



CLARK HENRY PARK

Jersey Village Annual Comprehensive Financial Report For the Fiscal Year Ending September 30, 2022



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*ANNUAL COMPREHENSIVE
FINANCIAL REPORT*

of the

CITY OF JERSEY VILLAGE, TEXAS

**For the Year Ended
September 30, 2022**

Officials Issuing Report:

**Austin Bless
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, TEXAS

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

April 10, 2023

Honorable Mayor and City Council
City of Jersey Village
16327 Lakeview Drive
Jersey Village, Texas 77040

Dear Mayor and Members of City Council:

The City of Jersey Village, Texas (the “City”) is required to publish each year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Jersey Village for the fiscal year ending September 30, 2022.

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, 2022 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, 2022 are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

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

Strategic Direction

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

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

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

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

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

Profile of the Government

The City, which was formed in 1956, is located 15 miles northwest of downtown Houston. As of September 30, 2022 the City had a land area of 3.58 square miles and an estimated population of approximately 7,921. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statutes to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

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

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

In accordance with standards established by the Governmental Accounting Standards Board, the City reports all funds and account groups for which the City, as the primary government, is accountable. The Jersey Village Crime Control and Prevention District and the Jersey Village Fire Control Prevention and Emergency Medical Service District are considered to meet the criteria of component units and, therefore, has been included in the report as component units. The Jersey Village Crime Control and Prevention 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 Crime Control District held an election on May 2023 on the continuance of the District, which resulted in an extension for five more years with a continuation election in May of 2028. The Jersey Village Fire Control Prevention and Emergency Medical Services District was created under the Local Government Code Chapter 344 dedicated to fire safety and emergency medical services programs. The Jersey Village Fire Control Prevention and Emergency Medical Services District began collection of sales taxes on October 1, 2021 and it will need a continuation election to be held in May of 2026.

Local Economy

The metro Houston area region created 179,000 jobs in 2022, according to the Texas Workforce Commission. That is the best year on record for metro Houston. The previous record was set in 2021 when the region created 159,700 jobs.

	2022	2021	2020
United States	3.6%	5.7%	7.8%
Texas	4.0%	6.0%	8.3%
Jersey Village	3.9%	6.8%	9.6%

Long-term Financial Planning

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

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

Major Initiatives

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

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jersey Village for its ACFR for the year ended September 30, 2021. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such Annual Comprehensive Financial Reports must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This is the twenty-third

consecutive year that the City has received this prestigious award. We believe our current ACFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for compliance review.

Acknowledgements

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Isabel Kato". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

Isabel Kato
Director of Finance

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL OFFICIALS

September 30, 2022

Name	Elected Position October 1, 2021 - May 31, 2022	Term Expiration
Bobby Warren	Mayor	05/2023
Michelle Mitcham	Mayor Pro Tem (Place 3)	05/2023
Sheri Sheppard	Council Member (Place 2)	05/2023
James Singleton	Council Member (Place 4)	05/2024
Drew Wasson	Council Member (Place 1)	05/2024
Jennifer McCrea	Council Member (Place 5)	05/2024

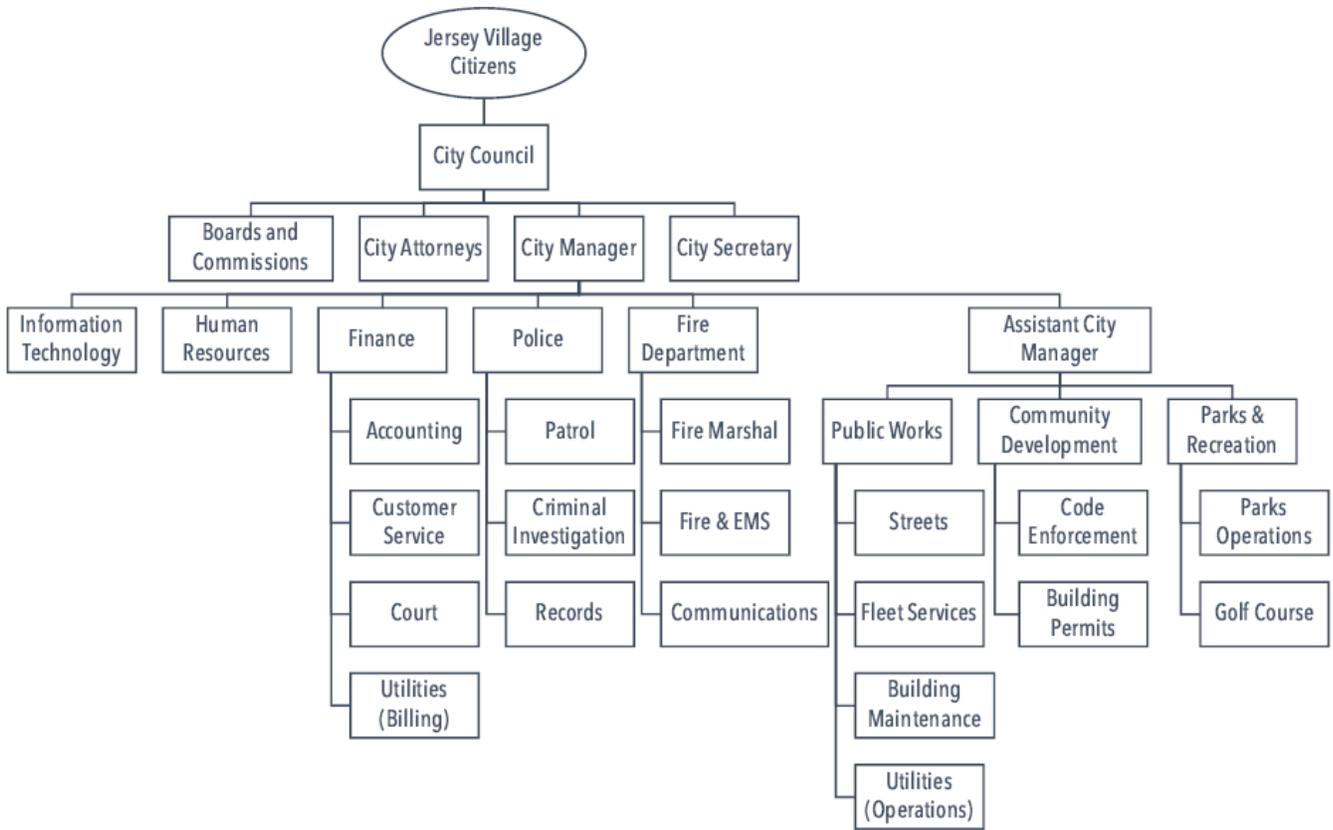
City Council	Elected Position June 1, 2022 - September 30, 2022	Term Expiration
Bobby Warren	Mayor	05/2023
Michelle Mitcham	Mayor Pro Tem (Place 3)	05/2023
Drew Wasson	Council Member (Place 1)	05/2024
Sheri Sheppard	Council Member (Place 2)	05/2023
James Singleton	Council Member (Place 4)	05/2024
Jennifer McCrea	Council Member (Place 5)	05/2024

Name	City Position
Austin Bless	City Manager
Lorri Coody	City Secretary
Justin Pruitt	City Attorney
Robert Basford	Assistant City Manager
Mark Bitz	Fire Chief
Isabel Kato	Finance Director
Kirk Riggs	Police Chief

CITY OF JERSEY VILLAGE, TEXAS

ORGANIZATIONAL CHART

September 30, 2022



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Jersey Village
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note I.F.8 to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*, in fiscal year 2022. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment liability and related ratios, and schedule of contributions, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
April 10, 2023

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

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CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

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

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

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

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

Proprietary Funds

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

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

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$111,992,521 as of September 30, 2022. The largest portion of the City's net position, 76 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, 2022

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 25,111,149	\$ 27,590,921	\$ 7,975,424	\$ 8,296,008	\$ 33,086,573	\$ 35,886,929
Capital assets, net	74,736,196	69,574,286	17,470,343	17,672,083	92,206,539	87,246,369
Total Assets	99,847,345	97,165,207	25,445,767	25,968,091	125,293,112	123,133,298
Deferred charge on refunding	226,079	292,130	-	-	226,079	292,130
Deferred outflows - pensions	1,052,718	684,462	151,370	104,753	1,204,088	789,215
Deferred outflows - OPEB	79,250	88,147	11,394	13,128	90,644	101,275
Total Deferred Outflows of Resources	1,358,047	1,064,739	162,764	117,881	1,520,811	1,182,620
Long-term liabilities	9,985,782	12,013,419	432,729	608,388	10,418,511	12,621,807
Other liabilities	2,043,943	4,624,192	602,216	710,304	2,646,159	5,334,496
Total Liabilities	12,029,725	16,637,611	1,034,945	1,318,692	13,064,670	17,956,303
Deferred inflows - leases	56,140	60,155	-	-	56,140	60,155
Deferred inflows - pensions	1,480,929	699,205	212,941	97,868	1,693,870	797,073
Deferred inflows - OPEB	5,878	9,668	844	1,926	6,722	11,594
Total Deferred Inflows of Resources	1,542,947	769,028	213,785	99,794	1,756,732	868,822
Net Position:						
Net investment in capital assets	67,336,854	60,860,770	17,470,343	17,672,083	84,807,197	78,532,853
Restricted	1,286,996	1,223,723	-	-	1,286,996	1,223,723
Unrestricted	19,008,870	18,738,814	6,889,458	6,995,403	25,898,328	25,734,217
Total Net Position	\$ 87,632,720	\$ 80,823,307	\$ 24,359,801	\$ 24,667,486	\$ 111,992,521	\$ 105,490,793

A portion of the City's net position, \$1,286,996 or 1 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$25,898,328, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$6,501,728 during the current fiscal year, an increase of 6 percent in comparison to the prior year. This increase is largely the result of an increase in net investment in capital assets. Total assets increased \$2,159,814. This increase was primarily due to an increase in capital asset additions from funding provided by capital grants and contribution. Deferred outflows increased \$338,191 mainly due to an increase in expected and actual economic experience related to pensions. Total liabilities decreased by \$4,891,633 which was primarily due to a decrease accounts payable related to construction project costs owed at yearend and long-term liabilities from payments made on debt outstanding. Deferred inflows increased \$887,910 mainly due to an increase in projected and actual investment earnings related to the net pension liability.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

