

*COMPREHENSIVE
ANNUAL FINANCIAL REPORT*

of the

CITY OF JERSEY VILLAGE, TEXAS

For the
Year Ended September 30, 2013

Officials Issuing Report:

**Mike Castro Ph.D
City Manager**

**Isabel Kato
Finance Director**

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CITY OF JERSEY VILLAGE, TEXAS

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INTRODUCTORY SECTION

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City of Jersey Village

Incorporated 1956

A Texas Star Community

February 26, 2014

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

Dear Mayor and Members of City Council:

The City of Jersey Village, Texas (the “City”) is required to publish each year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Jersey Village for the fiscal year ending September 30, 2013.

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

The City’s financial statements have been audited by Belt Harris Pechacek, LLLP, a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending September 30, 2013 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditors concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ending September 30, 2013 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 and the Police and Fire Departments.
- **Flood Prevention and Mitigation** – The City will continue efforts to reduce flooding in the City and use its influence to encourage the Harris County Flood Control District to complete major flood mitigation programs affecting Jersey Village in a timely manner.
- **Emergency Preparedness** – Our Emergency Management plan is complete and all essential City staff members are in compliance with National Incident Management System standards.
- **Economic Development** – The City will focus economic development efforts on increasing the commercial tax base through the attraction of companies and the expansion of existing businesses.
- **Quality Public Infrastructure and Recreational Facilities** – Provide continual cost effective maintenance and upgrades of streets, municipal utilities, and other municipal owned facilities to meet the service and capacity requirements of the community. The City of Jersey Village is projecting to complete the Phase III Street Project in May of 2014.

Profile of the Government

The City, which was formed in 1956, is located 15 miles northwest of downtown Houston. As of September 30, 2013 the City had a land area of 3.58 square miles and an estimated population of approximately 7,650. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statutes to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City of Jersey Village has adopted a Council-Manager form of government. The Council is comprised of a Mayor and five Council members. The Mayor and Council members are all elected at large for 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 6.1 percent is lower than the U.S. unemployment rate of 7.4 percent. The area of Houston-Galveston-Brazoria is also lower than the State of Texas level at 5.8 percent. According to a publication from the Greater Houston Partnership, for the 12 months ending October 2012, the Houston metropolitan area created 95,800 jobs. This represents the strongest job creation since 2007, when Houston created 95,400 jobs. Four sectors account for the bulk of that job creation this year: Leisure and Hospitality, 22,300 jobs; Education and Health Care, 18,400 jobs; Construction, 17,400 jobs; and Trade, Transportation, and Utilities, 16,900 jobs. The unemployment rates for the past three years are as follows:

	2013	2012	2011
United States	7.4%	9.0%	9.6%
Texas	6.1%	8.5%	9.1%
Jersey Village	5.8%	8.1%	8.2%

Long-term Financial Planning

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

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

Major Initiatives

Near the end of fiscal year 2012-2013, our City began work on the US Highway 290 expansion project. As a result of the highway expansion, some of the businesses along the 290 corridor were displaced and relocated outside the City limits. The expansion will cost the City in term of loss of revenues and additional expenses. The cost will be significant. Fortunately, a portion of the project expenses are expected to be reimbursed by the Texas Department of Transportation upon completion of the project.

Certificate of Achievement

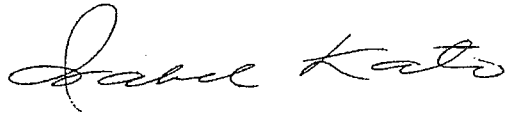
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jersey Village for its CAFR for the year ended September 30, 2012. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such 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 CAFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for compliance review.

Acknowledgements

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Isabel Kato".

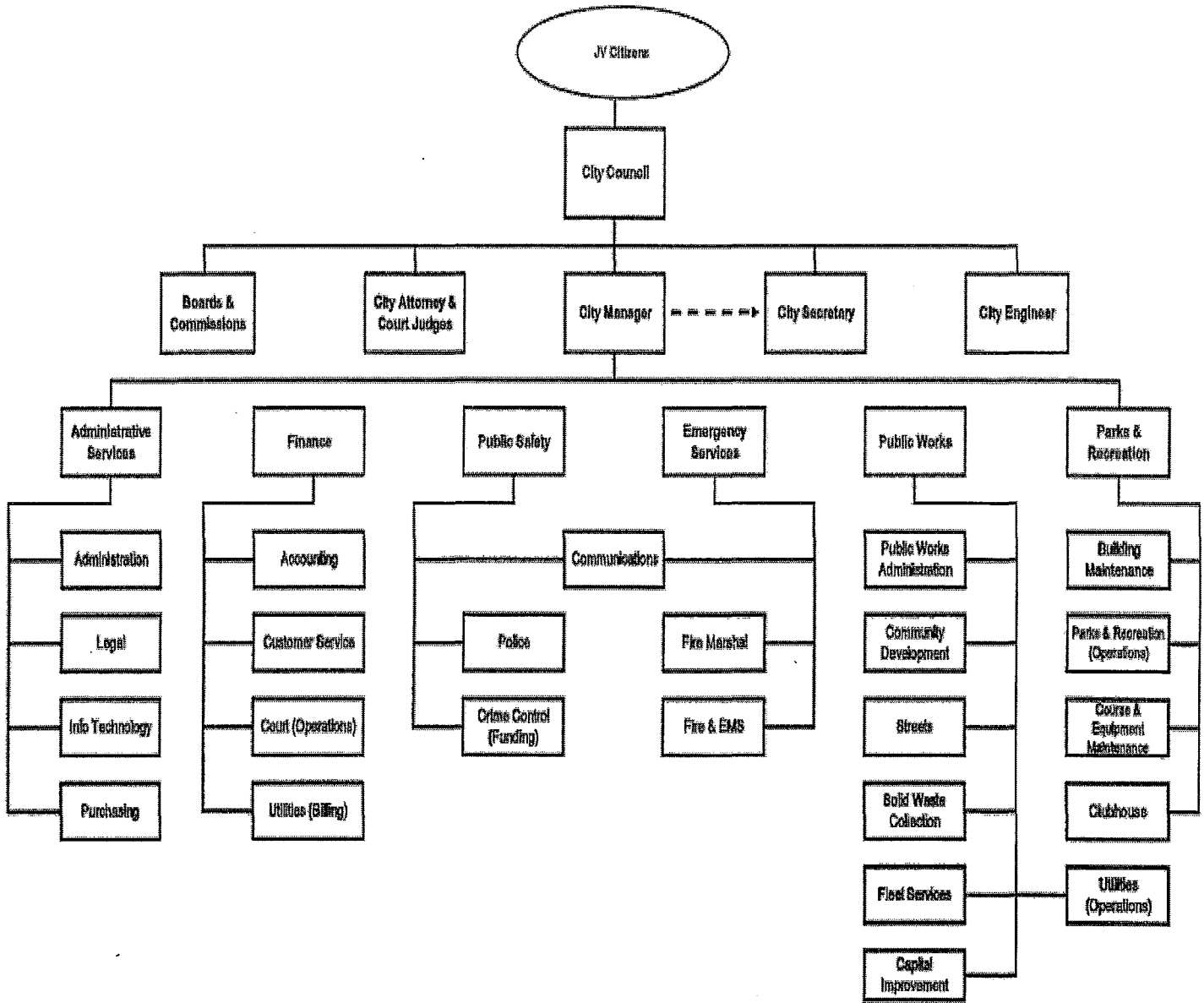
Isabel Kato
Director of Finance

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CITY OF JERSEY VILLAGE, TEXAS

ORGANIZATIONAL CHART

September 30, 2013



CITY OF JERSEY VILLAGE, TEXAS

*CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING*

September 30, 2013

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, 2012

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.



Christopher P. Moirill

President

Jeffrey R. Enos

Executive Director

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL OFFICIALS

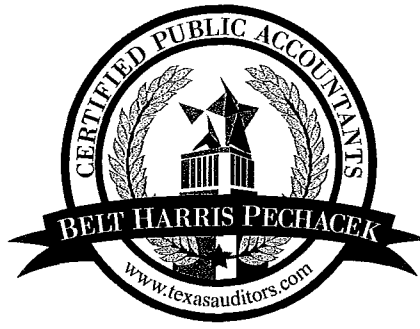
September 30, 2013

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Sandra Joachim	Council Member	05/2015
Justin Ray	Council Member	05/2014
Rod Erskine	Mayor	05/2015
Harry Beckwith III, PE	Council Member	05/2015
Jill Klein	Council Member	05/2014
Sheri Sheppard	Council Member	05/2014

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

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Partners

Robert Belt, CPA
Stephanie E. Harris, CPA
Nathan Krupke, CPA

Houston

3210 Bingle Rd., Ste. 300
Houston, TX 77055
713.263.1123

Bellville

1304 South Front St.
Bellville, TX 77418
979.865.3169

Austin

100 Congress Ave., Ste. 2000
Austin, TX 78701
512.381.0222

All Offices

www.texasauditors.com
info@txauditors.com
713.263.1550 fax



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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
February 26, 2014

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

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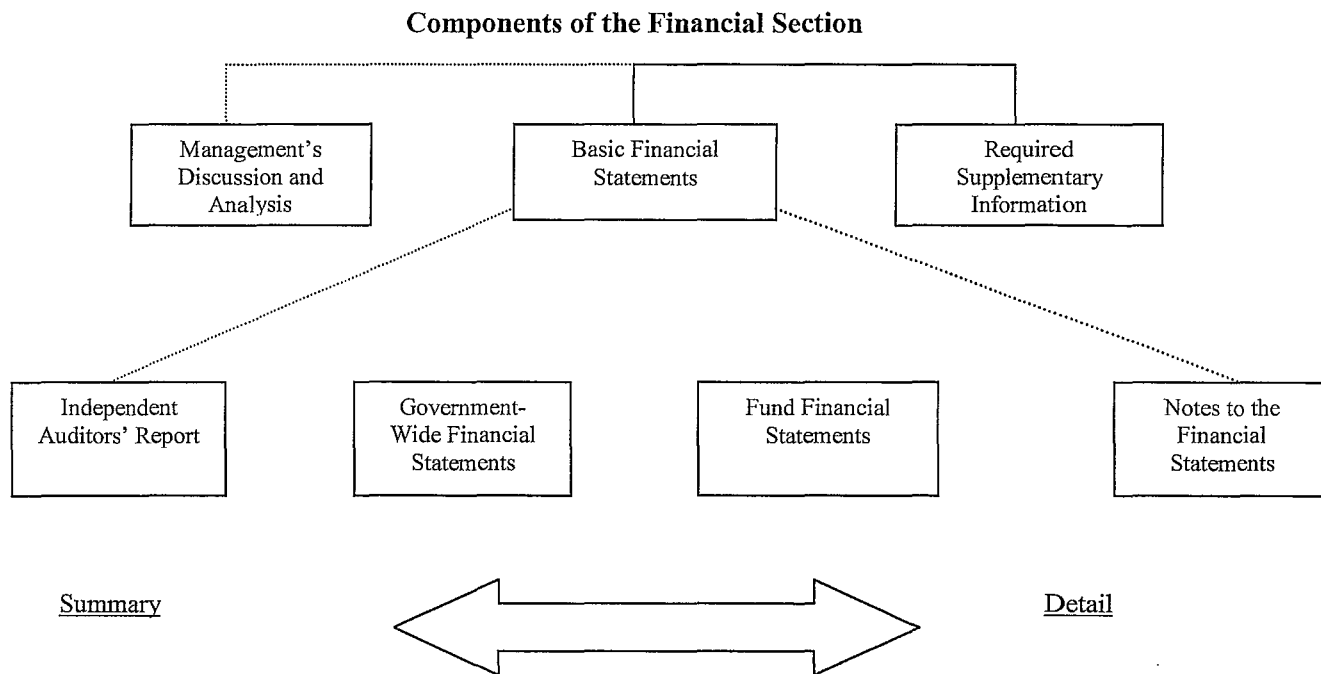
CITY OF JERSEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2013

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, 2013. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



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

Government-Wide Statements

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

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

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2013

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

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

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

The government-wide financial statements include not only the City 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 government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service, capital projects, and red light camera funds which are considered to be major funds. The City adopts an annual appropriated budget for its general fund, debt service fund, and select

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2013

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

Proprietary Funds

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

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

Notes to Financial Statements

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

Other Information

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund and red light camera fund, as well as the schedule of funding progress for Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceeded liabilities by \$65,848,845 as of September 30, 2013.

