repeating, Transfers |
| Annuity increase (to retirees) | 70% of CPI Repeating | 70% of CPI Repeating |

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

Benefits

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

Contributions

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

The City contributes to the TMRS plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., December 31, 2008 valuation is effective for rates beginning January 2010).

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

| <u>Fiscal year</u> | <u>Annual Pension Cost (APC)</u> | <u>Actual Contribution Made</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--------------------|--|---|--|-----------------------------------|
| 2008 | \$ 532,504 | 532,504 | 100.00% | \$ - |
| 2009 | \$ 608,510 | 608,510 | 100.00% | \$ - |
| 2010 | \$ 671,733 | 671,733 | 100.00% | \$ - |

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, Continued

For The Year Ended September 30, 2010

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

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

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

| | <u>2010</u> |
|---|---------------|
| Actuarial Valuation Date | 12/31/2009 |
| Actuarial Value of Assets | \$ 8,198,413 |
| Actuarial Accrued Liability | \$ 12,361,297 |
| Percentage Funded | 66.3% |
| Unfunded Actuarial Accrued Liability (UAAL) | \$ 4,162,884 |
| Annual Covered Payroll | \$ 4,277,964 |
| UAAL as a Percentage of Covered Payroll | 97.3% |

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

D. Other Post Employment Benefits

TMRS - Supplemental Death Benefit Fund

Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS, *Continued*

For The Year Ended September 30, 2010

“other post employment benefit,” or OPEB. The obligations of this plan are payable only from the SDBF and are not an obligation of, or a claim against, the Pension Trust Fund. For the year ended September 30, 2010, the City offered the supplemental death benefit to both active and retired employees.

Contributions

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

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

| | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|-----------------------------|-------------|-------------|-------------|
| Annual Req. Contrib. (Rate) | 0.01% | 0.01% | 0.01% |
| Actual Contribution Made | 0.01% | 0.01% | 0.01% |
| Percentage of ARC Contrib. | 100.00% | 100.00% | 100.00% |

REQUIRED SUPPLEMENTARY INFORMATION

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

For the Year Ended September 30, 2010

| | Original Budget Amounts | Final Budget Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------------------|----------------------------|-------------------|---|
| Revenues | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 3,730,297 | \$ 3,730,297 | \$ 3,891,286 | \$ 160,989 |
| Sales | 2,400,000 | 2,400,000 | 2,411,159 | 11,159 |
| Franchise | 620,000 | 620,000 | 632,605 | 12,605 |
| Permits, licenses, and fees | 106,000 | 106,000 | 84,507 | (21,493) |
| Charges for services | 237,900 | 237,900 | 296,557 | 58,657 |
| Fines | 619,000 | 619,000 | 834,831 | 215,831 |
| Investment earnings | 60,000 | 60,000 | 22,618 | (37,382) |
| Intergovernmental | 610,299 | 615,299 | 688,847 | 73,548 |
| Other revenues | 44,000 | 44,000 | 275,580 | 231,580 |
| Total Revenues | 8,427,496 | 8,432,496 | 9,137,990 | 705,494 |
| Expenditures | | | | |
| General government: | | | | |
| Administration | 455,405 | 455,405 | 426,207 | 29,198 |
| Legal | 235,300 | 576,950 | 400,079 | 176,871 |
| Information technology | 412,344 | 417,344 | 331,846 | 85,498 |
| Purchasing | 23,600 | 23,600 | 20,837 | 2,763 |
| Finance | 279,828 | 289,228 | 279,225 | 10,003 |
| Customer service | 116,897 | 116,897 | 101,050 | 15,847 |
| Court | 330,079 | 330,079 | 297,799 | 32,280 |
| Total Government Expenditures | 1,853,453 | 2,209,503 | 1,857,043 | 352,460 |
| Public safety: | | | | |
| Police | 2,532,271 | 2,543,271 | 1,964,648 | 578,623 |
| Dispatch | 608,393 | 608,393 | 528,162 | 80,231 |
| Fire | 1,204,373 | 1,281,122 | 1,254,153 | 26,969 |
| Total Public Safety Expenditures | 4,345,037 | 4,432,786 | 3,746,963 | 685,823 |
| Public works | | | | |
| Public works administration | 191,232 | 241,232 | 172,138 | 69,094 |
| Community development | 284,022 | 284,022 | 267,412 | 16,610 |
| Streets | 485,421 | 485,421 | 453,352 | 32,069 |
| Building and grounds | 239,659 | 239,659 | 248,788 | (9,129) * |
| Sanitation | 347,000 | 347,000 | 328,355 | 18,645 |
| Fleet services | 371,472 | 371,472 | 340,273 | 31,199 |
| Total Public Works Expenditures | 1,918,806 | 1,968,806 | 1,810,318 | 158,488 |
| Parks and recreation | | | | |
| | 705,740 | 705,740 | 570,739 | 135,001 |
| Total Expenditures | 8,823,036 | 9,316,835 | 7,985,063 | 1,331,772 |
| Excess of Revenues Over Expenditures | (395,540) | (884,339) | 1,152,927 | 2,037,266 |

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

For the Year Ended September 30, 2010

| | Original Budget Amounts | Final Budget Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------------------|----------------------------|---------------------|---|
| Other Financing Sources (Uses) | | | | |
| Transfers in | 350,000 | 350,000 | 350,000 | - |
| Transfers (out) | (426,000) | (401,000) | (401,000) | - |
| Total Other Financing Sources (Uses) | <u>(76,000)</u> | <u>(51,000)</u> | <u>(51,000)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (471,540)</u> | <u>\$ (935,339)</u> | 1,101,927 | <u>\$ 2,037,266</u> |
| Beginning Fund Balance | | | <u>8,560,205</u> | |
| Ending Fund Balance | | | <u>\$ 9,662,132</u> | |

Notes to Required Supplementary Information:

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

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

For the Year Ended September 30, 2010

| | Original Budget Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------------------|------------------------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ 2,750,753 | \$ 2,750,753 |
| Total Revenues | - | - | 2,750,753 | 2,750,753 |
| Expenditures | | | | |
| Capital outlay | 1,121,627 | 3,869,159 | 544,376 | 3,324,783 |
| Total Expenditures | 1,121,627 | 3,869,159 | 544,376 | 3,324,783 |
| Excess of Revenues Over Expenditures | (1,121,627) | (3,869,159) | 2,206,377 | 6,075,536 |
| Net Change in Fund Balance | \$ (1,121,627) | \$ (3,869,159) | 2,206,377 | \$ 6,075,536 |
| Beginning Fund Balance | | | 1,090,357 | |
| Ending Fund Balance | | | \$ 3,296,734 | |

Notes to Required Supplementary Information:

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

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF FUNDING PROGRESS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2010