Statement of Activities

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

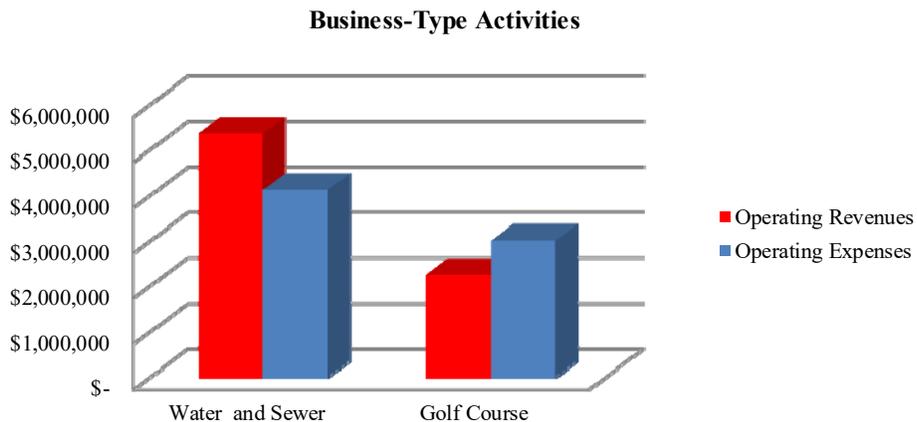
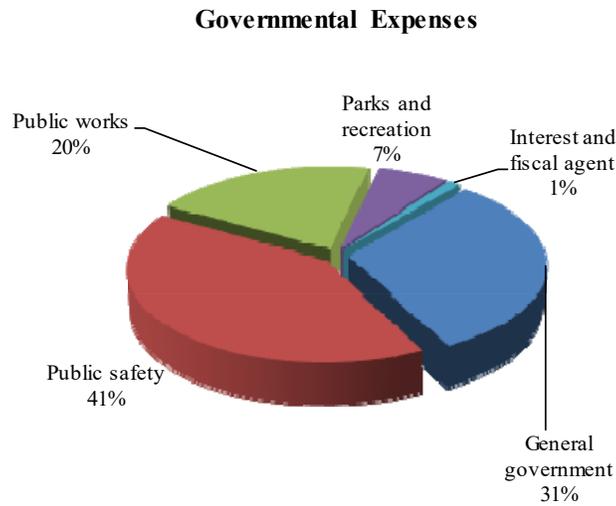
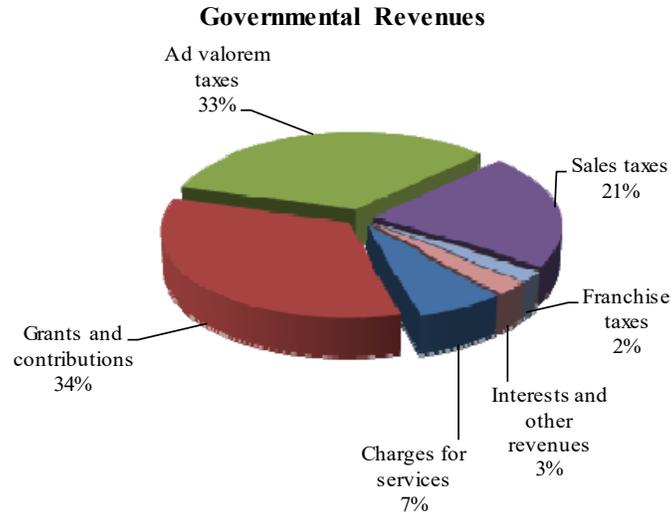
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 1,692,036	\$ 1,455,005	\$ 7,383,007	\$ 6,585,253	\$ 9,075,043	\$ 8,040,258
Operating/Capital grants and contributions	8,116,495	6,986,834	-	-	8,116,495	6,986,834
General revenues:						
Ad valorem taxes	8,047,029	7,927,764	-	-	8,047,029	7,927,764
Sales taxes	5,166,611	6,056,811	-	-	5,166,611	6,056,811
Franchise fees	496,464	520,250	-	-	496,464	520,250
Other taxes	158,560	54,338	-	-	158,560	54,338
Investment earnings	179,093	12,214	32,295	2,436	211,388	14,650
Other revenues	324,714	577,082	-	-	324,714	577,082
Total Revenues	<u>24,181,002</u>	<u>23,590,298</u>	<u>7,415,302</u>	<u>6,587,689</u>	<u>31,596,304</u>	<u>30,177,987</u>
Expenses						
General government	5,588,017	4,198,327	-	-	5,588,017	4,198,327
Public safety	7,262,433	6,291,020	-	-	7,262,433	6,291,020
Public works	3,622,874	4,969,271	-	-	3,622,874	4,969,271
Parks and recreation	1,144,659	911,063	-	-	1,144,659	911,063
Interest and fiscal agent fees on long-term debt	212,322	252,869	-	-	212,322	252,869
Water and sewer systems	-	-	4,263,447	4,208,227	4,263,447	4,208,227
Golf course	-	-	3,000,824	2,048,846	3,000,824	2,048,846
Total Expenses	<u>17,830,305</u>	<u>16,622,550</u>	<u>7,264,271</u>	<u>6,257,073</u>	<u>25,094,576</u>	<u>22,879,623</u>
Increase (Decrease) in Net Position Before Transfers	6,350,697	6,967,748	151,031	330,616	6,501,728	7,298,364
Transfers	458,716	500,725	(458,716)	(500,725)	-	-
Change in Net Position	6,809,413	7,468,473	(307,685)	(170,109)	6,501,728	7,298,364
Beginning net position	80,823,307	73,354,834	24,667,486	24,837,595	105,490,793	98,192,429
Ending Net Position	<u>\$ 87,632,720</u>	<u>\$ 80,823,307</u>	<u>\$ 24,359,801</u>	<u>\$ 24,667,486</u>	<u>\$ 111,992,521</u>	<u>\$ 105,490,793</u>

CITY OF JERSEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2022

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



CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

For the year ended September 30, 2022, revenues from governmental activities totaled \$24,181,002. Overall, governmental revenues increased from the prior year by \$590,704, which was a 3 percent increase. Program revenues increased by \$1,366,692 largely due to an increase in revenue from drainage improvement capital grants, the Coronavirus State and Local Fiscal Recovery grants, and from intergovernmental contributions. Overall, general revenues decreased by \$775,988 from prior year which was primarily due to a decrease in sales tax revenues.

For the year ended September 30, 2022, expenses for governmental activities totaled \$17,830,305, which is a 7 percent increase from the prior year due primarily to an increase in general government and public safety expenses that are mostly due to an increase in developmental incentive program and personnel costs. The total expense increase also includes a decrease in public works expenses which was primarily due to a decrease in expenses related to flood mitigation.

Operating revenues for business-type activities increased 11 percent compared to the prior year. Charges for services had an increase of \$797,754 from increased golf course green fees and tournament fees and water service revenues due to an increase in usage and rates. Operating expenses for business-type activities increased by \$1,007,198 primarily due to an increase in maintenance and personnel costs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The City's governmental funds reflect a combined fund balance of \$18,744,459. Of the combined governmental fund balance, \$3,066 is nonspendable for prepaid items, \$2,032,531 is restricted for various purposes, \$4,593,879 is assigned by the City Council for capital projects, and \$12,114,983 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 \$12,114,983, while total fund balance reached \$12,213,242. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 76 percent of total general fund expenditures, while total fund balance represents 77 percent of that same amount. The general fund demonstrated an overall increase of \$1,083,423 primarily due to revenues exceeding expenditures.

The debt service fund has a total fund balance of \$314,820, all of which is restricted for the payment of debt service.

There was an increase of \$1,188,454 in the fund balance in the capital projects fund primarily due to funds received from Harris County Flood Control District for drainage improvement projects. The remaining unspent Harris County Flood Control District funds was \$745,535 which is restricted for drainage projects. The capital projects fund assigned fund balance of \$4,593,879 is for future capital projects.

The traffic safety fund experienced a decrease in fund balance of \$383 which includes expenditures for land and infrastructure of \$1,000,383 and transfers from the general fund of \$1,000,000. The traffic safety funds ending fund balance of \$584,245 is restricted for future public safety projects to improve the safety of the City's roads.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned increase in budgeted fund balance in the amount of \$980,736 in the general fund after budget amendments. Actual general fund balance increased by \$1,083,423, due to a positive variance of \$2,064,159 primarily due to positive budget variances for revenues and less expenditures than expected.

Actual general fund revenues were more than amended budgeted revenues by \$1,255,647 during fiscal year 2022. The revenue budget variance was related to more sales tax and intergovernmental revenues than expected.

Actual expenditures were less than amended budgeted amounts by \$858,812 for the fiscal year. This positive budget variance is primarily due to less general government, public works, and public safety expenditures than planned.

CAPITAL ASSETS

At the end of fiscal year 2022, the City's governmental and business-type activities had invested \$92,206,539 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$4,960,170.

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

- Completion of drainage improvements on Wall Street of \$4,556,967
- Purchase of property for \$947,059
- Vehicles and equipment for departmental use of \$1,497,777
- Improvements to buildings of \$2,126,329
- Additions to construction in progress of \$1,571,639, primarily for drainage improvements

More detailed information about the City's capital assets is presented in note III. D. 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 \$7,250,000 in general obligation bonds. During the year, the City had an overall decrease in long-term debt of \$1,290,000. More detailed information about the City's long-term liabilities is presented in note III. E. to the financial statements.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In the general fund sales tax for fiscal year 2022-2023 are projected to increase, the same with interest rates. As interest rates increase and the Federal Reserve attempts to bring inflation back down to historical levels, this will impact the city as well. Higher interest rates mean more interest revenues for the city. While inflation at current levels means the city will continue to pay more for capital improvement projects. In addition, with the current job market the city must increase salaries to stay competitive within the marketplace.

The city is also reviewing the potential costs and revenues related to the annexation of parts of our extra-territorial jurisdictions. Several property owners have expressed interest in being annexed by the city so they can receive city services such as water and sewer. This potential annexation is being explored by staff that is doing a cost-benefit analysis over the annexation.

The City budgeted the general fund's fiscal year 2022-2023 revenues and expenditures to be \$18,648,439. The proposed total property tax rate for the fiscal year 2022-2023 is \$0.7425 per \$100 of taxable property values.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION

September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equity in pooled cash and investments	\$ 24,385,987	\$ 5,541,551	\$ 29,927,538
Restricted cash	-	144,237	144,237
Receivables, net of allowances	2,392,778	441,387	2,834,165
Internal balances	(1,728,202)	1,728,202	-
Inventory	-	120,047	120,047
Prepaid items	3,066	-	3,066
Leases receivable	57,520	-	57,520
Capital assets:			
Nondepreciable capital assets	17,939,645	1,645,550	19,585,195
Depreciable capital assets, net	56,796,551	15,824,793	72,621,344
Total Assets	99,847,345	25,445,767	125,293,112
Deferred Outflows of Resources			
Deferred charge on refunding	226,079	-	226,079
Deferred outflows - pensions	1,052,718	151,370	1,204,088
Deferred outflows - OPEB	79,250	11,394	90,644
Total Deferred Outflows of Resources	1,358,047	162,764	1,520,811
Liabilities			
Accounts payable and accrued liabilities	1,593,498	452,331	2,045,829
Customer deposits	-	144,237	144,237
Accrued bond interest	9,012	-	9,012
Unearned revenue	441,433	5,648	447,081
Noncurrent liabilities:			
Due within one year	1,818,180	154,921	1,973,101
Due in more than one year	8,167,602	277,808	8,445,410
Total Liabilities	12,029,725	1,034,945	13,064,670
Deferred Inflows of Resources			
Deferred inflows - leases	56,140	-	56,140
Deferred inflows - pensions	1,480,929	212,941	1,693,870
Deferred inflows - OPEB	5,878	844	6,722
Total Deferred Inflows of Resources	1,542,947	213,785	1,756,732
Net Position			
Net investment in capital assets	67,336,854	17,470,343	84,807,197
Restricted for:			
Public communications	66,722	-	66,722
Debt service	314,820	-	314,820
Park improvements	13,816	-	13,816
Tourism	233,964	-	233,964
Public safety	618,848	-	618,848
Court technology	38,826	-	38,826
Crime control	-	-	-
Fire control, prevention, and emergency medical services	-	-	-
Unrestricted	19,008,870	6,889,458	25,898,328
Total Net Position	\$ 87,632,720	\$ 24,359,801	\$ 111,992,521

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Crime Control and Prevention District	Fire Control, Prevention, and EMS District
\$ (5,588,017)	\$ -	\$ (5,588,017)	\$ -	\$ -
(2,570,151)	-	(2,570,151)	-	-
945,357	-	945,357	-	-
(596,641)	-	(596,641)	-	-
(212,322)	-	(212,322)	-	-
<u>(8,021,774)</u>	<u>-</u>	<u>(8,021,774)</u>	<u>-</u>	<u>-</u>
-	883,524	883,524	-	-
<u>-</u>	<u>(764,788)</u>	<u>(764,788)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>118,736</u>	<u>118,736</u>	<u>-</u>	<u>-</u>
<u>(8,021,774)</u>	<u>118,736</u>	<u>(7,903,038)</u>	<u>-</u>	<u>-</u>
-	-	-	(1,949,580)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,670,833)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,949,580)</u>	<u>(1,670,833)</u>
8,047,029	-	8,047,029	-	-
5,166,611	-	5,166,611	2,546,568	2,515,264
496,464	-	496,464	-	-
158,560	-	158,560	-	-
179,093	32,295	211,388	31,094	8,244
324,714	-	324,714	-	-
458,716	(458,716)	-	-	-
<u>14,831,187</u>	<u>(426,421)</u>	<u>14,404,766</u>	<u>2,577,662</u>	<u>2,523,508</u>
6,809,413	(307,685)	6,501,728	628,082	852,675
<u>80,823,307</u>	<u>24,667,486</u>	<u>105,490,793</u>	<u>4,591,890</u>	<u>-</u>
<u>\$ 87,632,720</u>	<u>\$ 24,359,801</u>	<u>\$ 111,992,521</u>	<u>\$ 5,219,972</u>	<u>\$ 852,675</u>

CITY OF JERSEY VILLAGE, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2022

	General	Debt Service	Capital Projects	Traffic Safety
<u>Assets</u>				
Cash and equity in pooled cash and investments	\$ 15,231,306	\$ 298,538	\$ 2,467,835	\$ 586,843
Receivables, net	1,820,627	73,107	487,726	-
Prepaid items	597	-	-	-
Due from other funds	-	6,985	3,017,658	-
Leases receivable	57,520	-	-	-
Total Assets	\$ 17,110,050	\$ 378,630	\$ 5,973,219	\$ 586,843
<u>Liabilities:</u>				
Accounts payable and accrued liabilities	\$ 1,298,323	\$ 1,735	\$ 221,416	\$ 2,598
Due to other funds	2,944,465	-	-	-
Unearned revenue	29,044	-	412,389	-
Total Liabilities	4,271,832	1,735	633,805	2,598
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - leases	56,140	-	-	-
Unavailable revenue - ambulance	311,692	-	-	-
Unavailable revenue - property taxes	257,144	62,075	-	-
Total Deferred Inflows of Resources	624,976	62,075	-	-
<u>Fund Balances:</u>				
Nonspendable	597	-	-	-
Restricted:				
Public communications	66,722	-	-	-
Debt service	-	314,820	-	-
Park improvements	13,816	-	-	-
Tourism	-	-	-	-
Public safety	17,124	-	-	584,245
Court technology and security	-	-	-	-
Capital projects	-	-	745,535	-
Assigned:				
Capital projects	-	-	4,593,879	-
Unassigned	12,114,983	-	-	-
Total Fund Balances	12,213,242	314,820	5,339,414	584,245
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,110,050	\$ 378,630	\$ 5,973,219	\$ 586,843

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 599,871	\$ 19,184,393
11,318	2,392,778
2,469	3,066
28,591	3,053,234
-	57,520
<u>\$ 642,249</u>	<u>\$ 24,690,991</u>
\$ 3,901	\$ 1,527,973
345,610	3,290,075
-	441,433
<u>349,511</u>	<u>5,259,481</u>
-	56,140
-	311,692
-	319,219
<u>-</u>	<u>687,051</u>
2,469	3,066
-	66,722
-	314,820
-	13,816
233,964	233,964
17,479	618,848
38,826	38,826
-	745,535
-	4,593,879
-	12,114,983
<u>292,738</u>	<u>18,744,459</u>
<u>\$ 642,249</u>	<u>\$ 24,690,991</u>

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CITY OF JERSEY VILLAGE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2022

Total fund balances for governmental funds \$ 18,744,459

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

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

Capital assets, nondepreciable	17,939,645
Capital assets, net depreciable	52,735,563

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	630,911
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Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.