The largest portion of the City's net position, 71 percent, reflects its investments in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2013

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

SUMMARY OF STATEMENT OF NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 16,043,376	\$ 17,618,061	\$ 5,829,410	\$ 4,993,670	\$ 21,872,786	\$ 22,611,731
Capital assets, net	48,186,765	43,475,234	17,746,030	18,085,993	65,932,795	61,561,227
Total Assets	64,230,141	61,093,295	23,575,440	23,079,663	87,805,581	84,172,958
Deferred charge on refunding	625,042	677,129	-	-	625,042	677,129
Total Deferred Outflows of Resources	625,042	677,129	-	-	625,042	677,129
Long-term liabilities	20,137,200	21,007,818	109,176	97,528	20,246,376	21,105,346
Other liabilities	1,912,764	2,232,817	422,638	473,316	2,335,402	2,706,133
Total Liabilities	22,049,964	23,240,635	531,814	570,844	22,581,778	23,811,479
Net Position:						
Net investment in capital						
assets	29,072,714	23,508,261	17,746,030	18,085,993	46,818,744	41,594,254
Restricted	3,646,658	7,298,473	-	-	3,646,658	7,298,473
Unrestricted	10,085,847	7,723,055	5,297,596	4,422,826	15,383,443	12,145,881
Total Net Position	\$ 42,805,219	\$ 38,529,789	\$ 23,043,626	\$ 22,508,819	\$ 65,848,845	\$ 61,038,608

A portion of the City's net position, \$3,646,658 or six percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$15,383,443 or 23 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$4,810,237 during the current fiscal year, an increase of eight percent in comparison to the prior year. This increase is largely the result of an increase in property taxes due to an increase in assessed property values. This increase is also largely due to less expenses on utilities to operate City facilities and contracted fees for consulting services for the red light cameras.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2013

Statement of Activities:

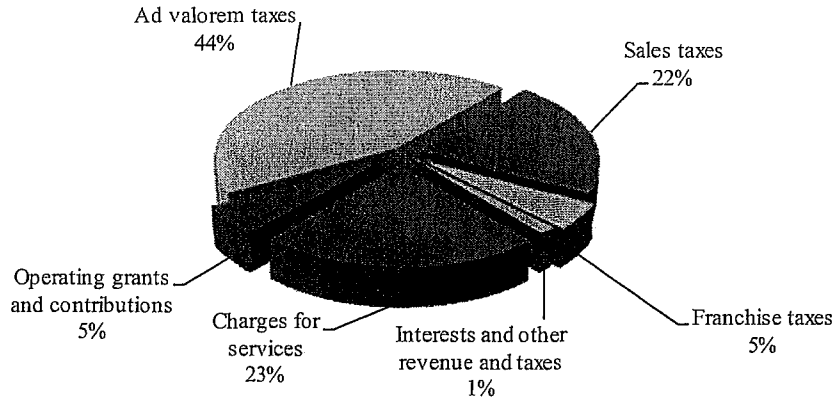
The following table provides a summary of the City's changes in net position:

	CHANGES IN NET POSITION					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 3,154,269	\$ 3,302,771	\$ 5,528,392	\$ 5,360,680	\$ 8,682,661	\$ 8,663,451
Operating grants and contributions	750,143	609,286	-	-	750,143	609,286
General revenues:						
Ad valorem taxes	6,146,643	5,511,884	-	-	6,146,643	5,511,884
Sales taxes	2,998,515	3,035,624	-	-	2,998,515	3,035,624
Franchise taxes	673,888	666,253	-	-	673,888	666,253
Other taxes	57,401	69,032	-	-	57,401	69,032
Investment earnings	17,834	20,768	1,406	2,069	19,240	22,837
Other revenues	112,545	65,089	-	-	112,545	65,089
Total Revenues	<u>13,911,238</u>	<u>13,280,707</u>	<u>5,529,798</u>	<u>5,362,749</u>	<u>19,441,036</u>	<u>18,643,456</u>
Expenses						
General government	1,744,782	1,979,509	-	-	1,744,782	1,979,509
Public safety	5,029,549	5,221,610	-	-	5,029,549	5,221,610
Public works	2,399,621	2,929,708	-	-	2,399,621	2,929,708
Parks and recreation	158,351	163,273	-	-	158,351	163,273
Interest and fiscal agent fees on long-term debt	797,826	850,924	-	-	797,826	850,924
Water and sewer systems	-	-	2,838,464	3,040,413	2,838,464	3,040,413
Golf course	-	-	1,662,206	1,649,470	1,662,206	1,649,470
Total Expenses	<u>10,130,129</u>	<u>11,145,024</u>	<u>4,500,670</u>	<u>4,689,883</u>	<u>14,630,799</u>	<u>15,834,907</u>
Increase in Net Position Before Transfers	3,781,109	2,135,683	1,029,128	672,866	4,810,237	2,808,549
Transfers	494,321	438,718	(494,321)	(438,718)	-	-
Change in Net Position	4,275,430	2,574,401	534,807	234,148	4,810,237	2,808,549
Beginning net position	38,529,789	35,955,388	22,508,819	22,274,671	61,038,608	58,230,059
Ending Net Position	<u>\$ 42,805,219</u>	<u>\$ 38,529,789</u>	<u>\$ 23,043,626</u>	<u>\$ 22,508,819</u>	<u>\$ 65,848,845</u>	<u>\$ 61,038,608</u>

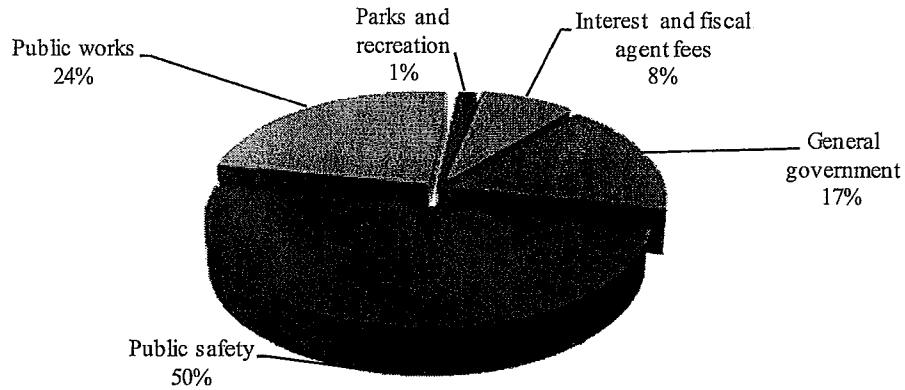
CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 For the Year Ended September 30, 2013

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

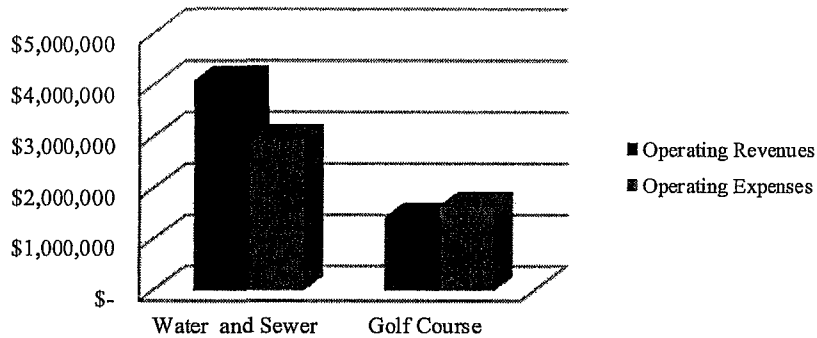
Governmental Revenues



Governmental Expenses



Business-Type Activities



CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2013

For the year ended September 30, 2013, revenues from governmental activities totaled \$13,911,238. Overall, governmental revenues increased from the prior year. The City's property tax revenue increased 12 percent due to an increase in assessed property values. Operating grants and contributions increased 23 percent largely due to more revenue being contributed from Jersey Village Crime Control and Prevention District.

For the year ended September 30, 2013, expenses for governmental activities totaled \$10,130,129, which is a decrease from the prior year due to an overall decrease in expenses to operate City facilities.

Operating revenues for business-type activities increased slightly from the prior year. Charges for services increased \$167,712 or three percent due to more water consumption in the current year. Operating expenses for business-type activities decreased by four percent due to a decrease in charges for waste disposals.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The City's governmental funds reflect a combined fund balance of \$11,532,756. Of the total governmental fund balance, \$3,646,358 is restricted for various purposes and \$7,886,398 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the general fund was \$7,886,398, while total fund balance reached \$7,911,273. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 96.6 percent of total general fund expenditures, while total fund balance represents 96.9 of that same amount. The general fund demonstrated an overall increase of \$2,116,732 as a result of more revenue received for property taxes, fines, charges for services, and transferring money in from the water and sewer fund.

The debt service fund has a total fund balance of \$474,716, all of which is restricted for the payment of debt service. After receiving a transfer of money from the water and sewer fund, the net increase in fund balance was \$24,384.

The capital projects fund experienced a decrease in fund balance of \$4,192,150 due to payments for capital projects.

The red light camera fund experienced an increase in fund balance of \$586,816 due to revenue collected from fines.

The water and sewer fund has a total net position of \$18,247,734 as a result of an increase in net position of \$631,564. This increase can largely be attributed to charges for services.

The City's golf course experienced a decrease in net position of \$226,092 due to maintenance and repair costs.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2013

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned increase in budgeted fund balance in the amount of \$231,332 in the general fund. However, the net increase in fund balance was \$2,116,732, resulting in a positive variance of \$1,885,400 from the amended budget.

Actual general fund revenues exceeded original and amended revenues by \$919,934 during fiscal year 2013. This net positive variance includes the positive variances of \$255,362 for fine revenues and \$563,515 for sales taxes.