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

| Fiscal year | 2010 | 2009 | 2008 | 2007 | 2006 |
|--------------------------------------|---------------|---------------|--------------|--------------|--------------|
| Actuarial Valuation date | 12/31/2009 | 12/31/2008 | 12/31/2007 | 12/31/2006 | 12/31/2005 |
| Actuarial Value of Assets | \$ 8,198,413 | \$ 7,265,727 | \$ 6,587,473 | \$ 6,050,963 | \$ 5,143,409 |
| Actuarial Accrued Liability | \$ 12,361,297 | \$ 11,262,148 | \$ 8,735,365 | \$ 8,298,971 | \$ 7,262,165 |
| Percentage Funded | 66.3% | 64.5% | 75.4% | 72.9% | 70.8% |
| Unfunded Actuarial | | | | | |
| Accrued Liability | \$ 4,162,884 | \$ 3,996,421 | \$ 2,147,892 | \$ 2,248,008 | \$ 2,118,756 |
| Annual Covered Payroll | \$ 4,363,684 | \$ 4,143,799 | \$ 3,701,318 | \$ 3,679,397 | \$ 3,485,423 |
| Unfunded Actuarial Accrued Liability | | | | | |
| (UAAL) % of Covered Payroll | 95.4% | 96.4% | 58.0% | 61.1% | 60.8% |
| Net Pension Obligation (NPO) | | | | | |
| at the Beginning of Period | \$ - | \$ - | \$ - | \$ - | \$ - |
| Annual Req. Contrib. (ARC) | 671,733 | 608,510 | 532,504 | 493,771 | 484,973 |
| Contributions Made | 671,733 | 608,510 | 532,504 | 493,771 | 484,973 |
| NPO at the End of Period | \$ - | \$ - | \$ - | \$ - | \$ - |

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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, 2010

| | Original and Final Budget Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--|-------------------|---|
| <u>Revenues</u> | | | |
| Ad valorem taxes | \$ 2,305,000 | \$ 2,283,469 | \$ (21,531) |
| Investment earnings | 10,000 | 1,974 | (8,026) |
| Total Revenues | 2,315,000 | 2,285,443 | (29,557) |
| <u>Expenditures</u> | | | |
| Debt service: | | | |
| Principal | 699,317 | 701,317 | (2,000) |
| Interest and fiscal agent fees | 1,645,735 | 1,637,126 | 8,609 |
| Total Expenditures | 2,345,052 | 2,338,443 | 6,609 |
| Excess of Revenues Over Expenditures | (30,052) | (53,000) | (22,948) |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers in | 61,476 | 61,476 | - |
| Net Change in Fund Balance | \$ 31,424 | 8,476 | \$ (22,948) |
| Beginning Fund Balance | | 405,076 | |
| Ending Fund Balance | | \$ 413,552 | |

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CITY OF JERSEY VILLAGE, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2010

SPECIAL REVENUE FUNDS

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

Hotel Occupancy Fund

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

Court Security and Technology Fees Fund

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

Traffic Safety Fund

This fund receives 50 percent of its funding from the red light camera fund and is used to pay officers who work strictly on traffic operations.

Asset Forfeiture

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

Red Light Camera

This fund accounts for activities related to red light camera fines and fees collected in the court department.

CITY OF JERSEY VILLAGE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2010

| | Special Revenue Funds | | | |
|---|------------------------|--|-------------------|---------------------|
| | Hotel Occupancy Tax | Court Security and Technology Fees | Traffic Safety | Asset Forfeiture |
| <u>Assets</u> | | | | |
| Current assets: | | | | |
| Cash and equity in pooled cash and investments | \$ 676,592 | \$ 193,577 | \$ 133,830 | \$ 8,208 |
| Account receivable | 11,318 | - | - | - |
| Due from other funds | 2,600 | 44,818 | 610,800 | - |
| Total Assets | \$ 690,510 | \$ 238,395 | \$ 744,630 | \$ 8,208 |
| <u>Liabilities and Fund Balance</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 301 | \$ - | \$ - |
| Due to other funds | - | - | - | 2,600 |
| Total Liabilities | - | 301 | - | 2,600 |
| Fund balances: | | | | |
| Reserved for public safety | - | - | 744,630 | 5,608 |
| Reserved for tourism | 690,510 | - | - | - |
| Reserved for court technology | - | 238,094 | - | - |
| Total Fund Balances | 690,510 | 238,094 | 744,630 | 5,608 |
| Total Liabilities and Fund Balances | \$ 690,510 | \$ 238,395 | \$ 744,630 | \$ 8,208 |

| <u>Special Revenue Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|---------------------------------|--|
| <u>Red Light Camera</u> | |
| \$ 509,223 | \$ 1,521,430 |
| - | 11,318 |
| 200,000 | 858,218 |
| <u>\$ 709,223</u> | <u>\$ 2,390,966</u> |

| | |
|----------------|----------------|
| \$ 709,223 | \$ 709,524 |
| - | 2,600 |
| <u>709,223</u> | <u>712,124</u> |

| | |
|-------------------|---------------------|
| - | 750,238 |
| - | 690,510 |
| - | 238,094 |
| <u>-</u> | <u>1,678,842</u> |
| <u>\$ 709,223</u> | <u>\$ 2,390,966</u> |

CITY OF JERSEY VILLAGE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

| | Special Revenue Funds | | | |
|---|------------------------|--|-------------------|---------------------|
| | Hotel Occupancy Tax | Court Security and Technology Fees | Traffic Safety | Asset Forfeiture |
| Revenues | | | | |
| Occupancy tax | \$ 66,567 | \$ - | \$ - | \$ - |
| Fines | - | 44,818 | - | - |
| Investment earnings | 1,223 | - | - | 16 |
| Total Revenues | 67,790 | 44,818 | - | 16 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | 60,450 | 418,230 | 3,123 |
| Operating expense | 56,025 | - | - | - |
| Total Expenditures | 56,025 | 60,450 | 418,230 | 3,123 |
| Excess of Revenues | | | | |
| Over (Under) Expenditures | 11,765 | (15,632) | (418,230) | (3,107) |
| Other Financing Sources (Uses) | | | | |
| Transfer in | - | - | 655,835 | - |
| Transfer (out) | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | 655,835 | - |
| Net Change in Fund Balances | 11,765 | (15,632) | 237,605 | (3,107) |
| Beginning Fund Balances | 678,745 | 253,726 | 507,025 | 8,715 |
| Ending Fund Balances | \$ 690,510 | \$ 238,094 | \$ 744,630 | \$ 5,608 |

| <u>Special Revenue Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|---------------------------------|--|
| <u>Red Light Camera</u> | |
| \$ - | \$ 66,567 |
| 1,360,145 | 1,404,963 |
| <u>-</u> | <u>1,239</u> |
| <u>1,360,145</u> | <u>1,472,769</u> |
| 702,834 | 1,184,637 |
| <u>-</u> | <u>56,025</u> |
| <u>702,834</u> | <u>1,240,662</u> |
| <u>657,311</u> | <u>232,107</u> |
| - | 655,835 |
| <u>(655,835)</u> | <u>(655,835)</u> |
| <u>(655,835)</u> | <u>-</u> |
| 1,476 | 232,107 |
| <u>(1,476)</u> | <u>1,446,735</u> |
| <u>\$ -</u> | <u>\$ 1,678,842</u> |