Current assets and liabilities, net of due to enterprise funds	3,644,708
Capital assets, net depreciable	4,060,988

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

Deferred outflows - pensions	1,052,718
Deferred inflows - pensions	(1,480,929)
Net pension liability	(1,382,235)
Deferred outflows - OPEB	79,250
Deferred inflows - OPEB	(5,878)
Total OPEB liability	(430,148)

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

Compensated absences	(547,978)
Accrued interest	(9,012)
Bonds, notes, and other liabilities related to debt	(7,625,421)
Deferred charge on refunding	226,079

Net Position of Governmental Activities	\$ 87,632,720
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See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Traffic Safety</u>
Revenues				
Ad valorem taxes	\$ 6,551,380	\$ 1,408,455	\$ -	\$ -
Sales taxes	5,166,611	-	-	-
Franchise fees	496,464	-	-	-
Other taxes	-	-	-	-
Permits, licenses, and fees	268,591	-	-	-
Fines and forfeitures	846,837	-	-	-
Charges for services	553,986	-	-	-
Intergovernmental	3,548,264	-	6,586,516	-
Investment earnings	123,323	2,222	22,736	-
Other revenue	98,228	-	-	-
Total Revenues	<u>17,653,684</u>	<u>1,410,677</u>	<u>6,609,252</u>	<u>-</u>
Expenditures				
Current:				
General government	5,570,635	-	-	-
Public safety	6,879,971	-	-	1,000,383
Public works	2,543,927	-	5,420,798	-
Parks and recreation	966,199	-	-	-
Debt Service:				
Principal	-	1,290,000	-	-
Interest and fiscal agent fees	-	238,100	-	-
Total Expenditures	<u>15,960,732</u>	<u>1,528,100</u>	<u>5,420,798</u>	<u>1,000,383</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,692,952</u>	<u>(117,423)</u>	<u>1,188,454</u>	<u>(1,000,383)</u>
Other Financing Sources (Uses)				
Transfers in	627,570	87,815	-	1,000,000
Transfers (out)	(1,237,099)	-	-	-
Total Other Financing Sources (Uses)	<u>(609,529)</u>	<u>87,815</u>	<u>-</u>	<u>1,000,000</u>
Net Change in Fund Balances	1,083,423	(29,608)	1,188,454	(383)
Beginning fund balances	11,129,819	344,428	4,150,960	584,628
Ending Fund Balances	<u>\$ 12,213,242</u>	<u>\$ 314,820</u>	<u>\$ 5,339,414</u>	<u>\$ 584,245</u>

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 7,959,835
-	5,166,611
-	496,464
158,560	158,560
-	268,591
28,590	875,427
-	553,986
-	10,134,780
2,292	150,573
21,164	119,392
210,606	25,884,219
12,960	5,583,595
35,588	7,915,942
-	7,964,725
-	966,199
-	1,290,000
-	238,100
48,548	23,958,561
162,058	1,925,658
-	1,715,385
(19,570)	(1,256,669)
(19,570)	458,716
142,488	2,384,374
150,250	16,360,085
\$ 292,738	\$ 18,744,459

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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, 2022

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

Net changes in fund balances - total governmental funds	\$ 2,384,374
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital asset additions	6,312,800
Depreciation expense	(1,426,964)
<p>The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>	
Principal payments	1,290,000
Amortization of premiums, discounts, and deferred charges	24,174
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.	(1,937,059)
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.	(178,515)
<p>The change in deferred outflows and deferred inflows related to the net pension and total other postemployment benefits (OPEB) liability are not recognized in the governmental funds.</p>	
Net pension liability	875,108
Deferred outflows - pensions	368,256
Deferred inflows - pensions	(781,724)
Total OPEB liability	(47,577)
Deferred outflows - OPEB	(8,897)
Deferred inflows - OPEB	3,790
An internal service fund is used by management to charge the costs of certain capital assets to individual funds. The net revenue (expense) is reported with governmental activities.	(68,353)
Change in Net Position of Governmental Activities	\$ 6,809,413

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Page 1 of 2)

PROPRIETARY FUNDS

September 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Golf Course	Total Enterprise Funds	Activities Internal Service
Assets				
Current assets:				
Cash and equity in pooled cash and investments	\$ 5,435,709	\$ 105,842	\$ 5,541,551	\$ 5,201,594
Restricted cash	143,868	369	144,237	-
Accounts receivable, net	441,387	-	441,387	-
Inventory	-	120,047	120,047	-
Prepays	-	-	-	-
Due from other funds	180	236,661	236,841	-
Total Current Assets	6,021,144	462,919	6,484,063	5,201,594
Noncurrent assets:				
Capital assets:				
Land	445,240	915,000	1,360,240	-
Construction in process	285,310	-	285,310	-
Buildings and improvements	3,583,442	6,514,137	10,097,579	-
Furniture and equipment	2,334,803	706,776	3,041,579	13,634,657
Water and sewer system	20,768,965	-	20,768,965	-
Less: accumulated depreciation	(11,288,341)	(6,794,989)	(18,083,330)	(9,573,669)
Total Capital Assets (Net)	16,129,419	1,340,924	17,470,343	4,060,988
Total Noncurrent Assets	16,129,419	1,340,924	17,470,343	4,060,988
Total Assets	22,150,563	1,803,843	23,954,406	9,262,582
Deferred Outflows of Resources				
Deferred outflows - pensions	46,469	104,901	151,370	-
Deferred outflows - OPEB	3,499	7,895	11,394	-
Total Deferred Outflows of Resources	49,968	112,796	162,764	-

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

September 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Golf Course	Total	Internal Service
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 360,813	\$ 91,518	\$ 452,331	\$ 65,525
Customer deposits	143,868	369	144,237	-
Compensated absences	18,981	135,940	154,921	-
Unearned revenue	-	5,648	5,648	-
Total Current Liabilities	523,662	233,475	757,137	65,525
Noncurrent liabilities:				
Compensated absences	2,109	15,104	17,213	-
Net pension liability	61,014	137,737	198,751	-
Total OPEB liability	18,991	42,853	61,844	-
Total Noncurrent Liabilities	82,114	195,694	277,808	-
Total Liabilities	605,776	429,169	1,034,945	65,525
Deferred Inflows of Resources				
Deferred inflows - pensions	65,370	147,571	212,941	-
Deferred inflows - OPEB	259	585	844	-
Total Deferred Inflows of Resources	65,629	148,156	213,785	-
Net Position				
Net investment in capital assets	16,129,419	1,203,187	17,332,606	4,060,988
Unrestricted	5,399,707	136,127	5,535,834	5,136,069
Total Net Position	\$ 21,529,126	\$ 1,339,314	22,868,440	\$ 9,197,057
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,491,361	
Total Net Position per Government-Wide Financial Statements.			\$ 24,359,801	

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, 2022

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water and</u>	<u>Golf</u>	<u>Total</u>	<u>Activities</u>
	<u>Sewer</u>	<u>Course</u>	<u>Enterprise</u>	<u>Internal</u>
			<u>Funds</u>	<u>Service</u>
<u>Operating Revenues</u>				
Charges for sales and services	\$ 5,109,512	\$ 2,236,036	\$ 7,345,548	\$ 1,663,974
Other revenues	37,459	-	37,459	-
Total Operating Revenues	<u>5,146,971</u>	<u>2,236,036</u>	<u>7,383,007</u>	<u>1,663,974</u>
<u>Operating Expenses</u>				
Costs of sales and services	3,421,736	1,487,333	4,909,069	1,221,078
Personnel	34,988	1,437,979	1,472,967	-
Depreciation	657,426	75,512	732,938	894,388
Total Operating Expenses	<u>4,114,150</u>	<u>3,000,824</u>	<u>7,114,974</u>	<u>2,115,466</u>
Operating Income (Loss)	<u>1,032,821</u>	<u>(764,788)</u>	<u>268,033</u>	<u>(451,492)</u>
<u>Nonoperating Revenues</u>				
Investment earnings	30,371	1,924	32,295	28,520
Gain on sale of capital assets	-	-	-	205,322
Total Nonoperating Revenues	<u>30,371</u>	<u>1,924</u>	<u>32,295</u>	<u>233,842</u>
Income (Loss) Before Transfers	<u>1,063,192</u>	<u>(762,864)</u>	<u>300,328</u>	<u>(217,650)</u>
Transfers in	-	237,099	237,099	-
Transfers (out)	(695,815)	-	(695,815)	-
Change in Net Position	<u>367,377</u>	<u>(525,765)</u>	<u>(158,388)</u>	<u>(217,650)</u>
Beginning net position	<u>21,161,749</u>	<u>1,865,079</u>		<u>9,414,707</u>
Ending Net Position	<u>\$ 21,529,126</u>	<u>\$ 1,339,314</u>		<u>\$ 9,197,057</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>(149,297)</u>	
Change in Net Position per Government-Wide Financial Statements			<u>\$ (307,685)</u>	

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Golf Course	Total Enterprise Funds	Activities Internal Service
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 5,118,751	\$ 2,234,861	\$ 7,353,612	\$ 1,188,974
Payments to suppliers	(3,422,386)	(1,450,962)	(4,873,348)	(1,211,813)
Payments to employees	(421,714)	(1,155,351)	(1,577,065)	-
Net Cash Provided (Used) by Operating Activities	1,274,651	(371,452)	903,199	(22,839)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfer to (from) other funds	(695,815)	237,099	(458,716)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(695,815)	237,099	(458,716)	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(459,375)	(71,823)	(531,198)	(1,503,209)
Proceeds from sale of capital assets	-	-	-	538,069
Net Cash (Used) by Capital and Related Financing Activities	(459,375)	(71,823)	(531,198)	(965,140)
<u>Cash Flows from Investing Activities</u>				
Interest received	30,371	1,924	32,295	28,520
Net Cash Provided by Investing Activities	30,371	1,924	32,295	28,520
Net Increase (Decrease) in Cash and Cash Equivalents	149,832	(204,252)	(54,420)	(959,459)
Beginning cash and cash equivalents	5,429,745	310,463	5,740,208	6,161,053
Ending Cash and Cash Equivalents	\$ 5,579,577	\$ 106,211	\$ 5,685,788	\$ 5,201,594

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Golf Course	Total Enterprise Funds	Activities Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 1,032,821	\$ (764,788)	\$ 268,033	\$ (451,492)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	657,426	75,512	732,938	894,388
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in Current Assets:				
Accounts receivable	(28,220)	-	(28,220)	-
Prepays	34,556	-	34,556	-
Deferred outflows - pensions	58,284	(104,901)	(46,617)	-
Deferred outflows - OPEB	9,629	(7,895)	1,734	-
Due from other funds	-	110,531	110,531	-
Increase (Decrease) in Current Liabilities:				
Accounts payable and accrued liabilities	(35,206)	(74,160)	(109,366)	9,265
Customer deposits	2,453	-	2,453	-
Unearned revenues	-	(1,175)	(1,175)	-
Compensated absences	6,674	66,678	73,352	-
Net pension liability	(386,078)	137,737	(248,341)	-
Deferred inflows - pensions	(32,498)	147,571	115,073	-
Deferred inflows - OPEB	(1,667)	585	(1,082)	-
Total OPEB liability	(43,523)	42,853	(670)	-
Due to other funds	-	-	-	(475,000)
Net Cash Provided (Used) by Operating Activities	\$ 1,274,651	\$ (371,452)	\$ 903,199	\$ (22,839)

See Notes to Financial Statements.

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CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

The City is an independent political subdivision of the State of Texas (the “State”) governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units as listed below, although legally separate, are 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 (CCPD) has been included in the reporting entity as a discretely presented component unit, which emphasizes that the CCPD is legally separate from the City. The CCPD is a not-for-profit entity created to provide additional crime control and prevention to the City. The CCPD’s Board of Directors is appointed by and serves at the discretion of City Council. The City has the ability to impose its will on the CCPD because it may remove appointed members at will, and it must approve the CCPD’s budget and any necessary budget amendments. The CCPD’s operations are reported in a single governmental fund with the discretely presented component units.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

The CCPD does not issue separate financial statements, as the financial activity reported in the government-wide level is the same as the fund level. A sales and use tax of one half of one percent is levied to fund the CCPD's budget.