Actual expenditures were less than budgeted amounts by \$874,916 for the fiscal year. The greatest positive variance was in police as a result of less payroll and capital outlay expenditures than expected.

CAPITAL ASSETS

At the end of fiscal year 2013, the City's governmental activities funds had invested \$48,186,765 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$4,711,531.

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

- Construction in progress for public works of \$4,306,161

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 \$19,152,534. Of this amount, \$17,770,000 was general obligation bonds, \$605,000 was certificates of obligation, and \$777,534 represented capital leases.

During the year, the City had a decrease in the overall long-term debt of \$905,009, net of the issuance of a capital lease for \$924,462.

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

Current underlying ratings on debt issues are as follows:

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Houston-Sugar Land-Baytown area led the state of Texas in job growth in 2013. The area accounted for 32.1 percent of the state's new jobs consisting of 24.6 percent of the state's population. The Greater Houston Partnership forecasted that the region will create 76,000 jobs in 2013; however, the number of jobs created was 82,000 which is better than initially anticipated.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2013

Revenues for the fiscal year 2013-2014 are projected to stay flat in comparison to the fiscal year 2012-2013 with the exception of sales tax. The sales tax revenue is projected to decrease as a result of the U.S. 290 expansion project. Some of the businesses along the U.S. 290 corridor relocated out of the city limits of Jersey Village because of this project. The property tax revenue is projected to stay flat in comparison to the fiscal year 2012-2013. Expenses are projected to increase due to salary adjustments in various positions, and as a result of the U.S. 290 expansion project.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION

September 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Jersey Village Crime Control and Prevention District
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 16,102,297	\$ 4,343,690	\$ 20,445,987	\$ 1,378,633
Receivables, net of allowances	918,825	464,137	1,382,962	151,096
Internal balances	(977,746)	977,746	-	-
Inventory	-	43,837	43,837	-
Capital assets:				
Non-depreciable capital assets	9,624,883	1,594,182	11,219,065	-
Depreciable capital assets, net	38,561,882	16,151,848	54,713,730	-
Total Assets	64,230,141	23,575,440	87,805,581	1,529,729
<u>Deferred Outflows of Resources</u>				
Deferred charge on refunding	625,042	-	625,042	-
<u>Liabilities</u>				
Accounts payable and accrued liabilities	1,881,264	311,301	2,192,565	-
Customer deposits	-	106,780	106,780	-
Accrued bond interest	31,500	-	31,500	-
Unearned revenue	-	4,557	4,557	-
Noncurrent liabilities:				
Due within one year	2,035,704	43,671	2,079,375	-
Due in more than one year	18,101,496	65,505	18,167,001	-
Total Liabilities	22,049,964	531,814	22,581,778	-
<u>Net Position</u>				
Net investment in capital assets	29,072,714	17,746,030	46,818,744	-
Restricted for:				
Capital projects	26,092	-	26,092	-
Debt service	475,016	-	475,016	-
Park improvements	1,198	-	1,198	-
Tourism	601,998	-	601,998	-
Public safety	2,326,191	-	2,326,191	-
Court technology	216,163	-	216,163	-
Crime control	-	-	-	1,529,729
Unrestricted	10,085,847	5,297,596	15,383,443	-
Total Net Position	\$ 42,805,219	\$ 23,043,626	\$ 65,848,845	\$ 1,529,729

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2013

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 1,744,782	\$ -	\$ -
Public safety	5,029,549	2,881,707	750,143
Public works	2,399,621	-	-
Parks and recreation	158,351	272,562	-
Interest on long-term debt	797,826	-	-
Total Governmental Activities	10,130,129	3,154,269	750,143
Business-Type Activities			
Utility	2,838,464	4,092,417	-
Golf course	1,662,206	1,435,975	-
Total Business-Type Activities	4,500,670	5,528,392	-
Total Primary Government	\$ 14,630,799	\$ 8,682,661	\$ 750,143
Component unit			
Jersey Village Crime Control and Prevention District	\$ 871,566	\$ -	\$ -
	\$ 871,566	\$ -	\$ -

General Revenues:

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

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Position			Component Unit
Primary Government			
Governmental Activities	Business-Type Activities	Total	Jersey Village Crime Control and Prevention District
\$ (1,744,782)	\$ -	\$ (1,744,782)	\$ -
(1,397,699)	-	(1,397,699)	-
(2,399,621)	-	(2,399,621)	-
114,211	-	114,211	-
(797,826)	-	(797,826)	-
<u>(6,225,717)</u>	<u>-</u>	<u>(6,225,717)</u>	<u>-</u>
-	1,253,953	1,253,953	-
-	(226,231)	(226,231)	-
-	1,027,722	1,027,722	-
<u>(6,225,717)</u>	<u>1,027,722</u>	<u>(5,197,995)</u>	<u>-</u>
-	-	-	(871,566)
-	-	-	(871,566)
6,146,643	-	6,146,643	-
2,998,515	-	2,998,515	970,925
673,888	-	673,888	-
57,401	-	57,401	-
17,834	1,406	19,240	1,386
112,545	-	112,545	-
494,321	(494,321)	-	-
<u>10,501,147</u>	<u>(492,915)</u>	<u>10,008,232</u>	<u>972,311</u>
4,275,430	534,807	4,810,237	100,745
<u>38,529,789</u>	<u>22,508,819</u>	<u>61,038,608</u>	<u>1,428,984</u>
<u>\$ 42,805,219</u>	<u>\$ 23,043,626</u>	<u>\$ 65,848,845</u>	<u>\$ 1,529,729</u>

CITY OF JERSEY VILLAGE, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2013

	General	Debt Service	Capital Projects	Red Light Camera
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 7,600,839	\$ 471,027	\$ 183,722	\$ 3,339,251
Receivables, net	802,076	105,431	-	-
Due from other funds	299,779	3,690	-	-
Total Assets	\$ 8,702,694	\$ 580,148	\$ 183,722	\$ 3,339,251
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 554,963	\$ -	\$ 19,752	\$ 1,100,975
Retainage payable	-	-	163,970	-
Due to other funds	58,397	-	-	-
Total Liabilities	613,360	-	183,722	1,100,975
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	178,061	105,432	-	-
Fund Balances:				
Restricted:				
Debt service	-	474,716	-	-
Capital purchases	21,091	-	-	-
Park improvements	1,198	-	-	-
Tourism	-	-	-	-
Public safety	2,586	-	-	2,238,276
Court technology	-	-	-	-
Unassigned	7,886,398	-	-	-
Total Fund Balances	7,911,273	474,716	-	2,238,276
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,702,694	\$ 580,148	\$ 183,722	\$ 3,339,251

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

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

Capital assets, non-depreciable

Capital assets, net depreciable

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

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

Current assets and liabilities net of capital leases

Capital assets, net depreciable

Capital leases

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

Accrued interest payable

Non-current liabilities due in one year

Non-current liabilities due in more than one year

Deferred charge on refunding

Net Position of Governmental Activities

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 843,672	\$ 12,438,511
11,318	918,825
54,707	358,176
<u>\$ 909,697</u>	<u>\$ 13,715,512</u>

\$ 1,206	\$ 1,676,896
-	163,970
-	58,397
<u>1,206</u>	<u>1,899,263</u>

<u>-</u>	<u>283,493</u>
----------	----------------

-	474,716
5,001	26,092
-	1,198
601,998	601,998
85,329	2,326,191
216,163	216,163
-	7,886,398
<u>908,491</u>	<u>11,532,756</u>

\$ 909,697

9,624,883
36,484,271

283,493

2,345,863
2,077,611
(777,534)

(31,500)
(1,654,243)
(17,705,423)
625,042
\$ 42,805,219

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2013

	General	Debt Service	Capital Projects	Red Light Camera
Revenues				
Ad valorem taxes	\$ 4,012,083	\$ 2,119,956	\$ -	\$ -
Sales taxes	2,998,515	-	-	-
Franchise taxes	673,888	-	-	-
Other taxes	-	-	-	-
Permits, licenses, and fees	133,471	-	-	-
Fines and forfeitures	941,362	-	-	1,757,169
Charges for services	272,562	-	-	-
Intergovernmental	744,218	-	-	-
Investment earnings	7,704	680	5,216	-
Other revenue	102,792	-	-	-
Total Revenues	9,886,595	2,120,636	5,216	1,757,169
Expenditures				
Current:				
General government	1,640,454	-	-	-
Public safety	4,044,603	-	-	1,170,353
Public works	1,922,823	-	4,248,442	-
Parks and recreation	552,260	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	1,405,000	-	-
Interest and fiscal agent fees	-	759,220	-	-
Total Expenditures	8,160,140	2,164,220	4,248,442	1,170,353
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,726,455	(43,584)	(4,243,226)	586,816
Other Financing Sources (Uses)				
Transfers in	441,353	67,968	51,076	-
Transfers (out)	(51,076)	-	-	-
Total Other Financing Sources (Uses)	390,277	67,968	51,076	-
Net Change in Fund Balances	2,116,732	24,384	(4,192,150)	586,816
Beginning fund balances	5,794,541	450,332	4,192,150	1,651,460
Ending Fund Balances	\$ 7,911,273	\$ 474,716	\$ -	\$ 2,238,276

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 6,132,039
-	2,998,515
-	673,888
57,401	57,401
-	133,471
49,705	2,748,236
-	272,562
5,925	750,143
635	14,235
9,753	112,545
<u>123,419</u>	<u>13,893,035</u>
71,517	1,711,971
55,558	5,270,514
-	6,171,265
-	552,260
13,425	13,425
-	1,405,000
-	759,220
<u>140,500</u>	<u>15,883,655</u>
<u>(17,081)</u>	<u>(1,990,620)</u>
-	560,397
<u>(15,000)</u>	<u>(66,076)</u>
<u>(15,000)</u>	<u>494,321</u>
(32,081)	(1,496,299)
<u>940,572</u>	<u>13,029,055</u>
<u>\$ 908,491</u>	<u>\$ 11,532,756</u>

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CITY OF JERSEY VILLAGE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

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

Net changes in fund balances - total governmental funds	\$	(1,496,299)
<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		6,018,173
Depreciation expense		(1,306,642)
<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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Capital lease proceeds		(924,462)
Capital lease payments		376,439
Principal payments		1,405,000
Amortization of premiums, discounts, and deferred charges		(4,055)
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.		14,604
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.		(34,091)
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.		226,763
Change in Net Position of Governmental Activities	\$	<u>4,275,430</u>

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Page 1 of 2)

PROPRIETARY FUNDS

September 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total Enterprise Funds	
Assets				
Current assets:				
Cash and equity in pooled cash and investments	\$ 3,621,317	\$ 722,373	\$ 4,343,690	\$ 3,663,786
Accounts receivable, net	464,137	-	464,137	-
Inventory	-	43,837	43,837	-
Total Current Assets	4,085,454	766,210	4,851,664	3,663,786
Noncurrent assets:				
Capital assets:				
Land	445,240	915,000	1,360,240	-
Construction in process	233,942	-	233,942	-
Buildings and improvements	552,677	5,826,215	6,378,892	-
Furniture and equipment	973,919	666,886	1,640,805	6,577,170
Water and sewer system	19,203,265	-	19,203,265	-
Less: accumulated depreciation	(6,532,093)	(4,539,021)	(11,071,114)	(4,499,559)
Total Capital Assets (Net)	14,876,950	2,869,080	17,746,030	2,077,611
Total Noncurrent Assets	14,876,950	2,869,080	17,746,030	2,077,611
Total Assets	\$ 18,962,404	\$ 3,635,290	\$ 22,597,694	\$ 5,741,397

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

September 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total	
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 254,859	\$ 56,442	\$ 311,301	\$ 40,398
Customer deposits	106,411	369	106,780	-
Compensated absences	21,448	22,222	43,671	-
Capital lease	-	-	-	381,461
Unearned revenue	-	4,557	4,557	-
Due to other funds	299,779	-	299,779	-
Total Current Liabilities	682,498	83,590	766,088	421,859
Noncurrent liabilities:				
Compensated absences	32,173	33,333	65,505	-
Capital lease due in more than one year	-	-	-	396,073
Total Noncurrent Liabilities	32,173	33,333	65,505	396,073
Total Liabilities	714,670	116,923	831,593	817,932
Net Position				
Net investment in capital assets	14,876,950	2,869,080	17,746,030	1,681,538
Unrestricted	3,370,784	649,287	4,020,071	3,241,927
Total Net Position	\$ 18,247,734	\$ 3,518,367	\$ 21,766,101	\$ 4,923,465

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

1,277,525

Total Net Position per Government-Wide Financial Statements.