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

For the Year Ended September 30, 2010

| | | Hotel Occupancy Tax | | |
|----------------------------|-----------------------------------|--|-------------------|---|
| | | Original and Final Budget Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
| <u>Revenues</u> | | | | |
| | Occupancy tax | \$ 86,747 | \$ 66,567 | \$ (20,180) |
| | Investment earnings | 4,732 | 1,223 | (3,509) |
| | Total Revenues | 91,479 | 67,790 | (23,689) |
| <u>Expenditures</u> | | | | |
| | Operating expenses | 42,220 | 56,025 | (13,805) |
| | Total Expenditures | 42,220 | 56,025 | (13,805) |
| | Net Change in Fund Balance | \$ 49,259 | 11,765 | \$ (37,494) |
| | Beginning Fund Balance | | 678,745 | |
| | Ending Fund Balance | | \$ 690,510 | |

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2010

| | <u>Court Security and Technology Fees</u> | | |
|---|--|---------------------------|---|
| | <u>Original and Final Budget Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
| <u>Revenues</u> | | | |
| Fines | \$ 33,200 | \$ 44,818 | \$ 11,618 |
| <u>Expenditures</u> | | | |
| Public safety | 66,437 | 60,450 | 5,987 |
| Excess of Revenues Over (Under) Expenditures | <u>(33,237)</u> | <u>(15,632)</u> | <u>(48,869)</u> |
| Net Change in Fund Balance | <u>\$ (33,237)</u> | <u>(15,632)</u> | <u>\$ (17,605)</u> |
| Beginning Fund Balance | | <u>253,726</u> | |
| Ending Fund Balance | | <u>\$ 238,094</u> | |

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2010

| | Traffic Safety | | |
|---|--|-------------------|---|
| | Original and Final Budget Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
| <u>Expenditures</u> | | | |
| Administration | \$ 134,304 | \$ 418,230 | \$ (283,926) |
| Excess of Revenues Over (Under) Expenditures | (134,304) | (418,230) | (283,926) |
| Other Financing Sources | | | |
| Transfers in | 641,329 | 655,835 | 14,506 |
| Net Change in Fund Balance | <u>\$ 507,025</u> | 237,605 | <u>\$ (269,420)</u> |
| Beginning Fund Balance | | 507,025 | |
| Ending Fund Balance | | <u>\$ 744,630</u> | |

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2010

| | Asset Forfeiture | | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--|-------------------|---|
| | Original and Final Budget Amounts | Actual Amounts | |
| Revenues | | | |
| Investment earnings | \$ 66 | \$ 16 | \$ (50) |
| Other revenue | 34,627 | - | (34,627) |
| Total Revenues | <u>34,693</u> | <u>16</u> | <u>(34,677)</u> |
| Expenditures | | | |
| Public safety | 33,596 | 3,123 | 30,473 |
| Total Expenditures | <u>33,596</u> | <u>3,123</u> | <u>30,473</u> |
| Net Change in Fund Balance | <u>\$ 1,097</u> | <u>(3,107)</u> | <u>\$ 4,204</u> |
| Beginning Fund Balance | | <u>8,715</u> | |
| Ending Fund Balance | | <u>\$ 5,608</u> | |

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2010

| | | Red Light Camera | | |
|---------------------------------------|---|--|-------------------|---|
| | | Original and Final Budget Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
| Revenues | | | | |
| | Fines | \$ 1,200,000 | \$ 1,360,145 | \$ 160,145 |
| | Total Revenues | <u>1,200,000</u> | <u>1,360,145</u> | <u>160,145</u> |
| Expenditures | | | | |
| | Public safety | 770,742 | 702,834 | 67,908 |
| | Total Expenditures | <u>770,742</u> | <u>702,834</u> | <u>67,908</u> |
| | Excess of Revenues Over Expenditures | <u>429,258</u> | <u>657,311</u> | <u>228,053</u> |
| Other Financing Sources (Uses) | | | | |
| | Transfers (out) | - | (655,835) | (655,835) |
| | Net Change in Fund Balance | <u>\$ 429,258</u> | 1,476 | <u>\$ (427,782)</u> |
| | Beginning Fund Balance | | (1,476) | |
| | Ending Fund Balance | | <u>\$ -</u> | |

STATISTICAL SECTION

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

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

CITY OF JERSEY VILLAGE, TEXAS

NET ASSETS BY COMPONENT

Last Six Years (1)

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

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

| <u>2009</u> | <u>2010</u> |
|----------------------|----------------------|
| \$ 11,219,378 | \$ 21,384,544 |
| 7,455,122 | 6,751,632 |
| 9,504,411 | 4,825,409 |
| <u>\$ 28,178,911</u> | <u>\$ 32,961,585</u> |

| | |
|----------------------|----------------------|
| \$ 16,805,161 | \$ 17,831,127 |
| 715,000 | - |
| 4,026,306 | 3,806,361 |
| <u>\$ 21,546,467</u> | <u>\$ 21,637,488</u> |

| | |
|----------------------|----------------------|
| \$ 28,024,539 | \$ 39,215,671 |
| 8,170,122 | 6,751,632 |
| 13,530,717 | 8,631,770 |
| <u>\$ 49,725,378</u> | <u>\$ 54,599,073</u> |

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET ASSETS

Last Six Years (1)

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

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

| <u>2009</u> | <u>2010</u> |
|-----------------------|-----------------------|
| \$ 2,211,902 | \$ 2,046,283 |
| 4,421,088 | 5,136,312 |
| 2,069,991 | 2,391,025 |
| 476,072 | 525,477 |
| <u>1,283,271</u> | <u>1,220,035</u> |
| <u>10,462,324</u> | <u>11,319,132</u> |
| | |
| 2,572,957 | 2,092,496 |
| <u>1,563,335</u> | <u>1,628,516</u> |
| <u>4,136,292</u> | <u>3,721,012</u> |
| <u>\$ 14,598,616</u> | <u>\$ 15,040,144</u> |
| | |
| \$ 1,689,556 | \$ 2,324,301 |
| - | - |
| 745,629 | 296,557 |
| <u>1,111,357</u> | <u>3,439,600</u> |
| <u>3,546,542</u> | <u>6,060,458</u> |
| | |
| 3,250,244 | 2,983,242 |
| 1,528,458 | 1,243,653 |
| - | - |
| <u>4,778,702</u> | <u>4,226,895</u> |
| <u>\$ 8,325,244</u> | <u>\$ 10,287,353</u> |
| | |
| \$ (6,915,782) | \$ (5,258,674) |
| 642,410 | 505,883 |
| <u>\$ (6,273,372)</u> | <u>\$ (4,752,791)</u> |