Fire Control Prevention and Emergency Medical Services District

The Fire Control Prevention and Emergency Medical Services District (FCPEMSD) has been included in the reporting entity as a discretely presented component unit, which emphasizes that the FCFPEMSD is legally separate from the City. The FCPEMSD is a not-for-profit entity created to provide additional fire control prevention and emergency medical services to the City. The FCPEMSD's Board of Directors is appointed by and serves at the discretion of City Council. The City has the ability to impose its will on the FCPEMSD because it may remove appointed members at will, and it must approve the FCPEMSD's budget and any necessary budget amendments. The FCPEMSD's operations are reported in a single governmental fund with the discretely presented component units.

The FCPEMSD does not issue separate financial statements, as the financial activity reported in the government-wide level is the same as the fund level. A sales and use tax of one half of one percent is levied to fund the FCPEMSD's budget.

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

The City reports the following governmental funds:

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

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

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

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. The traffic safety fund is considered a nonmajor fund but is included as a major fund for reporting purposes due to its significant cash balance.

The City reports the following enterprise funds:

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

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

Additionally, the City reports the following fund type:

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

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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

E. Measurement Focus and Basis of Accounting

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

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

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

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

1. Cash and Cash Equivalents

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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

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

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

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

3. Inventories and Prepaid Items

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

4. Capital Assets

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

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

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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

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

5. Deferred Outflows/Inflows of Resources

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

Deferred outflows/inflows of resources are amortized as follows:

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

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

6. Compensated Employee Absences

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

7. Long-Term Obligations

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

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

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

8. Leases

The City is a lessor for a noncancellable lease. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

9. 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.

10. 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.

11. Fund Balance Policies

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

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

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

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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, 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.

13. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Other Postemployment Benefits

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

2. Property Taxes

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

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, except the capital projects fund, which adopts a project length budget. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control in the approved budget as defined by the charter is the function level in the general fund and all others are at the fund level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2022. The hotel occupancy tax fund, court security and technology fees fund, asset forfeiture, and fire control and prevention and emergency medical services fund are all special revenue funds that have adopted budgets.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2022, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
TexPool	\$ 33,665,046	0.07
Total Fair Value	\$ 33,665,046	
Portfolio weighted average maturity		0.07

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

Credit risk. State law and the City’s investment policy limit investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent. Further, commercial paper must be rated not less than “A-1” or “P-1” or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2022, the City’s investments in TexPool were rated “AAAm” by Standard & Poor’s.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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, 2022, 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 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.

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

B. Receivables

The following comprise receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>
Ad valorem taxes	\$ 252,966	\$ 73,994	\$ -	\$ -
Sales taxes	985,557	-	-	-
Other taxes	49,886	-	-	-
Ambulance fees	966,600	-	-	-
Intergovernmental	-	-	487,726	-
Other	123,162	-	-	11,318
Less allowance	(557,544)	(887)	-	-
Total	<u>\$ 1,820,627</u>	<u>\$ 73,107</u>	<u>\$ 487,726</u>	<u>\$ 11,318</u>

	<u>Water and Sewer</u>	<u>Component Units</u>
Sales taxes	\$ -	\$ 960,190
Accounts	620,007	-
Less allowance	(178,620)	-
Total	<u>\$ 441,387</u>	<u>\$ 960,190</u>

C. Lease Receivable

The City has entered into a wireless facilities and pole use agreement (the “Agreement”) as a lessor for the use of their poles located throughout the City with the lessee utilizing the City’s poles for wireless signals. The Agreement is with Crown Castleing Central LLC with an initial term ending in fiscal year 2026 with a right to extension through fiscal year 2036. For fiscal year 2022, the City received \$4,392 for payment related to the Agreement. Payments can increase 2% each year. An initial lease receivable and deferred inflow of resources from leases are recorded in the amount of \$60,155 at the beginning of the fiscal year within the general fund. As of September 30, 2022, the value of the lease receivable is \$57,520. The interest rate on the lease receivable is based on the City’s incremental borrowing rates for the term of the Agreement of 2.92%. The lease revenue recorded with charges for services for fiscal year 2022 was \$5,772 which consists of the interest payments on the lease receivable of \$1,757 and the amortization of the deferred inflow of resources from the lease of \$4,015. The remaining principal and interest payments from the lease and amortization of the deferred inflows are as follows:

Fiscal Year Ending Sept. 30	Lease Receipts			Amortization of Deferred Inflows
	Principal	Interest	Total	
2023	\$ 2,800	\$ 1,680	\$ 4,480	\$ 4,010
2024	2,971	1,598	4,569	4,010
2025	3,150	1,511	4,661	4,010
2026	3,335	1,419	4,754	4,010
2027	3,527	1,322	4,849	4,010
2028-2032	20,796	4,944	25,740	20,050
2033-2036	20,941	1,567	22,508	16,040
Total	<u>\$ 57,520</u>	<u>\$ 14,041</u>	<u>\$ 71,561</u>	<u>\$ 56,140</u>

CITY OF JERSEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2022

D. Capital Assets

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

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

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 11,835,928	\$ 946,759	\$ -	\$ 12,782,687
Construction in progress	8,714,064	1,571,639	(5,128,745)	5,156,958
Total capital assets not being depreciated	20,549,992	2,518,398	(5,128,745)	17,939,645
Other capital assets:				
Buildings and improvements	11,688,687	1,749,506	-	13,438,193
Machinery and equipment	16,465,054	1,814,483	(557,341)	17,722,196
Infrastructure	50,455,588	6,862,367	-	57,317,955
Total other capital assets	78,609,329	10,426,356	(557,341)	88,478,344
Less accumulated depreciation for:				
Buildings and improvements	(5,802,543)	(410,521)	-	(6,213,064)
Machinery and equipment	(12,013,071)	(1,174,721)	224,594	(12,963,198)
Infrastructure	(11,769,421)	(736,110)	-	(12,505,531)
Total accumulated depreciation	(29,585,035)	(2,321,352)	224,594	(31,681,793)
Other capital assets, net	49,024,294	8,105,004	(332,747)	56,796,551
Governmental Activities Capital Assets, Net	\$ 69,574,286	\$ 10,623,402	\$ (5,461,492)	74,736,196
			Plus deferred charge on refunding	226,079
			Less associated debt	(7,625,421)
			Net Investment in Capital Assets	\$ 67,336,854

Depreciation was charged to governmental functions as follows:

General government	\$ 64,175
Public safety	268,552
Public works	922,340
Parks and recreation	171,897
Capital assets held by the City's internal service fund are charged to various functions based on their usage of the assets	894,388
Total Governmental Activities Depreciation Expense	\$ 2,321,352

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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

<u>Project Description</u>	<u>Authorized CIP Budget</u>	<u>Expenditures</u>	<u>Remaining Project</u>
Golf course reclaimed water	\$ 2,158,078	\$ 1,727,845	\$ 430,233
Convention center club house	7,500,000	294,184	7,205,816
Wall Street neighborhood	5,880,000	427,140	5,452,860
Castlebridge wastewater treatment plant	700,000	24,375	675,625
Seattle Street subdivision drainage	1,500,000	657,646	842,354
Total	<u>\$ 17,738,078</u>	<u>\$ 3,131,190</u>	<u>\$ 14,606,888</u>

The following is a summary of changes in capital assets for business-type activities for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,360,240	\$ -	\$ -	\$ 1,360,240
Construction in progress	271,065	14,245	-	285,310
Total capital assets not being depreciated	<u>1,631,305</u>	<u>14,245</u>	<u>-</u>	<u>1,645,550</u>
Other capital assets:				
Buildings	9,720,756	376,823	-	10,097,579
Water and sewer system	20,768,965	-	-	20,768,965
Machinery and equipment	2,901,449	140,130	-	3,041,579
Total other capital assets	<u>33,391,170</u>	<u>516,953</u>	<u>-</u>	<u>33,908,123</u>
Less accumulated depreciation for:				
Buildings	(6,693,751)	(230,370)	-	(6,924,121)
Water and sewer system	(8,681,534)	(327,131)	-	(9,008,665)
Machinery and equipment	(1,975,107)	(175,437)	-	(2,150,544)
Total accumulated depreciation	<u>(17,350,392)</u>	<u>(732,938)</u>	<u>-</u>	<u>(18,083,330)</u>
Other capital assets, net	<u>16,040,778</u>	<u>(215,985)</u>	<u>-</u>	<u>15,824,793</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,672,083</u>	<u>\$ (201,740)</u>	<u>\$ -</u>	<u>\$ 17,470,343</u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 657,426
Golf course	<u>75,512</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 732,938</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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

<u>Project Description</u>	<u>Authorized CIP Budget</u>	<u>Expenditures</u>	<u>Remaining Project</u>
290 Lift Station Road rehabilitation	\$ 100,000	\$ 14,245	\$ 85,755

E. Long-Term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 8,540,000	\$ -	\$ 1,290,000	\$ 7,250,000	* \$ 1,325,000
Premium on bonds	465,646	-	90,225	375,421	*
	<u>9,005,646</u>	<u>-</u>	<u>1,380,225</u>	<u>7,625,421</u>	<u>1,325,000</u>
Other liabilities:					
Net pension liability	2,257,343	-	875,108	1,382,235	-
Total OPEB liability	382,571	47,577	-	430,148	-
Compensated absences	367,859	285,444	105,325	547,978	493,180
Total Governmental Activities	<u>\$ 12,013,419</u>	<u>\$ 333,021</u>	<u>\$ 2,360,658</u>	<u>\$ 9,985,782</u>	<u>\$ 1,818,180</u>

Long-term debt due in more than one year \$ 8,167,602

***Debt associated with governmental activity capital assets** \$ 7,625,421

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Net pension liability	\$ 447,092	\$ -	\$ 248,341	\$ 198,751	\$ -
Total OPEB liability	62,514	-	670	61,844	-
Compensated absences	98,782	108,074	34,722	172,134	154,921
Total Business-Type Activities	<u>\$ 608,388</u>	<u>\$ 108,074</u>	<u>\$ 283,733</u>	<u>\$ 432,729</u>	<u>\$ 154,921</u>

Long-term debt due in more than one year \$ 277,808

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. Compensated absences are generally liquidated by the general fund, water and sewer fund, and golf

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

course fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

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

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Balance</u>
<u>Governmental Activities</u>			
<u>General Obligation Bonds</u>			
Series 2012	\$ 9,050,000	2.00-4.00%	\$ 1,790,000
Series 2016	\$ 6,710,000	2.00-3.00%	5,460,000
Total General Obligation Bonds			<u>\$ 7,250,000</u>

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

Fiscal Year Ending Sep. 30	Governmental Activities		
	Principal	Interest	Total
	2023	\$ 1,325,000	\$ 197,625
2024	1,370,000	157,200	1,527,200
2025	1,410,000	115,500	1,525,500
2026	1,545,000	71,175	1,616,175
2027	1,600,000	24,000	1,624,000
Total	<u>\$ 7,250,000</u>	<u>\$ 565,500</u>	<u>\$ 7,815,500</u>

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

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

Federal Arbitrage

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

F. Interfund Transactions

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
Golf course	General	\$ 236,661
Debt service	General	6,985
Nonmajor	General	28,591
Capital projects	General	2,672,048
Capital projects	Nonmajor	345,610
Water and sewer	General	180
	Total	<u><u>\$ 3,290,075</u></u>

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

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
General	Water and sewer	\$ 608,000
General	Nonmajor	19,570
Debt service	Water and sewer	87,815
Golf course	General	237,099
Traffic safety	General	1,000,000
	Total	<u><u>\$ 1,952,484</u></u>

Transfers to the general fund from the water and sewer fund are to reimburse for equipment costs paid by the general fund. Transfers to the debt service fund from the water and sewer fund were for debt service payments. The general fund transferred funds to the golf course fund and the traffic safety nonmajor fund to reimburse for capital expenditures paid by the general fund. The nonmajor funds transferred funds to the general fund to pay for restricted costs.

G. Fund Equity

As of September 30, 2022, \$891,638 of the City’s total fund balance is restricted by enabling legislation.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

H. Restatement

The City has restated beginning assets and deferred inflows of resources for governmental activities for the implementation of GASB 87, *Leases*. This restatement had no effect on beginning fund balance/net position.

	General Fund	Governmental Activities
Beginning fund balance/net position as reported	\$ 11,129,819	\$ 80,823,307
Lease receivable	60,155	60,155
Deferred inflows of resources - leases	(60,155)	(60,155)
Ending fund balance/net position as reported	\$ 11,129,819	\$ 80,823,307

IV. OTHER INFORMATION

A. Risk Management

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

B. Contingent Liabilities

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

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

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

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 901 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

accordance with the Texas Government Code, Title 8, Subtitle G (the “TMRS Act”) as an agent multiple-employer retirement system for municipal employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the “Board”); however, TMRS does not receive any funding from the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at tmrs.com.

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

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. At retirement, the member’s benefit is calculated based on the sum of the member’s contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member contributions and interest.