\$ 23,043,626

See Notes to Financial Statements.

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CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total Enterprise Funds	
<u>Operating Revenues</u>				
Charges for sales and services	\$ 4,027,415	\$ 1,430,975	\$ 5,458,390	\$ 1,379,966
Other revenues	65,002	5,000	70,002	-
Total Operating Revenues	4,092,417	1,435,975	5,528,392	1,379,966
<u>Operating Expenses</u>				
Costs of sales and services	2,275,343	598,810	2,874,153	7,943
Personnel	333,329	760,246	1,093,575	-
Depreciation	359,127	303,150	662,277	408,991
Total Operating Expenses	2,967,799	1,662,206	4,630,005	416,934
Operating Income (Loss)	1,124,618	(226,231)	898,387	963,032
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	1,267	139	1,406	3,599
Interest expense	-	-	-	(34,851)
Total Nonoperating Revenues (Expenses)	1,267	139	1,406	(31,252)
Income (Loss) Before Transfers	1,125,885	(226,092)	899,793	931,780
Transfers (out)	(494,321)	-	(494,321)	-
Change in Net Position	631,564	(226,092)	405,472	931,780
Beginning net position	17,616,170	3,744,459		3,991,685
Ending Net Position	\$ 18,247,734	\$ 3,518,367		\$ 4,923,465
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			129,335	
Change in Net Position of Business-Type Activities			\$ 534,807	

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, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total Enterprise Funds	
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 5,562,023	\$ 1,434,526	\$ 6,996,549	\$ 1,379,966
Payments to suppliers	(2,333,985)	(54,296)	(2,388,281)	(516,443)
Payments to employees	(324,076)	(752,773)	(1,076,849)	-
Net Cash Provided by Operating Activities	2,903,962	627,457	3,531,419	863,523
<u>Cash Flows from Noncapital</u>				
<u>Financing Activities</u>				
Transfer to other funds	(494,321)	-	(494,321)	-
Net Cash (Used) by Capital Financing Activities	(494,321)	-	(494,321)	-
<u>Cash Flows from Capital and Related</u>				
<u>Financing Activities</u>				
Acquisition and construction of capital assets	(270,338)	(51,976)	(322,314)	(1,532,696)
Proceeds from capital lease	-	-	-	924,462
Principal paid on capital lease	-	-	-	(376,439)
Interest paid on capital debt	-	-	-	(34,851)
Net Cash (Used) by Capital and Related Financing Activities	(270,338)	(51,976)	(322,314)	(1,019,524)
<u>Cash Flows from Investing Activities</u>				
Interest received	1,267	139	1,406	3,599
Net Cash Provided by Investing Activities	1,267	139	1,406	3,599
Net Increase (Decrease) in Cash and Cash Equivalents	2,140,570	575,620	2,716,190	(152,402)
Beginning cash and cash equivalents	1,480,747	146,753	1,627,500	3,816,188
Ending Cash and Cash Equivalents	\$ 3,621,317	\$ 722,373	\$ 4,343,690	\$ 3,663,786

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, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Golf Course	Total Enterprise Funds	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 1,124,618	\$ (226,231)	\$ 898,387	\$ 963,032
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	359,127	303,150	662,277	408,991
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Current Assets:				
Accounts receivable	(35,394)	-	(35,394)	-
Due from other funds	1,505,000	540,400	2,045,400	-
Increase (Decrease) in Current Liabilities:				
Accounts payable and accrued liabilities	(58,421)	4,114	(54,307)	26,400
Customer deposits	5,079	-	5,079	-
Compensated absence	4,174	7,473	11,647	-
Unearned revenue	-	(1,449)	(1,449)	-
Due to other funds	(221)	-	(221)	(534,900)
Net Cash Provided by Operating Activities	\$ 2,903,962	\$ 627,457	\$ 3,531,419	\$ 863,523

See Notes to Financial Statements.

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CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

Discretely Presented Component Unit

Jersey Village Crime Control and Prevention District

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following governmental funds:

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, public health, and parks and recreation.

Special Revenue Funds

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

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

Capital Projects Fund

The capital projects funds are used to account for the expenditures of resources accumulated from the sale of bonds and related interests earnings for capital improvements. The capital projects funds include the capital project fund and Jones Road extension fund. The capital project fund is included as a major fund and the Jones Road extension fund is included as a nonmajor fund.

The City reports the following enterprise funds:

Enterprise Funds

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

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

Additionally, the City reports the following fund type:

Internal Service Funds

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

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

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

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

current financial resources or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

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

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

3. Inventories and Prepaid Items

Inventories are valued at 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 City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

Property, plant, and equipment of the primary government, as well as the component 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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. Compensated Employee Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits, and compensatory time. Amounts accumulated, up to certain amounts, may be paid to employees upon termination of employment. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental 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.

7. Long-Term Obligations

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

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and 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 and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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, 2013

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.

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions are classified as restricted fund balance.

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

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Post Employment Healthcare Benefits

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

12. Estimates

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects funds, which adopt a project length budget. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control in the approved budget as defined by the

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

charter is the department level in the general fund and all others are the fund level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended. An annual budget is adopted for the discretely presented component unit, the Jersey Village Crime Control and Prevention District. The hotel occupancy tax fund, court security and technology fee fund, asset forfeiture fund, and red light camera fund are all special revenue funds that have adopted budgets.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2013, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
TexPool	\$ 21,315,120	0.00
Total Fair Value	\$ 21,315,120	
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, 2013, the City’s deposits were fully covered under the FDIC.

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

TexPool

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

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

B. Receivables

The following comprise receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>
Ad valorem taxes	\$ 457,530	\$ 109,282	\$ -
Other taxes	183,846	-	-
Intergovernmental	14,843	-	-
Other	373,229	-	11,318
Less allowance	(227,372)	(3,851)	-
Total	<u>\$ 802,076</u>	<u>\$ 105,431</u>	<u>\$ 11,318</u>

	<u>Water and Sewer</u>	<u>Component Unit</u>
Other taxes	\$ -	\$ 151,096
Accounts	616,793	-
Less allowance	(152,656)	-
Total	<u>\$ 464,137</u>	<u>\$ 151,096</u>

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

C. Capital Assets

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

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

	Primary Government			
	Beginning Balance	Increases	(Decreases)	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,956,455	\$ -	\$ -	\$ 1,956,455
Construction in progress	3,386,556	4,281,872	-	7,668,428
Total capital assets not being depreciated	5,343,011	4,281,872	-	9,624,883
Other capital assets:				
Buildings and improvements	8,309,239	20,400	-	8,329,639
Machinery and equipment	6,936,759	1,677,691	-	8,614,450
Infrastructure	38,316,015	38,210	-	38,354,225
Total other capital assets	53,562,013	1,736,301	-	55,298,314
Less accumulated depreciation for:				
Buildings and improvements	(2,855,197)	(225,975)	-	(3,081,172)
Machinery and equipment	(5,744,584)	(556,952)	-	(6,301,536)
Infrastructure	(6,830,009)	(523,715)	-	(7,353,724)
Total accumulated depreciation	(15,429,790)	(1,306,642)	-	(16,736,432)
Other capital assets, net	38,132,223	429,659	-	38,561,882
Governmental Activities Capital Assets, Net	\$ 43,475,234	\$ 4,711,531	\$ -	48,186,765
		Plus deferred charge on refunding		625,042
		Less associated debt		(19,739,093)
		Net Investment in Capital Assets		\$ 29,072,714

Depreciation was charged to governmental functions as follows:

General government	\$ 65,506
Public safety	217,608
Public works	550,833
Parks and recreation	63,704
Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets	408,991
Total Governmental Activities Depreciation Expense	\$ 1,306,642

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

The City has active governmental activities construction projects as of September 30, 2013. The projects include the following:

Project Description	Authorized Contract	Contract Expenditures	Remaining Commitment
Phase III Street Project	\$ 7,300,000	\$ 6,657,017	\$ 642,983
290 Expansion	3,000,000	535,700	2,464,300
Total	\$ 10,800,000	\$ 7,692,717	\$ 3,107,283

The following is a summary of changes in capital assets for business-type activities for the year ended September 30, 2013:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,360,240	\$ -	\$ -	\$ 1,360,240
Construction in progress	5,121	228,821	-	233,942
Total capital assets not being depreciated	1,365,361	-	-	1,594,182
Other capital assets:				
Buildings	6,299,399	79,493	-	6,378,892
Water and sewer system	19,203,265	-	-	19,203,265
Machinery and equipment	1,626,805	14,000	-	1,640,805
Total other capital assets	27,129,469	93,493	-	27,222,962
Less accumulated depreciation for:				
Buildings	(3,667,576)	(319,923)	-	(3,987,499)
Water and sewer system	(5,862,464)	(300,992)	-	(6,163,456)
Machinery and equipment	(878,797)	(41,362)	-	(920,159)
Total accumulated depreciation	(10,408,837)	(662,277)	-	(11,071,114)
Other capital assets, net	16,720,632	(568,784)	-	16,151,848
Business-Type Activities				
Capital Assets, Net	\$ 18,085,993	\$ (568,784)	\$ -	\$ 17,746,030

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 359,127
Golf course	303,150
Total Business-Type Activities Depreciation Expense	\$ 662,277

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

The City has active business-type activities construction projects as of September 30, 2013. The projects include the following:

Project Description	Authorized Contract	Contract Expenditures	Remaining Commitment
Scada Project	\$ 17,570	\$ 10,242	\$ 7,328
290 Expansion	550,000	223,700	326,300
Total	\$ 567,570	\$ 233,942	\$ 333,628