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET ASSETS (Continued)

Last Six Years (1)

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

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

| <u>2009</u> | <u>2010</u> |
|----------------------|---------------------|
| \$ 6,100,687 | \$ 6,198,169 |
| 2,532,587 | 2,411,159 |
| 845,980 | 699,172 |
| 134,912 | 36,792 |
| 358,393 | 275,580 |
| 1,048,773 | 420,476 |
| <u>11,021,332</u> | <u>10,041,348</u> |
| 19,186 | 5,614 |
| <u>(405,343)</u> | <u>(420,476)</u> |
| <u>(386,157)</u> | <u>(414,862)</u> |
| <u>\$ 10,635,175</u> | <u>\$ 9,626,486</u> |
| \$ 4,105,550 | \$ 4,782,674 |
| 256,253 | 91,021 |
| <u>\$ 4,361,803</u> | <u>\$ 4,873,695</u> |

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

| | Year | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | 2001 | 2002 | 2003 | 2004 |
| General Fund | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ 12,331 |
| Unreserved | 3,256,300 | 2,439,991 | 2,140,243 | 2,631,207 |
| Total General Fund | <u>\$ 3,256,300</u> | <u>\$ 2,439,991</u> | <u>\$ 2,140,243</u> | <u>\$ 2,643,538</u> |
| All Other Governmental Funds | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | |
| Capital project funds | 2,111,055 | 3,594,474 | 5,727,644 | 1,144,292 |
| Debt service funds | 1,039,866 | 1,066,580 | 1,281,908 | 1,300,302 |
| Special revenue funds | 234,333 | 315,801 | 484,036 | 556,097 |
| Total All Other Governmental Funds | <u>\$ 3,385,254</u> | <u>\$ 4,976,855</u> | <u>\$ 7,493,588</u> | <u>\$ 3,000,691</u> |

| Year | | | | | |
|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| \$ 12,331 | \$ 12,331 | \$ 12,331 | \$ 12,331 | \$ 16,586 | \$ 15,720 |
| 2,970,740 | 3,407,207 | 5,132,634 | 7,256,287 | 8,543,619 | 9,646,412 |
| <u>\$ 2,983,071</u> | <u>\$ 3,419,538</u> | <u>\$ 5,144,965</u> | <u>\$ 7,268,618</u> | <u>\$ 8,560,205</u> | <u>\$ 9,662,132</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 1,853,287 | \$ 5,389,128 |
| 2,009,328 | 1,982,613 | 10,290,458 | 6,499,379 | 5,039,980 | 1,343,211 |
| 721,258 | 658,646 | 727,653 | 545,424 | - | - |
| 604,274 | 718,219 | 769,660 | 850,542 | (1,476) | - |
| <u>\$ 3,334,860</u> | <u>\$ 3,359,478</u> | <u>\$ 11,787,771</u> | <u>\$ 7,895,345</u> | <u>\$ 6,891,791</u> | <u>\$ 6,732,339</u> |

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

| | Year | | | |
|--|---------------------|---------------------|---------------------|-----------------------|
| | 2001 | 2002 | 2003 | 2004 |
| Revenues | | | | |
| Taxes | \$ 7,300,763 | \$ 8,499,014 | \$ 6,866,362 | \$ 6,354,721 |
| Permits, licenses, and fees | 110,332 | 123,202 | 112,958 | 147,798 |
| Charges for services | 156,252 | 94,653 | 220,056 | 210,915 |
| Fines and forfeitures | 468,848 | 409,250 | 509,726 | 691,302 |
| Investment earnings | 393,051 | 198,752 | 119,206 | 89,968 |
| Intergovernmental | 63,959 | 25,578 | 457,206 | 1,031,083 |
| Other revenues | 91,942 | 316,269 | 115,472 | 107,337 |
| Total Revenues | <u>8,585,147</u> | <u>9,666,718</u> | <u>8,400,986</u> | <u>8,633,124</u> |
| Expenditures | | | | |
| General government | 976,486 | 1,039,668 | 1,174,471 | 1,382,334 |
| Public safety | 2,351,412 | 2,986,696 | 3,179,843 | 2,816,576 |
| Public works | 1,577,219 | 1,587,215 | 1,561,295 | 1,629,596 |
| Parks and recreation | 258,745 | 313,056 | 334,432 | 404,845 |
| Capital outlay | 984,526 | 2,821,769 | 3,563,075 | 3,670,023 |
| Debt service | | | | |
| Principal | 910,000 | 582,476 | 780,755 | 930,224 |
| Interest | 857,003 | 1,317,997 | 1,266,880 | 1,378,073 |
| Total Expenditures | <u>7,915,391</u> | <u>10,648,877</u> | <u>11,860,751</u> | <u>12,211,671</u> |
| Excess of Revenues (Under) Expenditures | 669,756 | (982,159) | (3,459,765) | (3,578,547) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 2,435,431 | 2,494,774 | 1,060,857 | 968,824 |
| Transfers out | (892,454) | (2,391,448) | (652,025) | (245,529) |
| Issuance of debt | - | - | 5,000,068 | - |
| Premium on debt issued | - | - | - | - |
| Total other financing sources | <u>1,542,977</u> | <u>103,326</u> | <u>5,408,900</u> | <u>723,295</u> |
| Net Change in Fund Balances | <u>\$ 2,212,733</u> | <u>\$ (878,833)</u> | <u>\$ 1,949,135</u> | <u>\$ (2,855,252)</u> |
| Debt service as a percentage of noncapital expenditures | 25.49% | 24.28% | 24.68% | 27.02% |