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

	2022	2021
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	69
Inactive employees entitled to, but not yet receiving, benefits	106
Active employees	98
Total	273

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching ratios are either 1:1 (1 to 1), 1.5:1 (1½ to 1), or 2:1 (2 to 1), both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.75% and 13.87% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2022 were \$1,073,536, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35%	7.55%
Core fixed income	6%	2.00%
Non-core fixed income	20%	5.68%
Other public and private markets	12%	7.22%
Real estate	12%	6.85%
Hedge funds	5%	5.35%
Private equity	10%	10.00%
Total	100%	

Discount Rate

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 1,203,897	\$ -	\$ 1,203,897
Interest	1,890,377	-	1,890,377
Change in current period benefits*	-	-	-
Difference between expected and actual experience	542,609	-	542,609
Changes in assumptions	-	-	-
Contributions - employer	-	971,783	(971,783)
Contributions - employee	-	493,112	(493,112)
Net investment income	-	3,310,648	(3,310,648)
Benefit payments, including refunds of employee contributions	(1,382,055)	(1,382,055)	-
Administrative expense	-	(15,315)	15,315
Other changes	-	104	(104)
Net Changes	2,254,828	3,378,277	(1,123,449)
Balance at December 31, 2020	28,094,661	25,390,226	2,704,435
Balance at December 31, 2021	\$ 30,349,489	\$ 28,768,503	\$ 1,580,986

*For TMRS, the “changes in current period benefits” includes substantively automatic benefit status changes, if applicable.

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 6,072,760	\$ 1,580,986	\$ (2,047,247)

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$435,181.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 395,883	\$ -
Changes in actuarial assumptions	4,143	-
Difference between projected and actual investment earnings	-	1,693,870
Contributions subsequent to the measurement date	804,062	-
Total	\$ 1,204,088	\$ 1,693,870

\$804,062 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30:	Pension Expense
2023	(99,118)
2024	(530,681)
2025	(344,688)
2026	(319,357)
Total	\$ (1,293,844)

D. Other Postemployment Benefits

TMRS Supplemental Death Benefits

Plan Description

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

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

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

Benefits

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

Participation in the SDBF as of December 31, 2021 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	51
Inactive employees entitled to, but not yet receiving, benefits	34
Active employees	98
Total	183

Total OPEB Liability

The City's total OPEB liability of \$491,992 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement period, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	1.84%*
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2023 rates as determined in the December 31, 2021 actuarial valuation.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 21,838
Interest	9,036
Differences between expected and actual experience	8,037
Changes of assumptions	16,449
Benefit payments*	(8,453)
	<u>Net Changes</u> 46,907
Beginning balance	445,085
	<u>Ending Balance</u> \$ 491,992

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

The discount rate decreased from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

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

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

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

	1% Decrease in Discount Rate (0.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
City's Total OPEB Liability	\$ 614,979	\$ 491,992	\$ 400,952

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$62,556. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 8,587	\$ 1,388
Changes in actuarial assumptions	74,521	5,334
Contributions subsequent to the measurement date	7,536	-
Total	\$ 90,644	\$ 6,722

\$7,536 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2023.

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

Fiscal Year Ended September 30	OPEB Expense
2023	\$ 29,077
2024	30,370
2025	13,885
2026	3,054
Total	\$ 76,386

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2022

E. Chapter 380 Economic Development Program Agreements

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

Southwest Developers, LLC

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

Collaborate Development Group LLC

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

Argos USA LLC

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

Gordon NW Village, LP

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

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 1 of 2)
For the Year Ended September 30, 2022

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes and fees:				
Ad valorem	\$ 6,811,278	\$ 6,811,278	\$ 6,551,380	\$ (259,898)
Sales	4,339,850	4,339,850	5,166,611	826,761
Franchise	548,000	548,000	496,464	(51,536)
Permits, licenses, and fees	151,700	151,700	268,591	116,891
Charges for services	409,750	409,750	553,986	144,236
Fines	918,000	918,000	846,837	(71,163)
Investment earnings	10,000	10,000	123,323	113,323
Intergovernmental	3,119,163	3,149,459	3,548,264	398,805
Other revenues	60,000	60,000	98,228	38,228
Total Revenues	16,367,741	16,398,037	17,653,684	1,255,647
Expenditures				
General government:				
Administration	710,700	814,700	769,199	45,501
Legal	2,350,615	3,039,875	2,960,083	79,792
Information technology	840,792	980,337	936,775	43,562
Purchasing	23,675	29,055	27,958	1,097
Finance	435,789	450,489	442,117	8,372
Customer service	137,767	137,767	132,654	5,113
Court	352,782	352,782	301,849	50,933
Total General Government	4,852,120	5,805,005	5,570,635	234,370
Public safety:				
Police	4,128,716	4,160,460	3,996,978	163,482
Dispatch	918,657	926,397	904,017	22,380
Fire	2,063,461	2,065,986	1,978,976	87,010
Total Public Safety	7,110,834	7,152,843	6,879,971	272,872
Public works:				
Public works administration	278,983	209,983	185,636	24,347
Community development	501,099	501,099	412,159	88,940
Streets	685,914	685,914	591,103	94,811
Building and grounds	373,456	373,456	315,867	57,589
Sanitation	499,715	499,715	467,651	32,064
Fleet services	483,685	579,385	571,511	7,874
Total Public Works	2,822,852	2,849,552	2,543,927	305,625
Parks and recreation				
Recreation	220,002	244,952	236,795	8,157
Parks	802,192	767,192	729,404	37,788
Total Parks and Recreation	1,022,194	1,012,144	966,199	45,945
Total Expenditures	15,808,000	16,819,544	15,960,732	858,812
Excess (Deficiency) of Revenues Over (Under) Expenditures	559,741	(421,507)	1,692,952	2,114,459

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, 2022

	<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	\$ 677,870	\$ 677,870	\$ 627,570	\$ (50,300)
Transfers (out)	(1,237,099)	(1,237,099)	(1,237,099)	-
Total Other Financing Sources (Uses)	<u>(559,229)</u>	<u>(559,229)</u>	<u>(609,529)</u>	<u>(50,300)</u>
Net Change in Fund Balance	<u>\$ 512</u>	<u>\$ (980,736)</u>	1,083,423	<u>\$ 2,064,159</u>
Beginning fund balance			<u>11,129,819</u>	
Ending Fund Balance			<u>\$ 12,213,242</u>	

Notes to Required Supplementary Information:

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

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2022

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

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

Measurement Year*

	2018	2019	2020	2021
\$	943,869	\$ 1,012,984	\$ 1,060,160	\$ 1,203,897
	1,603,724	1,656,227	1,774,115	1,890,377
	(798,906)	44,949	76,827	542,609
	-	55,925	-	-
	(1,055,612)	(955,247)	(1,139,102)	(1,382,055)
	693,075	1,814,838	1,772,000	2,254,828
	23,814,748	24,507,823	26,322,661	28,094,661
\$	<u>24,507,823</u>	<u>\$ 26,322,661</u>	<u>\$ 28,094,661</u>	<u>\$ 30,349,489</u>
\$	830,647	\$ 867,530	\$ 883,991	\$ 971,783
	386,605	412,261	440,423	493,112
	(613,787)	3,096,514	1,779,138	3,310,648
	(1,055,612)	(955,247)	(1,139,102)	(1,382,055)
	(11,868)	(17,501)	(11,512)	(15,315)
	(620)	(526)	(451)	104
	(464,635)	3,403,031	1,952,487	3,378,277
	20,499,343	20,034,708	23,437,739	25,390,226
\$	<u>20,034,708</u>	<u>\$ 23,437,739</u>	<u>\$ 25,390,226</u>	<u>\$ 28,768,503</u>
\$	<u>4,473,115</u>	<u>\$ 2,884,922</u>	<u>\$ 2,704,435</u>	<u>\$ 1,580,986</u>
	81.75%	89.04%	90.37%	94.79%
\$	5,522,931	\$ 5,889,441	\$ 6,291,750	\$ 7,044,452
	80.99%	48.98%	42.98%	22.44%

CITY OF JERSEY VILLAGE, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2022

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

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

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

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

3. Other Information:

There were no benefit changes during the year.

Fiscal Year *				
2018	2019	2020	2021	2022
\$ 825,456	\$ 837,570	\$ 891,645	\$ 946,041	\$ 1,073,536
<u>825,456</u>	<u>837,570</u>	<u>891,645</u>	<u>946,041</u>	<u>1,073,536</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 5,458,931</u>	<u>\$ 5,654,707</u>	<u>\$ 6,262,569</u>	<u>\$ 6,841,956</u>	<u>\$ 7,756,942</u>
15.12%	14.81%	14.24%	13.83%	13.84%

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2022

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

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

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

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	1.84%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who became disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. Other Information:

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

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

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

There were no benefit changes during the year.

Measurement Year*
2021

\$ 21,838
9,036
8,037
16,449
(8,453)
46,907

445,085

\$ 491,992

\$ 7,044,452

6.98%

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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, 2022

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Ad valorem taxes	\$ 1,499,926	\$ 1,408,455	\$ (91,471)
Investment earnings	5,000	2,222	(2,778)
Total Revenues	1,504,926	1,410,677	(94,249)
Expenditures			
Debt service:			
Principal	1,290,000	1,290,000	-
Interest and fiscal agent fees	245,850	238,100	7,750
Total Expenditures	1,535,850	1,528,100	7,750
(Deficiency) of Revenues (Under) Expenditures	(30,924)	(117,423)	(86,499)
Other Financing Sources (Uses)			
Transfers in	87,815	87,815	-
Total Other Financing Sources	87,815	87,815	-
Net Change in Fund Balance	\$ 56,891	(29,608)	\$ (86,499)
Beginning fund balance		344,428	
Ending Fund Balance		\$ 314,820	

Notes to Supplementary Information:

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

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CITY OF JERSEY VILLAGE, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2022

SPECIAL REVENUE FUNDS

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

Hotel Occupancy Tax Fund

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

Court Security and Technology Fees Fund

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

Asset Forfeiture Fund

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

CITY OF JERSEY VILLAGE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2022

	Special Revenue Funds			
	Hotel Occupancy Tax	Court Security and Technology Fees	Asset Forfeiture	Total Nonmajor Governmental Funds
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 568,256	\$ 11,632	\$ 19,983	\$ 599,871
Receivables, net	11,318	-	-	11,318
Prepaid items	248	-	2,221	2,469
Due from other funds	-	28,591	-	28,591
	-	28,591	-	28,591
Total Assets	\$ 579,822	\$ 40,223	\$ 22,204	\$ 642,249
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 1,397	\$ 2,504	\$ 3,901
Due to other funds	345,610	-	-	345,610
	345,610	1,397	2,504	349,511
Total Liabilities	345,610	1,397	2,504	349,511
<u>Fund Balances</u>				
Nonspendable	248	-	2,221	2,469
Restricted:				
Tourism	233,964	-	-	233,964
Public safety	-	-	17,479	17,479
Court technology	-	38,826	-	38,826
	234,212	38,826	19,700	292,738
Total Fund Balances	234,212	38,826	19,700	292,738
Total Liabilities and Fund Balances	\$ 579,822	\$ 40,223	\$ 22,204	\$ 642,249

CITY OF JERSEY VILLAGE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

	Special Revenue Funds			
	Hotel Occupancy Tax	Court Security and Technology Fees	Asset Forfeiture	Total Nonmajor Governmental Funds
Revenues				
Occupancy tax	\$ 158,560	\$ -	\$ -	\$ 158,560
Sales tax	-	-	-	-
Fines	-	28,590	-	28,590
Investment earnings	2,145	-	147	2,292
Other revenue	-	-	21,164	21,164
	Total Revenues	160,705	28,590	21,311
			21,311	210,606
Expenditures				
Current:				
General government	12,960	-	-	12,960
Public safety	-	18,936	16,652	35,588
	Total Expenditures	18,936	16,652	48,548
	Excess of Revenues			
	Over Expenditures	147,745	9,654	4,659
			4,659	162,058
Other Financing Sources (Uses)				
Transfer (out)	(19,570)	-	-	(19,570)
	Total Other Financing (Uses)	(19,570)	-	(19,570)
	Net Change in Fund Balances	128,175	9,654	4,659
Beginning fund balances	106,037	29,172	15,041	150,250
	Ending Fund Balances	\$ 234,212	\$ 38,826	\$ 19,700
			\$ 19,700	\$ 292,738

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, 2022

	Hotel Occupancy Tax			Variance with
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Final Budget Positive (Negative)
Revenues				
Occupancy tax	\$ 70,000	\$ 70,000	\$ 158,560	\$ 88,560
Investment earnings	500	500	2,145	1,645
Total Revenues	70,500	70,500	160,705	90,205
Expenditures				
General government	41,900	41,900	12,960	28,940
Total Expenditures	41,900	41,900	12,960	28,940
Excess of Revenues Over Expenditures	28,600	28,600	147,745	119,145
Other Financing Sources (Uses)				
Transfers (out)	(19,570)	(19,570)	(19,570)	-
Total Other Financing (Uses)	(19,570)	(19,570)	(19,570)	-
Net Change in Fund Balance	\$ 9,030	\$ 9,030	128,175	\$ 119,145
Beginning fund balance			106,037	
Ending Fund Balance			\$ 234,212	