D. Long-Term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 18,900,000	\$ -	\$ 1,130,000	\$ 17,770,000	* \$ 1,200,000
Premium on bonds	634,591	-	48,032	586,559	*
Certificates of obligation	880,000	-	275,000	605,000	* 295,000
Capital leases	229,511	924,462	376,439	777,534	* 381,461
	21,335,836	924,462	1,829,471	19,739,093	1,876,461
Other liabilities:					
Compensated absences	363,716	179,877	145,486	398,107	159,243
Total Governmental Activities	\$ 21,699,552	\$ 1,104,339	\$ 1,974,957	\$ 20,137,200	\$ 2,035,704
				Long-term debt due in more than one year	\$ 18,101,496
				*Debt associated with governmental activity capital assets	\$ 19,739,093
Business-Type Activities:					
Compensated absences	\$ 97,528	\$ 50,660	\$ 39,012	\$ 109,176	\$ 43,671
Total Business-Type Activities	\$ 97,528	\$ 50,660	\$ 39,012	\$ 109,176	\$ 43,671
				Long-term debt due in more than one year	\$ 65,505

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, 2013

Bond Refunding

In 2012, the City issued \$9,050,000 in general obligation refunding bonds. The refunding was undertaken to provide a present value savings in debt service payable by the City. The refunding reacquisition price exceeded the net carrying amount of the old debt by \$677,129. This amount is being netted against the new debt and amortized over the new debt's life, which is the same as the refunded debt. This debt refunding reduced total debt service payments over the next 16 years by \$1,046,543 and resulted in an economic gain of \$872,566. The bonds issued served as an advance and current debt refunding. As of September 30, 2013, \$4,385,000 of defeased bonds remained outstanding.

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

<u>Description</u>	<u>Interest Rates</u>	<u>Balance</u>
Governmental Activities		
General Obligation Bonds		
Series 1991	6.25-8.10%	\$ 660,000
Series 2007	4.25-6.25%	8,260,000
Series 2012	2.00-4.00%	8,850,000
Total General Obligation Bonds		<u>17,770,000</u>
Certificates of Obligation		
Series 2000	5.00-7.00%	605,000
Total Certificates of Obligation		<u>605,000</u>
Total Bond and Certificates of Obligation		<u>18,375,000</u>
Capital Leases		
Motorola Radio	5.13%	620,096
Pumper	6.03%	157,438
Total Capital Leases		<u>777,534</u>
Total Governmental Activities Long-Term Debt		<u>\$ 19,152,534</u>

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

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

Year Ending Sep. 30	Governmental Activity		
	Principal	Interest	Total
2014	\$ 1,495,000	\$ 671,741	\$ 2,166,741
2015	1,050,000	576,656	1,626,656
2016	1,085,000	535,763	1,620,763
2017	1,120,000	501,388	1,621,388
2018	1,145,000	468,847	1,613,847
2019-2023	6,315,000	1,794,550	8,109,550
2024-2027	6,165,000	533,227	6,698,227
Total	\$ 18,375,000	\$ 5,082,172	\$ 23,457,172

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.

Capital Leases

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

Year Ending Sep. 30	Governmental Activity		
	Principal	Interest	Total
2014	\$ 381,461	\$ 29,828	\$ 411,289
2015	396,073	15,217	411,290
Total	\$ 777,534	\$ 45,045	\$ 822,579

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$ 1,412,835
Less: Accumulated depreciation	(258,058)
Total	\$ 1,154,777

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

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the City. The City has engaged an arbitrage consultant to perform the calculations in accordance with IRSs rules and regulations.

E. Interfund Transactions

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

Receivable Fund	Payable Fund	Amounts
General	Water and sewer	\$ 299,779
Debt service	General	3,690
Nonmajor	General	54,707
		\$ 358,176

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	\$ 426,353
General	Nonmajor	15,000
Debt service	Water and sewer	67,968
Capital projects	General	51,076
		\$ 560,397

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

F. Restatement of Fund Balance/Net Position

In the fiscal year ending September 30, 2013, the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. In accordance with this statement, beginning net position of the governmental activities has been reduced by \$302,462 for previously capitalized bond issuance costs.

	Governmental Net Position
Prior year ending net position/ fund balance as reported	\$ 38,832,251
Bond issuance costs	(302,462)
Beginning fund balance	\$ 38,529,789

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

G. Fund Equity

As of September 30, 2013, \$818,161 of the City's total fund balance is restricted by enabling legislation.

IV. OTHER INFORMATION

A. Risk Management

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

B. Contingent Liabilities

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

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

C. Pension Plans

Texas Municipal Retirement System

Plan Description

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), 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 for TMRS. The report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by TMRS. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on the TMRS website at www.TMRS.com.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

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>2013</u>	<u>2012</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100%	100%
	Repeating, Transfers	Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Benefits

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

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 30-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.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

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

Fiscal Year	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 729,285	\$ 729,285	100.00%	\$ -
2012	\$ 677,848	\$ 677,848	100.00%	\$ -
2013	\$ 659,727	\$ 659,727	100.00%	\$ -

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

	2013	2012	2011
Actuarial Valuation Date	12/31/2012	12/31/2011	12/31/2010
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	25.1 Years - Closed period	26.1 Years - Closed period	27.1 Years - Closed period
Amortization Period for New Gains/Losses	30 Years	30 Years	30 Years
Asset Valuation Method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Investment Rate of Return	7.0%	7.0%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Includes Inflation at	3.00%	3.00%	3.00%
Cost of Living Adjustments	2.10%	2.10%	2.10%

The funded status as of December 31, 2012, the most recent valuation date, is as follows:

	2013
Actuarial Valuation Date	12/31/2012
Actuarial Value of Assets	\$ 13,217,340
Actuarial Accrued Liability	\$ 17,103,285
Percentage Funded	77.3%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 3,885,945
Annual Covered Payroll	\$ 4,680,229
UAAL as a Percentage of Covered Payroll	83.0%

Actuarial valuations involve estimates of the values of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2013

D. Other Post Employment Benefits

TMRS - Supplemental Death Benefit Fund

Plan Description

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post employment benefit," or OPEB. The obligations of this plan are payable only from the SDBF and are not an obligation of, or a claim against, the Pension Trust Fund. For the year ended September 30, 2013, the City offered the supplemental death benefit to both active and retired employees.

Contributions

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

The City's contributions to the TMRS SDBF, for the retiree portion, for the fiscal years ended 2013, 2012, and 2011 were \$464, \$468, and \$470, respectively. The City's contribution rates for the past three years are shown below:

	<u>2012</u>	<u>2011</u>	<u>2010</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 (Page 1 of 2)
For the Year Ended September 30, 2013

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Taxes:				
Ad valorem	\$ 3,982,500	\$ 3,982,500	\$ 4,012,083	\$ 29,583
Sales	2,435,000	2,435,000	2,998,515	563,515
Franchise	625,000	625,000	673,888	48,888
Permits, licenses, and fees	80,800	78,400	133,471	55,071
Charges for services	210,500	209,500	272,562	63,062
Fines	686,000	686,000	941,362	255,362
Investment earnings	10,000	10,000	7,704	(2,296)
Intergovernmental	912,261	912,261	744,218	(168,043)
Other revenues	33,400	28,000	102,792	74,792
Total Revenues	8,975,461	8,966,661	9,886,595	919,934
<u>Expenditures</u>				
General government:				
Administration	510,370	510,370	470,102	40,268
Legal	205,800	195,800	177,284	18,516
Information technology	414,645	414,645	394,586	20,059
Purchasing	20,100	20,100	19,683	417
Finance	292,550	292,550	229,209	63,341
Customer service	115,650	115,650	101,340	14,310
Court	294,600	294,600	248,250	46,350
Total General Government Expenditures	1,853,715	1,843,715	1,640,454	203,261
Public safety:				
Police	2,337,950	2,337,950	1,937,310	400,640
Dispatch	684,571	684,571	611,650	72,921
Fire	1,553,769	1,553,769	1,495,643	58,126
Total Public Safety Expenditures	4,576,290	4,576,290	4,044,603	531,687
Public works:				
Public works administration	191,040	190,840	177,719	13,121
Community development	314,490	314,490	309,030	5,460
Streets	508,622	508,622	481,198	27,424
Building and grounds	318,258	282,782	250,942	31,840
Sanitation	312,000	312,000	302,887	9,113
Fleet services	417,386	417,386	401,047	16,339
Total Public Works Expenditures	2,061,796	2,026,120	1,922,823	103,297
Parks and recreation				
	588,931	588,931	552,260	36,671
Total Expenditures	9,080,732	9,035,056	8,160,140	874,916
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,271)	(68,395)	1,726,455	1,794,850

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

GENERAL FUND (Page 2 of 2)
For the Year Ended September 30, 2013

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 441,353	\$ 441,353	\$ 441,353	\$ -
Transfers (out)	<u>(141,626)</u>	<u>(141,626)</u>	<u>(51,076)</u>	<u>90,550</u>
Total Other Financing Sources	<u>299,727</u>	<u>299,727</u>	<u>390,277</u>	<u>90,550</u>
Net Change in Fund Balance	<u>\$ 194,456</u>	<u>\$ 231,332</u>	2,116,732	<u>\$ 1,885,400</u>
Beginning fund balance			<u>5,794,541</u>	
Ending Fund Balance			<u>\$ 7,911,273</u>	

Notes to Required Supplementary Information:

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

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
RED LIGHT CAMERA FUND
For the Year Ended September 30, 2013

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fines	\$ 2,500,000	\$ 1,757,169	\$ (742,831)
Total Revenues	2,500,000	1,757,169	(742,831)
Expenditures			
Public safety	1,518,132	1,170,353	347,779
Total Expenditures	1,518,132	1,170,353	347,779
Net Change in Fund Balance	\$ 981,868	586,816	\$ (395,052)
Beginning fund balance		1,651,460	
Ending Fund Balance		\$ 2,238,276	

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, 2013

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

Fiscal Year	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarial Valuation Date	12/31/2012	12/31/2011	12/31/2010
Actuarial Value of Assets	\$ 13,217,340	\$ 12,021,178	\$ 10,691,782
Actuarial Accrued Liability	\$ 17,103,285	\$ 16,232,583	\$ 15,127,897
Percentage Funded	77.3%	74.1%	70.7%
Unfunded Actuarial			
Accrued Liability (UAAL)	\$ 3,885,945	\$ 4,211,405	\$ 4,436,115
Annual Covered Payroll	\$ 4,680,229	\$ 4,553,224	\$ 4,518,469
UAAL % of Covered Payroll	83.0%	92.5%	98.2%
Net Pension Obligation (NPO)			
at the Beginning of Period	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	659,727	677,848	729,285
Contributions Made	659,727	677,848	729,285
NPO at the End of Period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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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, 2013