| | | Year | | | | | | | | | |
|----|------------------|------|------------------|------|-------------------|------|--------------------|----|-------------------|----|-------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | | | | |
| \$ | 6,229,704 | \$ | 6,496,795 | \$ | 8,145,679 | \$ | 8,757,923 | \$ | 9,463,752 | \$ | 9,285,086 |
| | 350,250 | | 224,160 | | 204,244 | | 271,512 | | 88,842 | | 84,507 |
| | 299,832 | | 341,956 | | 344,911 | | 438,649 | | 745,629 | | 296,557 |
| | 686,037 | | 801,103 | | 1,008,085 | | 1,177,649 | | 1,634,636 | | 2,239,794 |
| | 181,962 | | 320,418 | | 505,793 | | 554,243 | | 122,740 | | 32,674 |
| | 621,895 | | 788,292 | | 499,322 | | 1,293,711 | | 1,111,357 | | 3,439,600 |
| | 254,398 | | 110,654 | | 153,192 | | 94,028 | | 358,393 | | 275,580 |
| | <u>8,624,078</u> | | <u>9,083,378</u> | | <u>10,861,226</u> | | <u>12,587,715</u> | | <u>13,525,349</u> | | <u>15,653,798</u> |
| | 1,456,322 | | 1,437,939 | | 1,625,875 | | 1,748,173 | | 1,738,804 | | 1,913,068 |
| | 3,110,449 | | 3,107,644 | | 3,327,650 | | 3,586,666 | | 4,823,774 | | 4,931,600 |
| | 1,646,731 | | 1,637,561 | | 1,650,040 | | 2,313,402 | | 2,069,319 | | 2,400,831 |
| | 420,755 | | 473,937 | | 498,124 | | 510,991 | | 476,072 | | 570,739 |
| | 753,134 | | 146,249 | | 349,304 | | 4,039,793 | | 2,678,869 | | 2,977,118 |
| | 814,163 | | 840,729 | | 862,094 | | 920,054 | | 947,732 | | 701,317 |
| | <u>1,313,432</u> | | <u>1,278,233</u> | | <u>1,324,588</u> | | <u>1,617,322</u> | | <u>1,503,400</u> | | <u>1,637,126</u> |
| | <u>9,514,986</u> | | <u>8,922,292</u> | | <u>9,637,675</u> | | <u>14,736,401</u> | | <u>14,237,970</u> | | <u>15,131,799</u> |
| | (890,908) | | 161,086 | | 1,223,551 | | (2,148,686) | | (712,621) | | 521,999 |
| | 858,069 | | 300,000 | | 315,000 | | 379,913 | | 1,837,602 | | 1,477,311 |
| | - | | - | | - | | - | | (788,829) | | (1,056,835) |
| | - | | - | | 8,500,000 | | - | | - | | - |
| | - | | - | | 127,500 | | - | | - | | - |
| | <u>858,069</u> | | <u>300,000</u> | | <u>8,942,500</u> | | <u>379,913</u> | | <u>1,048,773</u> | | <u>420,476</u> |
| \$ | <u>(32,839)</u> | \$ | <u>461,086</u> | \$ | <u>10,166,051</u> | \$ | <u>(1,768,773)</u> | \$ | <u>336,152</u> | \$ | <u>942,475</u> |
| | 24.28% | | 24.14% | | 23.64% | | 24.69% | | 22.00% | | 19.92% |

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

| <u>Function</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|-----------------|---------------------|---------------------|---------------------|---------------------|
| Ad valorem | \$ 3,934,213 | \$ 5,055,432 | \$ 4,207,729 | \$ 3,958,147 |
| Sales | 2,827,228 | 2,855,939 | 2,113,957 | 1,844,121 |
| Franchise fee | 539,322 | 587,643 | 544,676 | 552,453 |
| Other | 61,508 | 80,687 | 71,082 | 64,520 |
| | <u>\$ 7,362,271</u> | <u>\$ 8,579,701</u> | <u>\$ 6,937,444</u> | <u>\$ 6,419,241</u> |

| Year | | | | | | Change |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------|
| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2009-2010 |
| \$ 4,028,810 | \$ 4,050,597 | \$ 4,990,201 | \$ 5,718,669 | \$ 6,255,115 | \$ 6,174,755 | -1.3% |
| 1,626,360 | 1,877,182 | 2,601,786 | 2,449,404 | 2,449,404 | 2,411,159 | -1.6% |
| 574,534 | 569,016 | 553,692 | 589,850 | 759,233 | 632,605 | -16.7% |
| 68,816 | 78,695 | 86,599 | 96,062 | 86,747 | 66,567 | -23.3% |
| <u>\$ 6,298,520</u> | <u>\$ 6,575,490</u> | <u>\$ 8,232,278</u> | <u>\$ 8,853,985</u> | <u>\$ 9,550,499</u> | <u>\$ 9,285,086</u> | -2.8% |

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

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| Residential Property | \$ 269,209,440 | \$ 297,588,440 | \$ 308,330,370 | \$ 331,019,170 |
| Commercial Property | 62,253,600 | 79,353,002 | 95,083,450 | 98,890,810 |
| Other | 271,854,852 | 395,211,139 | 256,408,930 | 199,526,120 |
| Less: Tax Exempt Property | <u>(18,640,820)</u> | <u>(21,728,260)</u> | <u>(40,518,110)</u> | <u>(50,772,980)</u> |
| Total Taxable Assessed Value (1) | <u><u>\$ 584,677,072</u></u> | <u><u>\$ 750,424,321</u></u> | <u><u>\$ 619,304,640</u></u> | <u><u>\$ 578,663,120</u></u> |
| Total Direct Tax Rate | 0.67500 | 0.67500 | 0.67500 | 0.67500 |

Source: Harris County Certified / Uncertified Tax Roll.

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

| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|----|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ | 340,114,760 | \$ 345,838,390 | \$ 429,228,150 | \$ 470,984,691 | \$ 498,590,180 | \$ 479,135,881 |
| | 98,084,380 | 104,484,208 | 144,597,984 | 194,398,424 | 193,175,025 | 214,657,268 |
| | 198,318,040 | 280,588,903 | 223,098,917 | 236,256,520 | 275,272,631 | 277,213,850 |
| | <u>(51,449,640)</u> | <u>(130,703,740)</u> | <u>(134,005,267)</u> | <u>(141,801,005)</u> | <u>(147,797,468)</u> | <u>(149,634,733)</u> |
| \$ | <u>585,067,540</u> | <u>\$ 600,207,761</u> | <u>\$ 662,919,784</u> | <u>\$ 759,838,630</u> | <u>\$ 819,240,368</u> | <u>\$ 821,372,266</u> |
| | 0.67500 | 0.67500 | 0.74250 | 0.74250 | 0.74250 | 0.74250 |

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

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|---|-------------------|-------------------|-------------------|-------------------|
| City of Jersey Village by fund: | | | | |
| General | \$ 0.41856 | \$ 0.42452 | \$ 0.34673 | \$ 0.33780 |
| Debt service | 0.25644 | 0.25048 | 0.32827 | 0.33720 |
| Total Direct Rates | <u>\$ 0.67500</u> | <u>\$ 0.67500</u> | <u>\$ 0.67500</u> | <u>\$ 0.67500</u> |
| Cypress-Fairbanks ISD | \$ 1.70900 | \$ 1.74500 | \$ 1.79000 | \$ 1.79000 |
| Harris County | 0.35902 | 0.38393 | 0.38814 | 0.38803 |
| Harris County Flood Control District | 0.06170 | 0.04760 | 0.04170 | 0.04170 |
| Port of Houston Authority | 0.01830 | 0.01830 | 0.01990 | 0.02000 |
| Harris County Hospital District | 0.20270 | 0.19020 | 0.19020 | 0.19020 |
| Harris County Dept. of Education | - | - | - | - |
| Total Direct and Overlapping Rates (1) | <u>\$ 3.02572</u> | <u>\$ 3.06003</u> | <u>\$ 3.10494</u> | <u>\$ 3.10493</u> |