Notes to Supplementary Information:

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

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2022

	Court Security and Technology Fees			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines	\$ 41,300	\$ 41,300	\$ 28,590	\$ (12,710)
<u>Expenditures</u>				
Public safety	21,575	21,575	18,936	2,639
Excess of Revenues Over (Under) Expenditures	19,725	19,725	9,654	(10,071)
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(50,300)	(50,300)	-	50,300
Total Other Financing (Uses)	(50,300)	(50,300)	-	50,300
Net Change in Fund Balance	\$ (30,575)	\$ (30,575)	9,654	\$ 40,229
Beginning fund balance			29,172	
Ending Fund Balance			\$ 38,826	

Notes to Supplementary Information:

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

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CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2022

	<u>Asset Forfeiture</u>			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues				
Investment earnings	\$ 20	\$ 20	\$ 147	\$ 127
Other revenue	-	-	21,164	21,164
Total Revenues	<u>20</u>	<u>20</u>	<u>21,311</u>	<u>21,291</u>
Expenditures				
Public safety	11,700	19,683	16,652	3,031
Total Expenditures	<u>11,700</u>	<u>19,683</u>	<u>16,652</u>	<u>3,031</u>
Net Change in Fund Balance	<u><u>\$ (11,680)</u></u>	<u><u>\$ (19,663)</u></u>	4,659	<u><u>\$ 24,322</u></u>
Beginning fund balance			<u>15,041</u>	
Ending Fund Balance			<u><u>\$ 19,700</u></u>	

Notes to Supplementary Information:

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

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	104
<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	114
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	124
<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	133
<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	137
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

CITY OF JERSEY VILLAGE, TEXAS

NET POSITION BY COMPONENT

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities				
Net investment in capital assets	\$ 29,072,714	\$ 30,316,564	\$ 31,654,577	\$ 31,824,350
Restricted	3,646,658	3,329,342	2,930,096	2,830,414
Unrestricted	10,085,847	-	14,575,527	18,541,697
Total Governmental Activities Net Position	\$ 38,529,789	\$ 42,805,219	\$ 33,645,906	\$ 49,160,200
 Business-Type Activities				
Net investment in capital assets	\$ 17,746,030	\$ 17,205,752	\$ 17,000,490	\$ 17,629,271
Unrestricted	5,297,596	18,541,697	6,320,937	6,588,580
Total Business-Type Activities Net Position	\$ 22,508,819	\$ 23,043,626	\$ 35,747,449	\$ 23,321,427
 Primary Government				
Net investment in capital assets	\$ 46,818,744	\$ 47,522,316	\$ 48,655,067	\$ 49,453,621
Restricted	3,646,658	3,329,342	2,930,096	2,830,414
Unrestricted	15,383,443	18,541,697	20,896,464	25,130,277
Total Primary Government Net Position	\$ 61,038,608	\$ 65,848,845	\$ 69,393,355	\$ 72,481,627

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 35,856,808	\$ 40,819,897	\$ 51,991,503	\$ 54,298,603	\$ 60,860,770	\$ 67,336,854
2,549,847	1,878,602	1,231,295	1,215,263	1,223,723	1,286,996
18,930,408	19,725,575	16,720,423	17,840,968	18,738,814	19,008,870
<u>\$ 53,196,461</u>	<u>\$ 57,337,063</u>	<u>\$ 69,943,221</u>	<u>\$ 73,354,834</u>	<u>\$ 80,823,307</u>	<u>\$ 87,632,720</u>
\$ 17,347,834	\$ 17,132,700	\$ 18,426,266	\$ 18,305,169	\$ 17,672,083	\$ 17,470,343
7,104,061	7,407,323	6,604,846	6,532,426	6,995,403	6,889,458
<u>\$ 24,217,851</u>	<u>\$ 24,451,895</u>	<u>\$ 25,031,112</u>	<u>\$ 24,837,595</u>	<u>\$ 24,667,486</u>	<u>\$ 24,359,801</u>
\$ 53,204,642	\$ 57,952,597	\$ 70,417,769	\$ 72,603,772	\$ 78,532,853	\$ 84,807,197
2,549,847	1,878,602	1,231,295	1,215,263	1,223,723	1,286,996
26,034,469	27,132,898	23,325,269	24,373,394	25,734,217	25,898,328
<u>\$ 77,414,312</u>	<u>\$ 81,788,958</u>	<u>\$ 94,974,333</u>	<u>\$ 98,192,429</u>	<u>\$ 105,490,793</u>	<u>\$ 111,992,521</u>

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET POSITION

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities				
General government	\$ 1,744,782	\$ 1,741,875	\$ 1,683,153	\$ 1,529,880
Public safety	5,029,549	4,840,944	5,075,686	4,593,094
Public works	2,399,621	2,447,946	2,916,512	5,338,993
Parks and recreation	158,351	225,551	119,532	651,178
Interest and fiscal agent fees on long-term debt	797,826	703,579	719,422	648,442
Total Governmental Activities Expenses	<u>10,130,129</u>	<u>9,959,895</u>	<u>10,514,305</u>	<u>12,761,587</u>
Business-type activities				
Water and sewer	2,838,464	2,612,155	2,571,317	3,049,180
Golf course	1,662,206	1,716,718	1,775,044	1,743,055
Total Business-Type Activities Expenses	<u>4,500,670</u>	<u>4,328,873</u>	<u>4,346,361</u>	<u>4,792,235</u>
Total Primary Government Expenses	<u>\$ 14,630,799</u>	<u>\$ 14,288,768</u>	<u>\$ 14,860,666</u>	<u>\$ 17,553,822</u>
Program Revenues				
Governmental activities				
Charges for services				
Public safety	\$ 2,881,707	\$ 1,431,320	\$ 1,100,279	\$ 1,111,375
Parks and recreation	272,562	363,058	509,817	462,972
Operating/Capital grants and contributions	750,143	1,063,628	1,897,233	980,511
Total Governmental Activities Program Revenues	<u>3,904,412</u>	<u>2,858,006</u>	<u>3,507,329</u>	<u>2,554,858</u>
Business-type activities				
Charges for services				
Water and sewer	4,092,417	4,000,806	4,150,845	4,595,167
Golf course	1,435,975	1,333,700	1,187,249	1,196,934
Total Business-Type Activities Program Revenues	<u>5,528,392</u>	<u>5,334,506</u>	<u>5,338,094</u>	<u>5,792,101</u>
Total Primary Government Program Revenues	<u>\$ 9,432,804</u>	<u>\$ 8,192,512</u>	<u>\$ 8,845,423</u>	<u>\$ 8,346,959</u>
Net (Expense)/Revenue				
Governmental activities	\$ (6,225,717)	\$ (7,101,889)	\$ (7,006,976)	\$ (10,206,729)
Business-type activities	1,027,722	1,005,633	991,733	999,866
Total Primary Government Net Expense	<u>\$ (5,197,995)</u>	<u>\$ (6,096,256)</u>	<u>\$ (6,015,243)</u>	<u>\$ (9,206,863)</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 3,683,493	\$ 3,399,058	\$ 3,169,452	\$ 4,639,473	\$ 4,198,327	\$ 5,588,017
4,386,395	4,748,633	4,903,199	5,420,766	6,291,020	7,262,433
3,430,767	4,792,733	2,992,310	6,920,041	4,969,271	3,622,874
581,277	519,638	717,655	891,452	911,063	1,144,659
491,413	439,389	307,289	315,625	252,869	212,322
<u>12,573,345</u>	<u>13,899,451</u>	<u>12,089,905</u>	<u>18,187,357</u>	<u>16,622,550</u>	<u>17,830,305</u>
3,512,761	3,638,432	3,148,578	3,905,511	4,208,227	4,263,447
1,873,377	1,900,360	2,135,470	2,114,531	2,048,846	3,000,824
5,386,138	5,538,792	5,284,048	6,020,042	6,257,073	7,264,271
<u>\$ 17,959,483</u>	<u>\$ 19,438,243</u>	<u>\$ 17,373,953</u>	<u>\$ 24,207,399</u>	<u>\$ 22,879,623</u>	<u>\$ 25,094,576</u>
\$ 1,188,568	\$ 1,181,524	\$ 1,292,758	\$ 905,598	\$ 1,041,670	\$ 1,144,018
285,291	238,846	1,240,337	122,932	413,335	548,018
1,313,987	3,552,993	1,433,555	4,408,579	6,986,834	8,116,495
<u>2,787,846</u>	<u>4,973,363</u>	<u>3,966,650</u>	<u>5,437,109</u>	<u>8,441,839</u>	<u>9,808,531</u>
4,518,707	4,670,098	4,496,215	4,739,888	4,754,704	5,146,971
1,281,283	1,387,282	1,500,228	1,829,037	1,830,549	2,236,036
5,799,990	6,057,380	5,996,443	6,568,925	6,585,253	7,383,007
<u>\$ 8,587,836</u>	<u>\$ 11,030,743</u>	<u>\$ 9,963,093</u>	<u>\$ 12,006,034</u>	<u>\$ 15,027,092</u>	<u>\$ 17,191,538</u>
\$ (9,785,499)	\$ (8,926,088)	\$ (8,123,255)	\$ (12,750,248)	\$ (8,180,711)	\$ (8,021,774)
413,852	518,588	712,395	548,883	328,180	118,736
<u>\$ (9,371,647)</u>	<u>\$ (8,407,500)</u>	<u>\$ (7,410,860)</u>	<u>\$ (12,201,365)</u>	<u>\$ (7,852,531)</u>	<u>\$ (7,903,038)</u>

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
General Revenues and Other				
Changes in Net Position				
Governmental activities				
Taxes and fees				
Ad valorem taxes	\$ 6,146,643	\$ 6,269,652	\$ 6,899,774	\$ 8,216,808
Sales taxes	2,998,515	3,282,372	3,333,531	4,932,020
Franchise fees and local taxes	673,888	674,027	635,236	636,178
Investment earnings	17,834	6,346	14,733	76,726
Other revenues	169,946	258,962	173,688	262,531
Transfers	494,321	1,188,206	110,781	118,727
Total Governmental Activities	<u>10,501,147</u>	<u>11,679,565</u>	<u>11,167,743</u>	<u>14,242,990</u>
Business-type activities				
Investment earnings	1,406	1,037	2,295	15,285
Transfers	(494,321)	(1,188,206)	(110,781)	(118,727)
Total Business-Type Activities	<u>(492,915)</u>	<u>(1,187,169)</u>	<u>(108,486)</u>	<u>(103,442)</u>
Total Primary Government	<u>\$ 10,008,232</u>	<u>\$ 10,492,396</u>	<u>\$ 11,059,257</u>	<u>\$ 14,139,548</u>
Change in Net Position				
Governmental activities	\$ 4,275,430	\$ 4,577,676	\$ 4,160,767	\$ 4,036,261
Business-type activities	534,807	(181,536)	883,247	896,424
Total Primary Government	<u>\$ 4,810,237</u>	<u>\$ 4,396,140</u>	<u>\$ 5,044,014</u>	<u>\$ 4,932,685</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 8,047,479	\$ 7,631,592	\$ 8,008,209	\$ 7,914,769	\$ 7,927,764	\$ 8,047,029
4,625,417	4,769,278	5,977,528	6,262,714	6,056,811	5,166,611
615,525	610,312	560,994	549,938	520,250	496,464
185,333	473,167	581,169	223,431	12,214	179,093
236,105	251,130	162,480	421,222	631,420	483,274
216,242	481,440	352,022	789,787	500,725	458,716
<u>13,926,101</u>	<u>14,216,919</u>	<u>15,642,402</u>	<u>16,161,861</u>	<u>15,649,184</u>	<u>14,831,187</u>
36,434	86,947	130,716	47,387	2,436	32,295
<u>(216,242)</u>	<u>(481,440)</u>	<u>(352,022)</u>	<u>(789,787)</u>	<u>(500,725)</u>	<u>(458,716)</u>
<u>(179,808)</u>	<u>(394,493)</u>	<u>(221,306)</u>	<u>(742,400)</u>	<u>(498,289)</u>	<u>(426,421)</u>
<u>\$ 13,746,293</u>	<u>\$ 13,822,426</u>	<u>\$ 15,421,096</u>	<u>\$ 15,419,461</u>	<u>\$ 15,150,895</u>	<u>\$ 14,404,766</u>
\$ 4,140,602	\$ 5,290,831	\$ 7,519,147	\$ 3,411,613	\$ 7,468,473	\$ 6,809,413
234,044	124,095	491,089	(193,517)	(170,109)	(307,685)
<u>\$ 4,374,646</u>	<u>\$ 5,414,926</u>	<u>\$ 8,010,236</u>	<u>\$ 3,218,096</u>	<u>\$ 7,298,364</u>	<u>\$ 6,501,728</u>