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Ad valorem taxes	\$ 2,123,000	\$ 2,119,956	\$ (3,044)
Investment earnings	500	680	180
Total Revenues	2,123,500	2,120,636	(2,864)
<u>Expenditures</u>			
Debt service:			
Principal	1,405,000	1,405,000	-
Interest and fiscal agent fees	765,962	759,220	6,742
Total Expenditures	2,170,962	2,164,220	6,742
(Deficiency) of Revenues Over Expenditures	(47,462)	(43,584)	3,878
<u>Other Financing Sources Over</u>			
Transfers in	67,968	67,968	-
Total Other Financing Sources	67,968	67,968	-
Net Change in Fund Balance	\$ 20,506	24,384	\$ 3,878
Beginning fund balance		450,332	
Ending Fund Balance		\$ 474,716	

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CITY OF JERSEY VILLAGE, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2013

SPECIAL REVENUE FUNDS

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

Hotel Occupancy Tax Fund

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

Court Security and Technology Fees Fund

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

Asset Forfeiture Fund

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

CAPITAL PROJECT FUNDS

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

Jones Road Extension Fund

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

CITY OF JERSEY VILLAGE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2013

	Special Revenue Funds			Capital Projects Fund
	Hotel Occupancy Tax	Court Security and Technology Fees	Asset Forfeiture	Jones Road Extension
	Assets			
Current assets:				
Cash and equity in pooled cash and investments	\$ 591,511	\$ 166,832	\$ 85,329	\$ -
Account receivable	11,318	-	-	-
Due from other funds	-	49,706	-	5,001
Total Assets	\$ 602,829	\$ 216,538	\$ 85,329	\$ 5,001
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 831	\$ 375	\$ -	\$ -
Total Liabilities	831	375	-	-
Fund balances:				
Restricted:				
Capital projects	-	-	-	5,001
Public safety	-	-	85,329	-
Tourism	601,998	-	-	-
Court technology	-	216,163	-	-
Total Fund Balances	601,998	216,163	85,329	5,001
Total Liabilities and Fund Balances	\$ 602,829	\$ 216,538	\$ 85,329	\$ 5,001

**Total
Nonmajor
Governmental
Funds**

\$ 843,672
11,318

54,707

\$ 909,697

\$ 1,206

1,206

5,001
85,329
601,998

216,163

908,491

\$ 909,697

CITY OF JERSEY VILLAGE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2013

	Special Revenue Funds			Capital Projects Fund
	Hotel	Court	Asset	Jones Road
	Occupancy Tax	Security and Technology Fees	Forfeiture	Extension
Revenues				
Occupancy tax	\$ 57,401	\$ -	\$ -	\$ -
Fines	-	49,705	-	-
Intergovernmental	-	-	-	5,925
Investment earnings	627	-	8	-
Other revenue	-	-	9,753	-
Total Revenues	58,028	49,705	9,761	5,925
Expenditures				
Current:				
General government	71,517	-	-	-
Public safety	-	53,012	2,546	-
Capital outlay	-	-	-	13,425
Total Expenditures	71,517	53,012	2,546	13,425
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,489)	(3,307)	7,215	(7,500)
Other Financing Sources (Uses)				
Transfer (out)	(15,000)	-	-	-
Total Other Financing (Uses)	(15,000)	-	-	-
Net Change in Fund Balances	(28,489)	(3,307)	7,215	(7,500)
Beginning fund balances	630,487	219,470	78,114	12,501
Ending Fund Balances	\$ 601,998	\$ 216,163	\$ 85,329	\$ 5,001

**Total
Nonmajor
Governmental
Funds**

\$	57,401
	49,705
	5,925
	635
	9,753
	<u>123,419</u>
	71,517
	55,558
	13,425
	<u>140,500</u>
	<u>(17,081)</u>
	<u>(15,000)</u>
	<u>(15,000)</u>
	(32,081)
	<u>940,572</u>
\$	<u><u>908,491</u></u>

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CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2013

		Hotel Occupancy Tax		
		Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Occupancy tax		\$ 50,000	\$ 57,401	\$ 7,401
Investment earnings		500	627	127
	Total Revenues	50,500	58,028	7,528
<u>Expenditures</u>				
General government		87,500	71,517	15,983
	Total Expenditures	87,500	71,517	15,983
	Excess (Deficiency) of Revenues (Under) Expenditures	(37,000)	(13,489)	23,511
<u>Other Financing Sources (Uses)</u>				
Transfers (out)		(15,000)	(15,000)	-
	Net Change in Fund Balance	\$ (52,000)	(28,489)	\$ 23,511
Beginning fund balance			630,487	
	Ending Fund Balance		\$ 601,998	

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2013

	Court Security and Technology Fees		
	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines	\$ 40,500	\$ 49,705	\$ 9,205
<u>Expenditures</u>			
Public safety	56,723	53,012	3,711
Net Change in Fund Balance	\$ (16,223)	(3,307)	\$ 12,916
Beginning fund balance		219,470	
Ending Fund Balance		\$ 216,163	

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	84
<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	94
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	104
<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	112
<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	115
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

CITY OF JERSEY VILLAGE, TEXAS

NET POSITION BY COMPONENT

Last Nine Years (1)

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

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

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

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET POSITION

Last Nine 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 nine years are available at this time.

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

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET POSITION (Continued)

Last Nine Years (1)

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

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

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

CITY OF JERSEY VILLAGE, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

	Year			
	2004	2005	2006	2007
General Fund				
Restricted	\$ 12,331	\$ 12,331	\$ 12,331	\$ 12,331
Unassigned	2,631,207	2,970,740	3,407,207	5,132,634
Total General Fund	\$ 2,643,538	\$ 2,983,071	\$ 3,419,538	\$ 5,144,965
 All Other Governmental Funds				
Restricted				
Capital project funds	\$ 1,144,292	\$ 2,009,328	\$ 1,982,613	\$ 10,290,458
Debt service funds	1,300,302	721,258	658,646	727,653
Special revenue funds	556,097	604,274	718,219	769,660
Total All Other Governmental Funds	\$ 3,000,691	\$ 3,334,860	\$ 3,359,478	\$ 11,787,771

Year

2008	2009	2010	2011	2012	2013
\$ 12,331	\$ 16,586	\$ 15,720	\$ 19,192	\$ 24,297	\$ 24,875
7,256,287	8,543,619	9,646,412	10,779,487	5,770,244	7,886,398
<u>\$ 7,268,618</u>	<u>\$ 8,560,205</u>	<u>\$ 9,662,132</u>	<u>\$ 10,798,679</u>	<u>\$ 5,794,541</u>	<u>\$ 7,911,273</u>
\$ 6,499,379	\$ 5,039,980	\$ 6,732,339	\$ 4,918,996	\$ 4,204,651	\$ 5,001
545,424	-	-	399,560	450,332	474,716
850,542	1,851,811	-	1,005,618	2,579,531	3,141,766
<u>\$ 7,895,345</u>	<u>\$ 6,891,791</u>	<u>\$ 6,732,339</u>	<u>\$ 6,324,174</u>	<u>\$ 7,234,514</u>	<u>\$ 3,621,483</u>

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

	Year			
	2004	2005	2006	2007
Revenues				
Taxes	\$ 6,354,721	\$ 6,229,704	\$ 6,496,795	\$ 8,145,679
Permits, licenses, and fees	147,798	350,250	224,160	204,244
Charges for services	210,915	299,832	341,956	344,911
Fines and forfeitures	691,302	686,037	801,103	1,008,085
Investment earnings	89,968	181,962	320,418	505,793
Intergovernmental	1,031,083	621,895	788,292	499,322
Other revenues	107,337	254,398	110,654	153,192
Total Revenues	<u>8,633,124</u>	<u>8,624,078</u>	<u>9,083,378</u>	<u>10,861,226</u>
Expenditures				
General government	1,382,334	1,456,322	1,437,939	1,625,875
Public safety	2,816,576	3,110,449	3,107,644	3,327,650
Public works	1,629,596	1,646,731	1,637,561	1,650,040
Parks and recreation	404,845	420,755	473,937	498,124
Capital outlay	3,670,023	753,134	146,249	349,304
Debt service				
Principal	930,224	814,163	840,729	862,094
Interest and fiscal fees	1,378,073	1,313,432	1,278,233	1,324,588
Paid to escrow for current bond refunding	-	-	-	-
Total Expenditures	<u>12,211,671</u>	<u>9,514,986</u>	<u>8,922,292</u>	<u>9,637,675</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,578,547)	(890,908)	161,086	1,223,551
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Transfers in	968,824	858,069	300,000	315,000
Transfers out	(245,529)	-	-	-
Proceeds paid to escrow	-	-	-	-
Issuance of debt	-	-	-	8,500,000
Premium on debt issued	-	-	-	127,500
Total other financing sources	<u>723,295</u>	<u>858,069</u>	<u>300,000</u>	<u>8,942,500</u>
Net Change in Fund Balances	<u>\$ (2,855,252)</u>	<u>\$ (32,839)</u>	<u>\$ 461,086</u>	<u>\$ 10,166,051</u>
Debt service as a percentage of noncapital expenditures	27.02%	24.28%	24.14%	23.64%

		Year									
		2008	2009	2010	2011	2012	2013				
\$	8,757,923	\$	9,463,752	\$	9,285,086	\$	9,354,873	\$	9,596,403	\$	9,861,843
	271,512		88,842		84,507		99,301		131,129		133,471
	438,649		745,629		296,557		333,423		212,593		272,562
	1,177,649		1,634,636		2,239,794		2,305,833		2,959,049		2,748,236
	554,243		122,740		32,674		20,454		17,212		14,235
	1,293,711		1,111,357		3,439,600		1,118,822		609,286		750,143
	94,028		358,393		275,580		172,696		58,474		112,545
	<u>12,587,715</u>		<u>13,525,349</u>		<u>15,653,798</u>		<u>13,405,402</u>		<u>13,584,146</u>		<u>13,893,035</u>
	1,748,173		1,738,804		1,913,068		1,779,389		1,771,567		1,711,971
	3,586,666		4,823,774		4,931,600		5,202,586		4,975,131		5,270,514
	2,313,402		2,069,319		2,400,831		2,888,384		5,303,688		6,171,265
	510,991		476,072		570,739		534,455		530,295		552,260
	4,039,793		2,678,869		2,977,118		3,515,027		264,013		13,425
	920,054		947,732		701,317		689,520		1,235,000		1,405,000
	1,617,322		1,503,400		1,637,126		1,538,227		1,032,575		759,220
	-		-		-		-		135,000		-
	<u>14,736,401</u>		<u>14,237,970</u>		<u>15,131,799</u>		<u>16,147,588</u>		<u>15,247,269</u>		<u>15,883,655</u>
	(2,148,686)		(712,621)		521,999		(2,742,186)		(1,663,123)		(1,990,620)
	-		-		-		-		6,615		-
	379,913		1,837,602		1,477,311		721,956		7,353,718		560,397
	-		(788,829)		(1,056,835)		(287,355)		(6,915,000)		(66,076)
	-		-		-		-		(9,382,129)		-
	-		-		-		-		9,050,000		-
	-		-		-		-		492,088		-
	<u>379,913</u>		<u>1,048,773</u>		<u>420,476</u>		<u>434,601</u>		<u>605,292</u>		<u>494,321</u>
\$	<u>(1,768,773)</u>	\$	<u>336,152</u>	\$	<u>942,475</u>	\$	<u>(2,307,585)</u>	\$	<u>(1,057,831)</u>	\$	<u>(1,496,299)</u>
	24.69%		22.00%		19.92%		20.75%		19.30%		21.94%