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

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

| <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 0.36545 | \$ 0.33943 | \$ 0.43264 | \$ 0.45000 | \$ 0.46810 | \$ 0.48160 |
| 0.30955 | 0.33557 | 0.30986 | 0.29250 | 0.27440 | 0.26090 |
| <u>\$ 0.67500</u> | <u>\$ 0.67500</u> | <u>\$ 0.74250</u> | <u>\$ 0.74250</u> | <u>\$ 0.74250</u> | <u>\$ 0.74250</u> |
| \$ 1.80000 | \$ 1.80000 | \$ 1.65400 | \$ 1.32400 | \$ 1.35000 | \$ 1.43000 |
| 0.39990 | 0.39990 | 0.40239 | 0.39239 | 0.38923 | 0.38805 |
| 0.03322 | 0.03241 | 0.03106 | 0.03106 | 0.03086 | 0.02923 |
| 0.01474 | 0.01302 | 0.01437 | 0.01437 | 0.01773 | 0.02054 |
| 0.19216 | 0.19216 | 0.19216 | 0.19216 | 0.19216 | 0.19216 |
| 0.00629 | 0.00629 | 0.00585 | 0.00585 | 0.00584 | 0.00658 |
| <u>\$ 3.12131</u> | <u>\$ 3.11878</u> | <u>\$ 3.04233</u> | <u>\$ 2.70233</u> | <u>\$ 2.72832</u> | <u>\$ 2.80906</u> |

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CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Seven Years Ago (1)

| Property Tax Payer | 2010 | | | 2004 | | |
|-------------------------------|------------------------|------|-----------------------------|------------------------|------|-----------------------------|
| | Taxable Assessed Value | Rank | % of Taxable Assessed Value | Taxable Assessed Value | Rank | % of Taxable Assessed Value |
| Goodman Manufacturing Corp. | \$ 91,733,870 | 1 | 12.61% | \$ 14,783,680 | 3 | 2.6% |
| Joe Myers Dealership* | 36,726,531 | 2 | 5.05% | | | |
| PCM Steeplechase LP | 33,892,733 | 3 | 4.66% | | | |
| Prologis Dev SVC | 22,719,469 | 4 | 3.12% | 15,234,680 | 2 | 2.6% |
| Trails Corinthian Creek LTD | 19,155,000 | 5 | 2.63% | | | |
| Baceline Value Fund I | 15,667,335 | 6 | 2.15% | 13,133,000 | 4 | 2.3% |
| Trails Rock Creek Holdings LP | 13,281,908 | 7 | 1.83% | | | |
| Carson LMC LP | 11,995,520 | 8 | 1.65% | 11,540,280 | 6 | 2.0% |
| Prologis Texas III LLC | 10,600,000 | 9 | 1.46% | | | |
| Sonic-LS Chevrolet LP | 10,590,155 | 10 | 1.46% | | | |
| Beeler Sanders V LTD** | | | | 60,105,260 | 1 | 10.4% |
| Sam's/Walmart | | | | 12,863,160 | 5 | 2.2% |
| Joe Myers Ford II LP | | | | 11,204,890 | 7 | 1.9% |
| FMC Corp-Wellhead EQ | | | | 9,834,690 | 8 | 1.7% |
| Enterprise Leasing | | | | 8,296,450 | 9 | 1.4% |
| Joe Myers Toyota, Inc. | | | | 8,174,240 | 10 | 1.4% |
| Subtotal | \$ 266,362,521 | | 36.60% | \$ 165,170,330 | | 28.5% |
| Other Taxpayers | 461,345,123 | | 63.40% | 413,492,790 | | 71.5% |
| Total | \$ 727,707,644 | | 100.00% | \$ 578,663,120 | | 100.0% |

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

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

* Joe Myers Dealership includes Joe Myers Ford and Toyota

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

CITY OF JERSEY VILLAGE, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| Tax levy | \$ 3,965,845 | \$ 5,065,541 | \$ 4,150,683 | \$ 3,948,860 |
| Current tax collected | 3,891,013 | 4,969,959 | 4,107,030 | 3,907,330 |
| Percent of current tax collections | 98.11% | 98.11% | 98.95% | 98.95% |
| Delinquent tax collections | <u>45,941</u> | <u>42,198</u> | <u>25,104</u> | <u>32,714</u> |
| Total tax collections | <u>\$ 3,936,954</u> | <u>\$ 5,012,157</u> | <u>\$ 4,132,134</u> | <u>\$ 3,940,044</u> |
| Total collections as a percentage of current levy | 99.27% | 98.95% | 99.55% | 99.78% |
| Outstanding delinquent taxes | \$ 28,891 | \$ 53,384 | \$ 18,549 | \$ 8,816 |
| Outstanding delinquent taxes as percentage of current levy | 0.728% | 1.054% | 0.447% | 0.223% |

| <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 3,959,202 | \$ 4,056,968 | \$ 4,922,625 | \$ 5,621,390 | \$ 5,543,419 | \$ 6,123,716 |
| 3,921,515 | 3,992,477 | 4,865,891 | 5,573,598 | 5,487,298 | 6,038,759 |
| 99.05% | 98.41% | 98.85% | 99.15% | 98.99% | 98.61% |
| <u>30,110</u> | <u>56,640</u> | <u>41,368</u> | <u>8,545</u> | <u>20,214</u> | <u>79,265</u> |
| <u>\$ 3,951,625</u> | <u>\$ 4,049,117</u> | <u>\$ 4,907,259</u> | <u>\$ 5,582,143</u> | <u>\$ 5,507,512</u> | <u>\$ 6,118,024</u> |
| 99.81% | 99.81% | 99.69% | 99.30% | 99.35% | 99.91% |
| \$ 7,577 | \$ 7,851 | \$ 15,366 | \$ 39,247 | \$ 160,243 | \$ 181,410 |
| 0.191% | 0.194% | 0.312% | 0.698% | 2.891% | 2.962% |

CITY OF JERSEY VILLAGE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Primary Government | | | | |
| Governmental Activities: | | | | |
| General obligation bonds | \$ 15,764,019 | \$ 17,225,849 | \$ 10,746,760 | \$ 10,251,536 |
| Certificates of obligation | - | - | 8,195,000 | 7,760,000 |
| Capital leases | - | 352,445 | 252,539 | 193,561 |
| Subtotal | <u>15,764,019</u> | <u>17,225,849</u> | <u>19,194,299</u> | <u>18,205,097</u> |
| Business-Type Activities: | | | | |
| Revenue bonds | <u>1,500,000</u> | <u>1,400,000</u> | <u>1,300,000</u> | <u>1,200,000</u> |
| Total Primary Government | <u>\$ 17,264,019</u> | <u>\$ 18,625,849</u> | <u>\$ 20,494,299</u> | <u>\$ 19,405,097</u> |
| Personal Income | \$ 265,780,825 | \$ 256,941,600 | \$ 265,178,155 | \$ 279,879,230 |
| Debt as a Percentage | | | | |
| Of Personal Income | 6.50% | 7.25% | 7.73% | 6.93% |
| Population | 7,115 | 7,090 | 7,139 | 7,165 |
| Debt per Capita | \$ 2,426 | \$ 2,627 | \$ 2,871 | \$ 2,708 |