CITY OF JERSEY VILLAGE, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ -	\$ 674	\$ -	\$ 4,853
Restricted	24,875	31,012	39,109	61,587
Unassigned	7,886,398	10,018,365	12,697,557	14,441,008
Total General Fund	\$ 7,911,273	\$ 10,050,051	\$ 12,736,666	\$ 14,507,448
 All Other Governmental Funds				
Nonspendable	\$ -	\$ 2,221	\$ 2,221	\$ 3,276
Restricted				
Capital project funds	5,001	-	7,549,019	4,521,659
Debt service fund	474,716	500,482	463,977	456,038
Special revenue funds	3,141,766	2,793,875	2,554,137	2,312,789
Assigned				
Capital projects fund	-	1,116,824	840,778	3,008,415
Total All Other Governmental Funds	\$ 3,621,483	\$ 4,413,402	\$ 11,410,132	\$ 10,302,177

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 259	\$ 259	\$ 259	\$ 259	\$ 3,475	\$ 597
79,447	95,468	115,444	134,397	146,886	97,662
17,275,139	16,521,110	8,101,748	7,595,077	10,979,458	12,114,983
<u>\$ 17,354,845</u>	<u>\$ 16,616,837</u>	<u>\$ 8,217,451</u>	<u>\$ 7,729,733</u>	<u>\$ 11,129,819</u>	<u>\$ 12,213,242</u>
\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469
3,669,948	634,352	74,229	426,593	-	745,535
441,734	393,737	331,179	328,687	344,428	314,820
2,028,666	1,389,397	784,672	752,179	732,409	874,514
966,776	2,826,617	7,891,610	9,409,107	4,150,960	4,593,879
<u>\$ 7,109,593</u>	<u>\$ 5,246,572</u>	<u>\$ 9,084,159</u>	<u>\$ 10,919,035</u>	<u>\$ 5,230,266</u>	<u>\$ 6,531,217</u>

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes	\$ 9,861,843	\$ 10,389,401	\$ 11,007,424	\$ 13,878,811
Permits, licenses, and fees	133,471	131,473	172,065	203,454
Charges for services	272,562	363,058	509,817	397,070
Fines and forfeitures	2,748,236	1,299,847	928,214	907,921
Investment earnings	14,235	5,041	12,526	63,057
Intergovernmental	750,143	1,063,628	1,897,233	980,511
Other revenues	112,545	181,063	62,786	168,790
Total Revenues	<u>13,893,035</u>	<u>13,433,511</u>	<u>14,590,065</u>	<u>16,599,614</u>
Expenditures				
General government	1,711,971	1,765,524	1,911,015	3,513,200
Public safety	5,270,514	4,876,359	4,856,290	4,560,262
Public works	6,171,265	2,323,893	3,760,747	4,867,383
Parks and recreation	552,260	556,575	587,791	623,509
Capital outlay	13,425	-	-	-
Debt service				
Principal	1,405,000	1,495,000	1,050,000	1,765,000
Interest and fiscal fees	759,220	673,669	577,906	782,639
Total Expenditures	<u>15,883,655</u>	<u>11,691,020</u>	<u>12,743,749</u>	<u>16,111,993</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,990,620)	1,742,491	1,846,316	487,621
Other Financing Sources (Uses)				
Transfers in	560,397	2,025,025	625,341	2,029,632
Transfers out	(66,076)	(836,819)	(514,560)	(1,910,905)
Proceeds paid to escrow agent	-	-	-	(7,281,990)
Issuance of debt	-	-	8,000,000	6,710,000
Premium on debt issued	-	-	-	628,469
Total Other Financing Sources	<u>494,321</u>	<u>1,188,206</u>	<u>8,110,781</u>	<u>175,206</u>
Net Change in Fund Balances	<u>\$ (1,496,299)</u>	<u>\$ 2,930,697</u>	<u>\$ 9,957,097</u>	<u>\$ 662,827</u>
Debt service as a percentage of noncapital expenditures	21.94%	19.97%	14.87%	19.45%

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 13,367,966	\$ 13,195,464	\$ 14,601,658	\$ 14,595,723	\$ 14,564,920	\$ 13,781,470
180,908	126,564	116,748	116,342	157,390	268,591
259,218	238,846	1,240,337	122,932	418,126	553,986
1,007,660	1,054,960	1,176,010	789,256	884,280	875,427
155,039	408,902	476,131	177,145	9,693	150,573
1,313,987	3,552,993	1,433,555	4,408,579	5,137,101	10,134,780
156,624	90,731	84,206	359,259	577,082	119,392
<u>16,441,402</u>	<u>18,668,460</u>	<u>19,128,645</u>	<u>20,569,236</u>	<u>21,748,592</u>	<u>25,884,219</u>
3,553,380	3,555,860	12,450,129	4,679,739	4,263,254	5,583,595
4,829,164	5,185,533	5,524,631	5,967,550	6,701,679	7,915,942
5,668,902	4,049,980	3,747,071	6,868,668	11,133,409	7,964,725
554,607	779,801	803,985	977,633	920,083	966,199
-	-	-	-	-	-
1,875,000	7,710,000	1,180,000	1,210,000	1,245,000	1,290,000
521,778	469,755	336,650	308,275	274,575	238,100
<u>17,002,831</u>	<u>21,750,929</u>	<u>24,042,466</u>	<u>20,011,865</u>	<u>24,538,000</u>	<u>23,958,561</u>
(561,429)	(3,082,469)	(4,913,821)	557,371	(2,789,408)	1,925,658
578,913	10,600,678	6,472,762	3,697,172	746,248	1,715,385
(362,671)	(10,119,238)	(6,120,740)	(2,907,385)	(245,523)	(1,256,669)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>216,242</u>	<u>481,440</u>	<u>352,022</u>	<u>789,787</u>	<u>500,725</u>	<u>458,716</u>
<u>\$ (345,187)</u>	<u>\$ (2,601,029)</u>	<u>\$ (4,561,799)</u>	<u>\$ 1,347,158</u>	<u>\$ (2,288,683)</u>	<u>\$ 2,384,374</u>
19.39%	41.08%	12.81%	8.74%	8.80%	8.66%

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

Last Ten Years
(modified accrual basis of accounting)

<u>Function</u>	<u>Fiscal Year</u>			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Ad valorem taxes	\$ 6,132,039	\$ 6,355,103	\$ 6,927,755	\$ 8,216,872
Sales taxes	2,998,515	3,282,372	3,333,531	4,932,020
Franchise fees	673,888	674,027	635,236	636,178
Other	57,401	77,899	110,902	93,741
Totals	<u>\$ 9,861,843</u>	<u>\$ 10,389,401</u>	<u>\$ 11,007,424</u>	<u>\$ 13,878,811</u>

Fiscal Year

2017	2018	2019	2020	2021	2022
\$ 8,047,543	\$ 7,655,475	\$ 7,984,862	\$ 7,721,108	\$ 7,933,521	\$ 7,959,835
4,625,417	4,769,278	5,977,528	6,262,714	6,056,811	5,166,611
615,525	610,312	560,994	549,938	520,250	496,464
79,481	160,399	78,274	61,963	54,338	158,560
\$ 13,367,966	\$ 13,195,464	\$ 14,601,658	\$ 14,595,723	\$ 14,564,920	\$ 13,781,470

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

	Fiscal Year			
	2013	2014	2015	2016
Residential property	\$ 496,740,074	\$ 520,849,850	\$ 556,078,428	\$ 609,105,279
Commercial property	204,473,889	224,196,999	242,011,499	254,969,262
Other	252,948,984	284,337,338	279,381,642	436,409,458
Less: Tax exempt property	<u>(138,212,692)</u>	<u>(176,397,106)</u>	<u>(149,483,522)</u>	<u>(187,496,940)</u>
Total Taxable Assessed Value (1)	<u>\$ 815,950,255</u>	<u>\$ 852,987,081</u>	<u>\$ 927,988,047</u>	<u>\$ 1,112,987,059</u>
Total Direct Tax Rate	\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.74250

Source: Harris County Certified / Uncertified Tax Roll

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

Fiscal Year

2017	2018	2019	2020	2021	2022
\$ 657,487,846	\$ 697,956,307	\$ 716,831,184	\$ 721,153,724	\$ 764,803,559	\$ 812,342,506
268,838,386	280,814,558	296,336,420	312,527,948	322,466,429	331,740,957
378,991,944	267,381,542	274,421,586	288,860,243	288,690,142	258,539,540
<u>(202,797,027)</u>	<u>(203,955,593)</u>	<u>(207,287,908)</u>	<u>(275,262,666)</u>	<u>(278,642,135)</u>	<u>(290,691,784)</u>
<u>\$ 1,102,521,149</u>	<u>\$ 1,042,196,814</u>	<u>\$ 1,080,301,282</u>	<u>\$ 1,047,279,249</u>	<u>\$ 1,097,317,995</u>	<u>\$ 1,111,931,219</u>
\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.72347	\$ 0.74250

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

	Fiscal Year			
	2013	2014	2015	2016
City of Jersey Village by fund:				
General	\$ 0.48566	\$ 0.49415	\$ 0.58252	\$ 0.52635
Debt service	0.25684	0.24835	0.15998	0.21615
Total Direct Rates	\$ 0.74250	\$ 0.74250	\$ 0.74250	\$ 0.74250
Cypress-Fairbanks Independent School District	\$ 1.45000	\$ 1.45000	\$ 1.44000	\$ 1.44000
Harris County	0.40021	0.41455	0.41731	0.41923
Harris County Flood Control District	0.02809	0.02827	0.02736	0.28290
Port of Houston Authority	0.01952	0.01716	0.01531	0.01334
Harris County Hospital District	0.18216	0.17000	0.17000	0.17179
Harris County Department of Education	0.00662	0.00636	0.00600	0.00520
Lone Star College System	0.11600	0.10810	0.10790	0.10780
Total Direct and Overlapping Rates (1)	\$ 2.94510	\$ 2.93694	\$ 2.92638	\$ 3.18276

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

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 0.53148	\$ 0.53058	\$ 0.61640	\$ 0.60612	\$ 0.59139	\$ 0.61094
0.21102	0.21192	0.12610	0.13638	0.13207	0.13156
<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.74250</u>	<u>\$ 0.72347</u>	<u>\$ 0.74250</u>
\$ 1.44000	\$ 1.44000	\$ 1.37000	\$ 1.37000	\$ 1.35550	\$ 1.33920
0.41801	0.41858	0.40713	0.40713	0.39116	0.37693
0.28310	0.02877	0.27920	0.27920	0.03142	0.33490
0.01256	0.01155	0.10740	0.10740	0.00991	0.00872
0.17110	0.17108	0.16591	0.16591	0.16671	0.16221
0.00520	0.00519	0.00500	0.00500	0.00499	0.00499
0.10780	0.10780	0.10780	0.10780	0.10780	0.10780
<u>\$ 3.18027</u>	<u>\$ 2.92547</u>	<u>\$ 3.18494</u>	<u>\$ 3.18494</u>	<u>\$ 2.79096</u>	<u>\$ 3.07725</u>

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CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Prologis	\$ 89,379,770	1	8.04%	\$ 41,079,853	2	5.3%
11011 Pleasant LLC***	67,796,587	2	6.10%	34,206,780	4	4.4%
GWR Trails CC Owner LLC**	49,693,000	3	4.47%	22,210,100	5	2.8%
Trails Rock Creek Holding LP	33,817,752	4	3.04%	13,752,789	8	1.8%
BHA Real State Holdings LLC	31,188,230	5	2.80%	N/A	-	N/A
Gordon NW Village LP	25,662,529	6	2.31%	N/A	-	N/A
Anixter Inc	21,805,127	7	1.96%	N/A	-	N/A
Joe Myers Automotive, LLC*	21,312,987	8	2.92%	40,994,662	3	5.2%
Joe Myers Ford II, LLC*	20,696,109	9	1.86%	N/A	-	N/A
Sonic LS Chevrolet	20,520,665	10	1.85%	16,087,323	6	2.1%
National Oilwell Inc	N/A	-	N/A	13,058,960	9	1.7%
Car Son LMC LP	N/A	-	N/A	12,893,313	10	1.7%
Goodman Manufacturing Corp.	N/A	-	N/A	58,344,200	1	7.5%
Baceline Value Fund I	N/A	-	N/A	15,273,582	7	2.0%
Subtotal	<u>381,872,756</u>		<u>34.34%</u>	<u>267,901,562</u>		<u>34.3%</u>
Other Taxpayers	<u>730,058,463</u>		<u>65.66%</u>	<u>513,282,923</u>		<u>65.7%</u>
Total	<u><u>\$ 1,111,931,219</u></u>		<u><u>100%</u></u>	<u><u>\$ 781,184,485</u></u>		<u><u>100.0%</u></u>

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

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

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

***11011 Pleasant LLC was previously AROP Promenage Jersey Village LLC

CITY OF JERSEY VILLAGE, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
Tax levy	\$ 6,058,430	\$ 6,306,997	\$ 6,890,311	\$ 8,265,028
Current tax collected*	6,014,066	6,288,377	6,837,787	8,225,760
Percentage of current tax collections	99.27%	99.70%	99.24%	99.52%
Net collections and refunds in subsequent years**	<u>36,299</u>	<u>10,904</u>	<u>44,065</u>	<u>30,936</u>
Total Tax Collections	<u>\$ 6,050,365</u>	<u>\$ 6,299,281</u>	<u>\$ 6,881,852</u>	<u>\$ 8,256,696</u>
Total collections as a percentage of current levy	99.87%	99.88%	99.88%	99.90%

Source: Harris County Tax Assessor-Collector

* Collected within the year of the levy.