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

Last Ten Years
(modified accrual basis of accounting)

Function	Year			
	2004	2005	2006	2007
Ad valorem	\$ 3,958,147	\$ 4,028,810	\$ 4,050,597	\$ 4,990,201
Sales	1,844,121	1,626,360	1,877,182	2,601,786
Franchise fee	552,453	574,534	569,016	553,692
Other	64,520	68,816	78,695	86,599
Totals	\$ 6,419,241	\$ 6,298,520	\$ 6,575,490	\$ 8,232,278

Year

2008	2009	2010	2011	2012	2013
\$ 5,718,669	\$ 6,255,115	\$ 6,174,755	\$ 6,071,668	\$ 5,825,494	\$ 6,132,039
2,449,404	2,449,404	2,411,159	2,565,651	3,035,624	2,998,515
589,850	759,233	632,605	667,970	666,253	673,888
96,062	86,747	66,567	49,584	69,032	57,401
\$ 8,853,985	\$ 9,550,499	\$ 9,285,086	\$ 9,354,873	\$ 9,596,403	\$ 9,861,843

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

	Year			
	2004	2005	2006	2007
Residential property	\$ 331,019,170	\$ 340,114,760	\$ 345,838,390	\$ 429,228,150
Commercial property	98,890,810	98,084,380	104,484,208	144,597,984
Other	199,526,120	198,318,040	280,588,903	223,098,917
Less: Tax exempt property	<u>(50,772,980)</u>	<u>(51,449,640)</u>	<u>(130,703,740)</u>	<u>(134,005,267)</u>
Total Taxable Assessed Value (1)	<u>\$ 578,663,120</u>	<u>\$ 585,067,540</u>	<u>\$ 600,207,761</u>	<u>\$ 662,919,784</u>
Total Direct Tax Rate	0.67500	0.67500	0.67500	0.74250

Source: Harris County Certified / Uncertified Tax Roll

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

Year					
2008	2009	2010	2011	2012	2013
\$ 470,984,691	\$ 498,590,180	\$ 479,135,881	\$ 491,005,824	\$ 491,833,349	\$ 496,740,074
194,398,424	193,175,025	214,657,268	190,621,214	195,666,311	204,473,889
236,256,520	275,272,631	277,213,850	307,527,234	254,734,037	252,948,984
(141,801,005)	(147,797,468)	(149,634,733)	(161,632,749)	(161,049,212)	(138,212,692)
<u>\$ 759,838,630</u>	<u>\$ 819,240,368</u>	<u>\$ 821,372,266</u>	<u>\$ 827,521,523</u>	<u>\$ 781,184,485</u>	<u>\$ 815,950,255</u>
0.74250	0.74250	0.74250	0.74250	0.74250	0.74250

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

	Year			
	2004	2005	2006	2007
City of Jersey Village by fund:				
General	\$ 0.33780	\$ 0.36545	\$ 0.33943	\$ 0.43264
Debt service	0.33720	0.30955	0.33557	0.30986
Total Direct Rates	\$ 0.67500	\$ 0.67500	\$ 0.67500	\$ 0.74250
Cypress-Fairbanks Independent School District	\$ 1.79000	\$ 1.80000	\$ 1.80000	\$ 1.65400
Harris County	0.38803	0.39990	0.39990	0.40239
Harris County Flood Control District	0.04170	0.03322	0.03241	0.03106
Port of Houston Authority	0.02000	0.01474	0.01302	0.01437
Harris County Hospital District	0.19020	0.19216	0.19216	0.19216
Harris County Department of Education	-	0.00629	0.00629	0.00585
Total Direct and Overlapping Rates (1)	\$ 3.10493	\$ 3.12131	\$ 3.11878	\$ 3.04233

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

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

Year					
2008	2009	2010	2011	2012	2013
\$ 0.45000	\$ 0.46810	\$ 0.46000	\$ 0.48160	\$ 0.46259	\$ 0.48566
<u>0.29250</u>	<u>0.27440</u>	<u>0.28250</u>	<u>0.26091</u>	<u>0.27991</u>	<u>0.25684</u>
<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>
\$ 1.32400	\$ 1.35000	\$ 1.43000	\$ 1.43000	\$ 1.43000	\$ 1.45000
0.39239	0.38923	0.38805	0.39117	0.40021	0.40021
0.03106	0.03086	0.02923	0.02809	0.02809	0.02809
0.01437	0.01773	0.02054	0.01856	0.01952	0.01952
0.19216	0.19216	0.19216	0.19216	0.18216	0.18216
<u>0.00585</u>	<u>0.00584</u>	<u>0.00658</u>	<u>0.00658</u>	<u>0.00662</u>	<u>0.00662</u>
<u>\$ 2.70233</u>	<u>\$ 2.72832</u>	<u>\$ 2.80906</u>	<u>\$ 2.80906</u>	<u>\$ 2.80910</u>	<u>\$ 2.82910</u>

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CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Eight Years Ago ⁽¹⁾

Property Taxpayer	2013			2005		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Prologis Dev SVC	\$ 48,479,431	1	5.94%	N/A		N/A
Joe Myers Dealership	44,784,782	2	5.49%	N/A		N/A
PCM Steeplechase LLC	41,397,500	3	5.07%	\$ 15,234,680	2	2.5%
Goodman Manufacturing Corp.	40,254,730	4	4.93%	14,783,680	3	2.6%
Trails Corinthian Creek LTD	25,604,180	5	3.14%	N/A		N/A
National Oilwell Inc	17,788,470	6	2.18%	N/A		N/A
Gordon NW Village LP	17,497,001	7	2.14%	N/A		N/A
Sonic-LS Chevrolet LP	17,381,640	8	2.13%	N/A		N/A
Trails Rock Creek Holdings	16,446,741	9	2.02%	N/A		N/A
Car Son LMC LP	12,837,862	10	1.57%	11,540,280	6	2.0%
Beeler Sanders V LTD**	N/A		N/A	60,105,260	1	10.3%
Baceline Value Fund I	N/A		N/A	13,133,000	4	2.2%
Sam's/Walmart	N/A		N/A	12,863,160	5	2.2%
Joe Myers Ford II LP	N/A		N/A	11,204,890	7	1.9%
FMC Corp-Welhead EQ	N/A		N/A	9,834,690	8	1.7%
Enterprise Leasing	N/A		N/A	8,296,450	9	1.4%
Joe Myers Toyota, Inc.	N/A		N/A	8,174,240	10	1.4%
Subtotal	<u>282,472,337</u>		<u>34.62%</u>	<u>165,170,330</u>		<u>28.2%</u>
Other Taxpayers	<u>533,477,918</u>		<u>65.38%</u>	<u>419,897,210</u>		<u>71.8%</u>
Total	\$ <u>815,950,255</u>		<u>100.00%</u>	\$ <u>585,067,540</u>		<u>100.0%</u>

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

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

* Joe Myers Dealership includes Joe Myers Ford and Toyota

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

CITY OF JERSEY VILLAGE, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

	Year			
	2004	2005	2006	2007
Tax levy	\$ 3,948,860	\$ 3,959,202	\$ 4,056,968	\$ 4,922,625
Current tax collected	3,907,330	3,921,515	3,992,477	4,865,891
Percent of current tax collections	98.95%	99.05%	98.41%	98.85%
Delinquent tax collections	32,714	30,110	56,640	41,368
Total Tax Collections	\$ 3,940,044	\$ 3,951,625	\$ 4,049,117	\$ 4,907,259
Total collections as a percentage of current levy	99.78%	99.81%	99.81%	99.69%
Outstanding delinquent taxes	\$ 8,816	\$ 7,577	\$ 7,851	\$ 15,366
Outstanding delinquent taxes as percentage of current levy	0.223%	0.191%	0.194%	0.312%

Year					
2008	2009	2010	2011	2012	2013
\$ 5,621,390	\$ 5,543,419	\$ 6,123,716	\$ 6,144,347	\$ 5,800,295	\$ 6,058,430
5,573,598	5,487,298	6,038,759	6,060,483	5,746,879	6,014,066
99.15%	98.99%	98.61%	98.64%	99.08%	99.27%
8,545	20,214	79,265	43,235	40,085	71,361
<u>\$ 5,582,143</u>	<u>\$ 5,507,512</u>	<u>\$ 6,118,024</u>	<u>\$ 6,103,718</u>	<u>\$ 5,786,964</u>	<u>\$ 6,085,427</u>
99.30%	99.35%	99.91%	99.34%	99.77%	100.45%
\$ 39,247	\$ 160,243	\$ 181,410	\$ 285,055	\$ 169,189	\$ 196,457
0.698%	2.891%	2.962%	4.639%	2.917%	3.243%

CITY OF JERSEY VILLAGE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Year			
	2004	2005	2006	2007
Primary Government				
Governmental Activities:				
General obligation bonds	\$ 10,251,536	\$ 9,757,373	\$ 9,246,644	\$ 18,257,373
Certificates of obligation	7,760,000	7,440,000	7,110,000	6,770,000
Capital leases	193,561	131,893	67,416	66,696
Premium on bonds	-	-	-	-
Subtotal	<u>18,205,097</u>	<u>17,329,266</u>	<u>16,424,060</u>	<u>25,094,069</u>
Business-Type Activities:				
Revenue bonds	<u>1,200,000</u>	<u>1,100,000</u>	<u>1,000,000</u>	<u>900,000</u>
Total Primary Government	<u>\$ 19,405,097</u>	<u>\$ 18,429,266</u>	<u>\$ 17,424,060</u>	<u>\$ 25,994,069</u>
Personal Income	\$ 279,879,230	\$ 279,332,362	\$ 279,019,866	\$ 312,241,176
Debt as a Percentage of Personal Income	6.93%	6.60%	6.24%	8.32%
Population	7,165	7,151	7,143	7,254
Debt Per Capita	\$ 2,708	\$ 2,577	\$ 2,439	\$ 3,583

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

		Year									
		2008	2009	2010	2011	2012	2013				
\$	16,684,496	\$	16,126,764	\$	15,657,447	\$	15,280,000	\$	18,900,000	\$	17,770,000
	6,390,000		6,000,000		5,770,000		5,525,000		880,000		605,000
	53,153		460,975		385,529		305,666		229,511		777,534
	-		118,100		225,171		225,171		634,591		586,559
	<u>23,127,649</u>		<u>22,705,839</u>		<u>22,038,147</u>		<u>21,335,837</u>		<u>20,644,102</u>		<u>19,739,093</u>
	<u>800,000</u>		<u>700,000</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
\$	<u>23,927,649</u>	\$	<u>23,287,739</u>	\$	<u>21,812,976</u>	\$	<u>21,110,666</u>	\$	<u>20,644,102</u>	\$	<u>19,739,093</u>
\$	365,365,000	\$	400,472,100	\$	368,768,400	\$	311,825,640	\$	346,330,800	\$	346,330,800
	6.55%		5.82%		5.92%		6.77%		5.96%		5.70%
	7,300		7,350		7,600		7,620		7,650		7,650
\$	3,278	\$	3,168	\$	2,870	\$	2,770	\$	2,699	\$	2,580