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

| <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 9,757,373 | \$ 9,246,644 | \$ 18,257,373 | \$ 16,684,496 | \$ 16,126,764 | \$ 15,657,447 |
| 7,440,000 | 7,110,000 | 6,770,000 | 6,390,000 | 6,000,000 | 5,770,000 |
| 131,893 | 67,416 | 66,696 | 53,153 | 460,975 | 385,529 |
| <u>17,329,266</u> | <u>16,424,060</u> | <u>25,094,069</u> | <u>23,127,649</u> | <u>22,587,739</u> | <u>21,812,976</u> |
| 1,100,000 | 1,000,000 | 900,000 | 800,000 | 700,000 | - |
| <u>\$ 18,429,266</u> | <u>\$ 17,424,060</u> | <u>\$ 25,994,069</u> | <u>\$ 23,927,649</u> | <u>\$ 23,287,739</u> | <u>\$ 21,812,976</u> |
| \$ 279,332,362 | \$ 279,019,866 | \$ 312,241,176 | \$ 365,365,000 | \$ 400,472,100 | \$ 368,768,400 |
| 6.60% | 6.24% | 8.32% | 6.55% | 5.82% | 5.92% |
| 7,151 | 7,143 | 7,254 | 7,300 | 7,350 | 7,600 |
| \$ 2,577 | \$ 2,439 | \$ 3,583 | \$ 3,278 | \$ 3,168 | \$ 2,870 |

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

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Net Taxable Assessed Value | | | | |
| All property | \$ 584,677,072 | \$ 750,424,321 | \$ 619,304,640 | \$ 578,663,120 |
| Net Bonded Debt | | | | |
| Gross bonded debt | \$ 15,764,019 | \$ 17,225,849 | \$ 18,941,760 | \$ 18,011,536 |
| Less debt service funds | <u>(1,066,580)</u> | <u>(1,281,907)</u> | <u>(1,300,301)</u> | <u>(982,984)</u> |
| Net Bonded Debt | <u>\$ 14,697,439</u> | <u>\$ 15,943,942</u> | <u>\$ 17,641,459</u> | <u>\$ 17,028,552</u> |
| Ratio of Net Bonded Debt To Assessed Value | 2.51% | 2.12% | 2.85% | 2.94% |
| Population | 7,115 | 7,090 | 7,139 | 7,165 |
| Net Bonded Debt Per Capita | \$ 2,066 | \$ 2,249 | \$ 2,471 | \$ 2,377 |

| <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| \$ 585,067,540 | \$ 600,207,761 | \$ 662,979,784 | \$ 759,838,630 | \$ 819,240,368 | \$ 821,372,266 |
| \$ 17,197,373 <u>(720,100)</u> | \$ 16,356,644 <u>(658,646)</u> | \$ 25,027,373 <u>(727,653)</u> | \$ 23,074,496 <u>(545,424)</u> | \$ 22,126,764 <u>(405,076)</u> | \$ 21,427,447 <u>(413,552)</u> |
| <u>\$ 16,477,273</u> | <u>\$ 15,697,998</u> | <u>\$ 24,299,720</u> | <u>\$ 22,529,072</u> | <u>\$ 21,721,688</u> | <u>\$ 21,013,895</u> |
| 2.82% | 2.62% | 3.67% | 2.96% | 2.65% | 2.56% |
| 7,151 | 7,143 | 7,254 | 7,300 | 7,350 | 7,600 |
| \$ 2,304 | \$ 2,198 | \$ 3,350 | \$ 3,086 | \$ 2,955 | \$ 2,765 |

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

| Governmental Unit | Net Bonded Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Overlapping Debt |
|--|--|--|--|
| Debt Repaid with Property Taxes | | | |
| Cypress-Fairbanks ISD | \$ 1,815,170,000 | 2.090% | \$ 37,937,053 |
| Harris County (2)(3) | 2,238,411,628 | 0.300% | 6,715,235 |
| Lone Star College District | 541,810,000 | 0.760% | 4,117,756 |
| Harris Co. Flood Control District (3) | 105,482,945 | 0.300% | 316,449 |
| Port of Houston Authority (3) | 800,584,397 | 0.300% | 2,401,753 |
| Subtotal, overlapping debt | | | <u>51,488,246</u> |
| City Direct Debt | 21,427,447 | 100.000% | <u>21,427,447</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 72,915,693</u></u> |

Source: Harris County

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

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

(3) Debt outstanding is as of September 30, 2010.

CITY OF JERSEY VILLAGE, TEXAS
PLEGDED-REVENUE COVERAGE
 Last Ten Years

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

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

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

CITY OF JERSEY VILLAGE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS

| Fiscal Year Ended Sept 30 | Population (1) | Personal Income (4) | Per Capita Personal Income | Median Age | School Enrollment (2) | Unemployment Rate (3) (5) |
|--|-----------------------|--------------------------------|---|-----------------------|----------------------------------|--------------------------------------|
| 2001 | 7,115 | 265,780,825 | 37,355 | 37.80 | 5,548 | 4.80% |
| 2002 | 7,090 | 256,941,600 | 36,240 | 37.80 | 5,538 | 6.20% |
| 2003 | 7,139 | 265,178,155 | 37,145 | 37.80 | 5,407 | 7.10% |
| 2004 | 7,165 | 279,897,230 | 39,062 | 32.50 | 3,841 | 5.90% |
| 2005 | 7,151 | 279,332,362 | 39,062 | 37.80 | 4,001 | 4.00% |
| 2006 | 7,143 | 279,019,866 | 39,062 | 37.80 | 4,091 | 4.00% |
| 2007 | 7,254 | 312,241,176 | 43,044 | 39.00 | 4,087 | 4.20% |
| 2008 | 7,300 | 365,365,000 | 50,505 | 39.00 | 4,100 | 5.10% |
| 2009 | 7,350 | 400,472,100 | 54,486 | 38.00 | 3,865 | 8.20% |
| 2010 | 7,600 | 368,768,400 | 48,522 | 37.80 | 4,177 | 8.20% |

Data sources:

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

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Five Years Ago ⁽¹⁾

| Employer | 2010 | | 2005 | |
|-------------------------------|-----------|------|-----------|------|
| | Employees | Rank | Employees | Rank |
| JV High School | 270 | 1 | 309 | 1 |
| Joe Myers Toyota | 203 | 2 | 200 | 4 |
| Sonic-LS Chevrolet | 192 | 3 | 180 | 5 |
| Sam's East, Inc. | 174 | 4 | 200 | 3 |
| City of Jersey Village | 146 | 5 | 116 | 7 |
| Joe Myers Ford | 143 | 6 | 220 | 2 |
| Jersey Village Baptist Church | 135 | 7 | 15 | 10 |
| Foundry Methodist Church | 124 | 8 | 135 | 6 |
| Post Elementary School | 92 | 9 | 108 | 8 |
| Joe Myers Mazda | 65 | 10 | 62 | 9 |