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

	Year			
	2004	2005	2006	2007
Net Taxable Assessed Value				
All property	\$ 578,663,120	\$ 585,067,540	\$ 600,207,761	\$ 662,979,784
Net Bonded Debt				
Gross bonded debt	\$ 18,011,536	\$ 17,197,373	\$ 16,356,644	\$ 25,027,373
Less debt service funds	(982,984)	(720,100)	(658,646)	(727,653)
Net Bonded Debt	\$ 17,028,552	\$ 16,477,273	\$ 15,697,998	\$ 24,299,720
Ratio of Net Bonded Debt To Assessed Value	2.94%	2.82%	2.62%	3.67%
Population	7,165	7,151	7,143	7,254
Net Bonded Debt Per Capita	\$ 2,377	\$ 2,304	\$ 2,198	\$ 3,350

Year					
2008	2009	2010	2011	2012	2013
<u>\$ 759,838,630</u>	<u>\$ 819,240,368</u>	<u>\$ 821,372,266</u>	<u>\$ 827,521,523</u>	<u>\$ 781,184,485</u>	<u>\$ 815,950,255</u>
<u>\$ 23,074,496</u> <u>(545,424)</u>	<u>\$ 22,126,764</u> <u>(405,076)</u>	<u>\$ 21,427,447</u> <u>(413,552)</u>	<u>\$ 20,805,000</u> <u>(426,947)</u>	<u>\$ 19,780,000</u> <u>(450,332)</u>	<u>\$ 18,961,559</u> <u>(474,716)</u>
<u>\$ 22,529,072</u>	<u>\$ 21,721,688</u>	<u>\$ 21,013,895</u>	<u>\$ 20,378,053</u>	<u>\$ 19,329,668</u>	<u>\$ 18,486,843</u>
2.96%	2.65%	2.56%	2.46%	2.47%	2.27%
7,300	7,350	7,600	7,620	7,650	7,750
\$ 3,086	\$ 2,955	\$ 2,765	\$ 2,674	\$ 2,527	\$ 2,385

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CITY OF JERSEY VILLAGE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
For the Year Ended September 30, 2013

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Cypress-Fairbanks Independent School District	\$ 1,738,504,377	2.680%	\$ 46,591,917
Harris County	2,640,417,190	0.300%	7,921,252
Harris County Department of Education	7,605,000	0.300%	22,815
Lone Star College District	488,630,000	0.710%	3,469,273
Harris Company Flood Control District	96,470,000	0.300%	289,410
Harris Company Toll Road	432,540,000	0.300%	1,297,620
Port of Houston Authority	731,969,397	0.300%	2,195,908
Subtotal, overlapping debt			<u>61,788,195</u>
City Direct Debt (3)	18,961,559	100.000%	<u>18,961,559</u>
Total Direct and Overlapping Debt			<u><u>\$ 80,749,754</u></u>

Source: Harris County

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

CITY OF JERSEY VILLAGE, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Years

	Year			
	2004	2005	2006	2007
Gross Revenues (1)	\$ 2,452,037	\$ 2,721,633	\$ 2,838,470	\$ 2,722,373
Operating Expenses (2)	\$ 1,697,259	\$ 1,828,678	\$ 1,904,382	\$ 1,697,094
Net Revenues Available for Debt Service	\$ 754,778	\$ 892,956	\$ 934,087	\$ 1,025,280
Debt Service Requirements (3)				
Principal	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Interest	71,750	64,750	57,750	50,750
Total	\$ 171,750	\$ 164,750	\$ 157,750	\$ 150,750
 Coverage	 4.39	 5.42	 5.92	 6.80

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

Year					
2008	2009	2010	2011	2012	2013
\$ 2,990,360	\$ 3,266,384	\$ 2,980,427	\$ 4,228,053	\$ 3,895,964	\$ 4,093,684
\$ 2,044,401	\$ 2,310,652	\$ 1,844,384	\$ 2,630,168	\$ 2,750,154	\$ 2,608,672
\$ 945,959	\$ 955,732	\$ 1,136,043	\$ 1,597,885	\$ 1,145,810	\$ 1,485,012
\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
43,750	37,625	-	-	-	-
<u>\$ 143,750</u>	<u>\$ 137,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
6.58	6.94	0.00	0.00	0.00	0.00

CITY OF JERSEY VILLAGE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year Ended Sep. 30	Population (1)	Personal Income (4)	Per Capita Personal Income	Median Age	School Enrollment (2)	Unemployment Rate (3)
2004	7,165	\$ 279,897,230	\$ 39,062	32.5	3,841	5.9%
2005	7,151	\$ 279,332,362	\$ 39,062	37.8	4,001	4.0%
2006	7,143	\$ 279,019,866	\$ 39,062	37.8	4,091	4.0%
2007	7,254	\$ 312,241,176	\$ 43,044	39	4,087	4.2%
2008	7,300	\$ 365,365,000	\$ 50,505	39	4,100	5.1%
2009	7,350	\$ 400,472,100	\$ 54,486	38	3,865	8.2%
2010	7,600	\$ 368,768,400	\$ 48,259	37.8	4,177	8.2%
2011	7,620	\$ 311,825,640	\$ 40,922	37.8	4,232	8.1%
2012	7,650	\$ 346,330,800	\$ 45,272	32.7	4,300	6.9%
2013	7,750	\$ 419,275,000	\$ 54,100	37.8	4,400	6.2%

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 are available on www.clrsearch.com/Jersey-Village-Demographics/TX.

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Eight Years Ago ⁽¹⁾

Employer	2013			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Joe Myers Ford	272	1	9.03%	220	2	7.25%
JV High School	270	2	8.96%	309	1	10.18%
Sonic-LS Chevrolet	200	3	6.64%	180	5	5.93%
Joe Myers Toyota	195	4	6.47%	200	4	6.59%
Sam's East, Inc.	165	5	5.47%	200	3	6.59%
City of Jersey Village	144	6	4.78%	116	7	3.82%
Foundry Methodist	132	7	4.38%	135	6	4.45%
Joe Myers Mazda	111	8	3.68%	62	9	2.04%
Post Elementary School	102	9	3.38%	108	8	3.56%
Jersey Village Baptist Church	44	10	1.46%	15	10	0.49%
Total	<u>1,635</u>		<u>54.25%</u>	<u>1,545</u>		<u>50.92%</u>

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Administrative										
City Council *	6	6	6	6	6	6	6	6	6	6
Administration	4	2	3	3	3	3	3	3	3	3
Information Technology	1	1	1	2	2	2	2	2	2	2
Municipal Court	3	3	4	4	4	4	4	4	4	4
City Secretary	1	1	1	1	1	1	1	1	1	1
Finance	5	5	4	4	4	4	4	4	4	4
Public Safety										
Police	23	24	26	26	26	30	30	30	28	30
Fire	3	3	3	4	4	4	4	4	6	6
Communications	5	8	7	8	7	8	8	8	7	7
Public Works										
Public Works Administration	2	2	2	2	2	2	2	2	2	2
Streets	3	2	2	3	3	3	3	3	3	3
Community Development	4	4	4	4	4	4	4	4	4	4
Fleet Services	2	2	2	2	2	2	2	2	2	2
Parks and Recreation										
Parks	5	6	8	8	7	8	8	8	7	8
General Fund Total	67	69	73	77	75	81	81	81	79	82
Enterprise Fund:										
Utilities	5	5	5	5	5	5	5	5	5	5
Golf Course	4	4	4	4	4	4	4	4	4	4
Enterprise Fund Total	9	9	9	9	9	9	9	9	9	9
Special Revenue Fund:										
Police	-	-	-	-	-	2	2	2	2	2
Special Revenue Fund Total	-	-	-	-	-	2	2	2	2	2
Total City Positions	76	78	82	86	84	92	92	92	90	93

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.

CITY OF JERSEY VILLAGE, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function/Program	Year			
	2004	2005	2006	2007
Police				
Physical arrests	452	420	475	565
Parking violations	73	161	246	136
Traffic violations	15,632	14,978	16,831	15,504
Fire				
Calls for service	892	910	915	1,028
Water				
Service calls	920	1,142	1,050	1,239
Water main breaks	-	-	-	3
Average daily consumption (thousands of gallons)	115	112	125	125
Total consumption (thousands of gallons)	396.4	362.3	417.9	374.8
Peak daily consumption (thousands of gallons)	1.57	2.054	1.864	1.9
Sewer				
Average daily sewage treatment (thousands of gallons)	*	*	*	*
Peak daily consumption (thousands of gallons)	*	*	*	*

Source: Various City departments

Year					
2008	2009	2010	2011	2012	2013
758	768	684	272	814	1153
136	70	13	67	82	30
15,504	14,783	7,057	6,871	11,074	11,489
1,042	1,055	1,065	1,138	1,634	1,615
1,575	1,629	1,422	1,699	1,634	1,716
2	5	1	31	15	12
1134	1137	1136	1758	1368	1478
334.5	385.1	414.5	641.5	499.5	539.6
1.7	1.7	2.405	3.321	3.949	3596
0.1713	0.1808	0.2092	0.1877	0.2173	0.2301
0.6194	0.6563	0.5697	0.3979	0.5229	0.5003

CITY OF JERSEY VILLAGE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Year			
	2004	2005	2006	2007
Police				
Stations	1	1	1	1
Patrol units	14	14	15	15
Fire				
Stations	1	1	1	1
Volunteers	34	34	37	29
Other public works				
Streets (miles - centerlines)	27.30	28.20	28.84	28.84
Streetlights	47	47	47	47
Traffic signals	10	11	11	11
Parks and recreation				
Parks	4	4	4	4
Parks acreage	12.1	12.1	12.1	12.1
Swimming pools	1	1	1	1
Water				
Water wells	4	4	4	4
Water mains (miles)	31.6	34.4	35.8	35.8
Fire hydrants	434	445	445	455
Storage capacity (thousands of gallons)	2,050	2,550	2,550	2,550
Sewer				
Sanitary sewers (miles)	34.2	34.8	35.2	35.2
Storm sewers (miles)	16.5	18.2	20.2	20.2
Treatment capacity (thousands of gallons)	800	800	800	800

Source: Various City departments

Year					
2008	2009	2010	2011	2012	2013
1	1	1	1	1	1
17	16	16	16	16	16
1	1	1	1	1	1
29	30	37	32	33	33
28.84	28.84	28.84	29.60	29.60	29.60
47	47	47	47	47	47
11	11	11	11	11	11
4	4	4	4	4	4
12.1	12.1	12.1	12.1	12.1	12.1
1	1	1	1	1	1
4	4	4	4	4	4
35.8	35.8	35.8	36.6	36.6	36.6
455	455	455	466	468	468
2,550	2,550	2,550	2,550	2,550	2,550
35.2	35.2	35.2	36.2	36.2	36.2
20.7	20.7	20.7	21.7	21.7	21.7
800	800	800	800	800	800

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