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

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CITY OF JERSEY VILLAGE, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Years

| | Fiscal Year | | | | | | | | |
|-------------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2010 |
| <u>General Fund:</u> | | | | | | | | | |
| Administrative | | | | | | | | | |
| City Council * | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Administration | 2 | 1 | 3 | 4 | 2 | 3 | 3 | 3 | 3 |
| Information Technology | - | - | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| Municipal Court | 2 | 2 | 2 | 3 | 3 | 4 | 4 | 4 | 4 |
| City Secretary | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Finance | 3 | 6 | 5 | 5 | 5 | 4 | 4 | 4 | 4 |
| Public Safety | | | | | | | | | |
| Police | 24 | 25 | 25 | 23 | 24 | 26 | 26 | 26 | 30 |
| Fire | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 |
| Communications | 3 | 2 | 4 | 5 | 8 | 7 | 8 | 7 | 8 |
| Public Works | | | | | | | | | |
| Streets | 2 | 2 | 2 | 3 | 2 | 2 | 3 | 3 | 3 |
| Community Development | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Fleet Services | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Parks and Recreation | | | | | | | | | |
| Parks | 6 | 5 | 5 | 5 | 6 | 8 | 8 | 7 | 8 |
| General Fund Total | 60 | 61 | 65 | 67 | 69 | 73 | 77 | 75 | 81 |
| <u>Enterprise Fund:</u> | | | | | | | | | |
| Utilities | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| Golf Course | 12 | 11 | 10 | 10 | 10 | 11 | 10 | 10 | 11 |
| Enterprise Fund Total | 16 | 15 | 14 | 15 | 15 | 16 | 15 | 15 | 16 |
| <u>Special Revenue Fund:</u> | | | | | | | | | |
| Police | - | - | - | - | - | - | - | - | 2 |
| Special Revenue Fund Total | - | - | - | - | - | - | - | - | 2 |
| TOTAL CITY POSITIONS | 76 | 76 | 79 | 82 | 84 | 89 | 92 | 90 | 99 |

NOTES:

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

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

| | Fiscal Year | | | |
|--|-------------|--------|-------|----------|
| | 2000 | 2001 | 2002 | 2003 |
| Function/Program | | | | |
| Police | | | | |
| Physical arrests | 312 | 452 | 470 | 428 |
| Parking violations | 37 | 151 | 82 | 167 |
| Traffic violations | 11,146 | 10,214 | 9,359 | 16,832 |
| Fire | | | | |
| Calls for service | 944 | 958 | 952 | 1,058 |
| Water | | | | |
| Service calls | * | 910 | 1,046 | 1,080 |
| Water main breaks | - | - | - | - |
| Average daily consumption (thousands of gallons) | * | 168 | 124 | 190 |
| Total consumption (thousands of gallons) | * | 438.4 | 356.9 | 397.9 |
| Peak daily consumption (thousands of gallons) | * | 2,681 | 2,115 | 1.8 |
| Sewer | | | | |
| Average daily sewage treatment (thousands of gallons) | * | 160 | 123 | 190 |
| Peak daily consumption (thousands of gallons) | * | * | * | 45,098.0 |

Source: Various City departments

* Information not available

| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------|----------|----------|----------|----------|----------|----------|
| 452 | 420 | 475 | 565 | 758 | 768 | 684 |
| 73 | 161 | 246 | 136 | 136 | 70 | 13 |
| 15,632 | 14,978 | 16,831 | 15,504 | 15,504 | 14,783 | 7,057 |
| 892 | 910 | 915 | 1,028 | 1,042 | 1,055 | 1,065 |
| 920 | 1,142 | 1,050 | 1,239 | 1,575 | 1,629 | 1,422 |
| - | - | - | 3 | 2 | 5 | 1 |
| 115 | 112 | 125 | 125 | 1134 | 1137 | 1136 |
| 396.4 | 362.3 | 417.9 | 374.8 | 334.5 | 385.1 | 414.5 |
| 1.57 | 2.054 | 1.864 | 1.9 | 1.7 | 1.7 | 2.405 |
| 147 | 192 | 125 | 157 | 0.1713 | 0.1808 | 0.2092 |
| 69,335.5 | 49,236.1 | 43,527.7 | 45,771.9 | 62,524.9 | 65,944.6 | 80,625.0 |

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

| Function/Program | Fiscal Year | | | |
|---|-------------|-------|-------|-------|
| | 2001 | 2002 | 2003 | 2004 |
| Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Patrol units | 11 | 13 | 14 | 14 |
| Fire | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Volunteers | 33 | 36 | 40 | 34 |
| Other public works | | | | |
| Streets (miles - centerlines) | 25.8 | 25.8 | 27.3 | 27.3 |
| Streetlights | 10 | 10 | 10 | 10 |
| Traffic signals | 1 | 1 | 1 | 1 |
| Parks and recreation | | | | |
| Parks | 4 | 4 | 4 | 4 |
| Parks acreage | 12.1 | 12.1 | 12.1 | 12.1 |
| Swimming pools | 1 | 1 | 1 | 1 |
| Water | | | | |
| Water wells | 4 | 4 | 4 | 4 |
| Water mains (miles) | 31.6 | 31.6 | 31.6 | 31.6 |
| Fire hydrants | 418 | 418 | 434 | 434 |
| Storage capacity (thousands of gallons) | 2,050 | 2,050 | 2,050 | 2,050 |
| Sewer | | | | |
| Sanitary sewers (miles) | 31.9 | 31.9 | 31.9 | 34.2 |
| Storm sewers (miles) | 16.5 | 16.5 | 16.5 | 16.5 |
| Treatment capacity (thousands of gallons) | 800 | 800 | 800 | 800 |

Source: Various City departments

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------|-------|-------|-------|-------|-------|
| 1 | 1 | 1 | 1 | 1 | 1 |
| 14 | 15 | 15 | 17 | 16 | 16 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 34 | 37 | 29 | 29 | 30 | 37 |
| 28.2 | 28.84 | 28.84 | 28.84 | 28.84 | 28.84 |
| 11 | 11 | 11 | 11 | 11 | 11 |
| 1 | 1 | 2 | 2 | 2 | 2 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 12.1 | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 34.4 | 35.8 | 35.8 | 35.8 | 35.8 | 35.8 |
| 445 | 445 | 455 | 455 | 455 | 455 |
| 2,550 | 2,550 | 2,550 | 2,550 | 2,550 | 2,550 |
| 34.8 | 35.2 | 35.2 | 35.2 | 35.2 | 35.2 |
| 18.2 | 20.2 | 20.2 | 20.7 | 20.7 | 20.7 |
| 800 | 800 | 800 | 800 | 800 | 800 |

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