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 8,185,070	\$ 7,738,412	\$ 8,021,237	\$ 7,776,048	\$ 7,938,723	\$ 8,256,089
8,133,703	7,700,027	7,970,669	7,672,971	7,850,181	8,046,285
99.37%	99.50%	99.37%	98.67%	98.88%	97.46%
41,445	23,149	26,239	81,003	24,729	-
<u>\$ 8,175,148</u>	<u>\$ 7,723,176</u>	<u>\$ 7,996,908</u>	<u>\$ 7,753,974</u>	<u>\$ 7,874,910</u>	<u>\$ 8,046,285</u>
99.88%	99.80%	99.70%	99.72%	99.20%	97.46%

CITY OF JERSEY VILLAGE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
Primary Government				
Governmental Activities:				
General obligation bonds	\$ 17,770,000	\$ 16,570,000	\$ 15,830,000	\$ 14,440,000
Certificates of obligation	605,000	310,000	8,000,000	7,320,000
Capital leases	777,534	396,073	-	-
Premium on bonds	586,559	538,527	490,495	925,134
Subtotal	<u>19,739,093</u>	<u>17,814,600</u>	<u>24,320,495</u>	<u>22,685,134</u>
Business-Type Activities:				
Revenue bonds	-	-	-	-
Total Primary Government	<u>\$ 19,739,093</u>	<u>\$ 17,814,600</u>	<u>\$ 24,320,495</u>	<u>\$ 22,685,134</u>
 Personal Income	 \$ 346,330,800	 \$ 347,500,000	 \$ 348,000,000	 \$ 349,000,000
 Debt as a Percentage of Personal Income	 5.70%	 5.13%	 6.99%	 6.50%
 Population	 7,862	 7,901	 7,898	 7,928
 Debt Per Capita	 \$ 2,511	 \$ 2,255	 \$ 3,079	 \$ 2,861

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

Fiscal Year

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 13,320,000	\$ 12,175,000	\$ 10,995,000	\$ 9,785,000	\$ 8,540,000	\$ 7,250,000
6,565,000	-	-	-	-	-
-	-	-	-	-	-
830,728	736,321	646,096	555,871	465,646	375,421
<u>20,715,728</u>	<u>12,911,321</u>	<u>11,641,096</u>	<u>10,340,871</u>	<u>9,005,646</u>	<u>7,625,421</u>
-	-	-	-	-	-
<u>\$ 20,715,728</u>	<u>\$ 12,911,321</u>	<u>\$ 11,641,096</u>	<u>\$ 10,340,871</u>	<u>\$ 9,005,646</u>	<u>\$ 7,625,421</u>
\$ 378,195,480	\$ 410,008,680	\$ 410,008,680	\$ 544,610,844	\$ 565,349,554	\$ 676,912,818
5.48%	3.15%	2.84%	1.90%	1.59%	1.13%
7,929	7,970	7,992	8,017	8,074	7,921
\$ 2,613	\$ 1,620	\$ 1,457	\$ 1,290	\$ 1,115	\$ 963

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

	Fiscal Year			
	2013	2014	2015	2016
Net Taxable Assessed Value				
All property	\$ 815,950,255	\$ 852,987,081	\$ 927,988,047	\$ 1,112,987,059
Net Bonded Debt				
Gross bonded debt	\$ 19,152,534	\$ 17,276,073	\$ 23,830,000	\$ 21,760,000
Less debt service funds	(474,716)	(500,482)	(463,978)	(456,038)
Net Bonded Debt	\$ 18,677,818	\$ 16,775,591	\$ 23,366,022	\$ 21,303,962
Ratio of Net Bonded Debt To Assessed Value	2.29%	1.97%	2.52%	1.91%
Population	7,862	7,901	7,898	7,928
Net Bonded Debt Per Capita	\$ 2,376	\$ 2,123	\$ 2,958	\$ 2,687

Fiscal Year

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>\$ 1,102,521,149</u>	<u>\$ 1,042,196,814</u>	<u>\$ 1,080,301,282</u>	<u>\$ 1,047,279,249</u>	<u>\$ 1,097,317,995</u>	<u>\$ 1,111,931,219</u>
\$ 22,685,134 <u>(441,734)</u>	\$ 12,911,321 <u>(393,737)</u>	\$ 11,641,096 <u>(331,179)</u>	\$ 10,340,871 <u>(328,687)</u>	\$ 9,005,646 <u>(344,428)</u>	\$ 7,625,421 <u>(298,538)</u>
<u>\$ 22,243,400</u>	<u>\$ 12,517,584</u>	<u>\$ 11,309,917</u>	<u>\$ 10,012,184</u>	<u>\$ 8,661,218</u>	<u>\$ 7,326,883</u>
2.02%	1.20%	1.05%	0.96%	0.79%	0.66%
7,929	7,970	7,992	8,017	8,074	7,921
\$ 2,805	\$ 1,571	\$ 1,415	\$ 1,249	\$ 1,073	\$ 925

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CITY OF JERSEY VILLAGE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
For the Year Ended September 30, 2022

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Cypress-Fairbanks Independent School District	\$ 3,100,660,000	1.339%	\$ 42,013,943
Harris County	\$ 4,498,412,124	0.377%	17,588,791
Harris County Department of Education	\$ 46,286,429	0.005%	23,143
Lone Star College District	\$ 714,855,000	0.108%	7,720,434
Harris County Flood Control District	\$ 932,655,000	0.335%	2,704,700
Port of Houston Authority	\$ 39,918,180	0.009%	47,902
Harris County Hospital District	\$ 302,690	0.162%	491
Subtotal, overlapping debt	<u>\$ 9,333,089,423</u>		<u>70,098,913</u>
City Direct Debt	\$ 7,625,421	100%	<u>7,625,421</u>
Total Direct and Overlapping Debt			<u><u>\$ 77,724,334</u></u>

Source: Various governmental units mentioned above

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

CITY OF JERSEY VILLAGE, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
Gross Revenues (1)	\$ 4,093,684	\$ 4,001,738	\$ 4,152,908	\$ 4,595,167
Operating Expenses (2)	2,608,672	2,356,645	2,728,013	2,655,492
Net Revenues Available for Debt Service	\$ 1,485,012	\$ 1,645,093	\$ 1,424,895	\$ 1,939,675
Debt Service Requirements (3)				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -
Coverage	0.00	0.00	0.00	0.00

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

Fiscal Year

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 4,518,707	\$ 4,670,098	\$ 4,496,215	\$ 4,739,888	\$ 4,754,704	\$ 5,134,910
<u>2,974,499</u>	<u>3,079,683</u>	<u>2,646,874</u>	<u>3,211,814</u>	<u>3,616,160</u>	<u>3,778,529</u>
<u>\$ 1,544,208</u>	<u>\$ 1,590,415</u>	<u>\$ 1,849,341</u>	<u>\$ 1,528,074</u>	<u>\$ 1,138,544</u>	<u>\$ 1,356,381</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>					
0.00	0.00	0.00	0.00	0.00	0.00

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CITY OF JERSEY VILLAGE, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Fiscal Year Ended Sep. 30	Population (1)	Personal Income (4)	Per Capita Personal Income	Median Age	School Enrollment (2)	Unemployment Rate (3)
2013	7,862	\$ 346,330,800	\$ 44,051	37.8	4,400	6.2%
2014	7,901	\$ 347,500,000	\$ 43,982	37.8	4,500	5.0%
2015	7,898	\$ 348,000,000	\$ 44,062	39.0	4,500	4.9%
2016	7,928	\$ 349,000,000	\$ 46,000	43.6	4,600	4.9%
2017	7,929	\$ 378,195,480	\$ 47,304	44.7	4,650	4.1%
2018	7,970	\$ 410,008,680	\$ 51,444	38.3	4,677	3.9%
2019	7,992	\$ 476,083,440	\$ 59,570	38.5	4,690	3.9%
2020	8,017	\$ 544,610,844	\$ 67,932	39.0	4,500	9.6%
2021	8,074	\$ 565,349,554	\$ 70,021	39.0	4,155	5.6%
2022	7,921	\$ 676,912,818	\$ 85,458	40.0	4,151	3.9%

Data sources:

(1) Bureau of the Census

(2) The school enrollment reflects enrollment in schools located within the City limits.

(3) Texas Workforce Commission

(4) Personal income is available on www.clrsearch.com/Jersey-Village-Demographics/TX.

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CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jersey Village High School	315	1	7.22%	270	2	8.96%
Joe Myers Toyota	215	2	4.93%	195	4	6.47%
Joe Myers Ford	175	3	4.01%	272	1	9.03%
Sonic-LS Chevrolet	150	4	3.44%	200	3	6.64%
Sam's East, Inc.	149	5	3.42%	165	5	5.47%
City of Jersey Village	148	6	3.39%	144	6	4.78%
Post Elementary School	117	7	2.68%	102	9	3.38%
Foundry Methodist	65	8	1.49%	132	7	4.38%
CEMEX	62	9	1.42%	-	-	-
Champion Forest Baptist Church - JV	37	10	0.85%	44	10	1.46%
Joe Myers Mazda	-	-	-	111	8	3.68%
Total	1,433		32.87%	1,635		54.25%

Source: Personnel department of each employer above

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CITY OF JERSEY VILLAGE, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>General Fund:</u>										
Administrative										
Administration	3	3	3	3	2	2	2	2	2	2
Information Technology	2	2	2	2	2	3	3	3	3	3
Municipal Court	4	4	4	4	4	4	4	3	3	3
City Secretary	1	1	1	1	1	1	1	1	1	1
Finance	4	4	4	4	4	4	4	4	4	4
Public Safety										
Police	30	30	30	30	30	29	29	29	30	30
Fire	6	6	6	6	6	6	6	6	10	12
Communications	7	7	7	7	7	7	9	9	9	9
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Streets	3	3	3	3	3	3	3	3	3	3
Community Development	4	4	4	4	4	4	5	5	5	4
Fleet Services	2	2	2	2	2	2	2	2	2	2
Parks and Recreation										
Parks	8	8	8	8	8	9	10	10	9	10
General Fund Total	76	76	76	76	75	76	80	79	83	85
<u>Enterprise Fund:</u>										
Utilities	5	5	5	5	5	5	5	5	5	5
Golf Course	4	4	4	4	4	3	13	13	13	14
Enterprise Fund Total	9	9	9	9	9	8	18	18	18	19
<u>Special Revenue Fund:</u>										
Police	2	1	1	-	1	1	1	1	1	-
Special Revenue Fund Total	2	1	1	-	1	1	1	1	1	-
Total City Positions	<u>87</u>	<u>86</u>	<u>86</u>	<u>85</u>	<u>85</u>	<u>85</u>	<u>99</u>	<u>98</u>	<u>102</u>	<u>104</u>

NOTES:

Around 20-35 temporary and seasonal employees are hired during the summer months as pool personnel and front desk personnel. This count is not reflected above.
On-call firefighters (9) are not included.

CITY OF JERSEY VILLAGE, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2013	2014	2015	2016
Police				
Physical arrests	1153	778	849	1034
Parking violations	30	20	47	32
Traffic violations	11,489	9,553	9,702	11,687
Fire				
Calls for service	1,615	1,216	1,123	1,188
Water				
Service calls	1,716	2,014	211	1,641
Water main breaks	12	4	2	4
Average daily consumption (thousands of gallons)	1,478.0	1,285.0	1,285.0	1,265.0
Total consumption (thousands of gallons)	539.6	469.2	469.2	461.8
Peak daily consumption (thousands of gallons)	3.6	4.9	4.9	3.2
Sewer				
Average daily sewage treatment (thousands of gallons)	0.2	0.3	0.3	0.3
Peak daily consumption (thousands of gallons)	0.5	0.5	0.8	0.8

Source: Various City departments

* Information is unavailable.

Fiscal Year					
2017	2018	2019	2020	2021	2022
919	803	715	418	466	686
26	37	20	17	20	33
7,455	11,624	12,282	8,540	4,529	7,631
1,312	1,360	1,248	1,303	1,514	1,574
2,295	1,989	1,511	996	1,049	1,932
6	2	3	12	15	2
1,194.0	1,056.0	1,224.0	1,194.0	1,194.0	1,454.0
466.4	378.9	449.5	311.8	311.8	530.7
1.8	3.2	3.2	1.8	1.8	3.0
0.3	0.4	0.7	0.8	0.8	6.4
0.8	0.5	0.9	1.1	1.1	7.4

CITY OF JERSEY VILLAGE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2013	2014	2015	2016
Police				
Stations	1	1	1	1
Patrol units	16	16	16	16
Fire				
Stations	1	1	1	1
Volunteers	33	33	40	43
Other public works				
Streets (miles - centerlines)	29.6	29.6	29.6	29.6
Streetlights	47	47	47	47
Traffic signals	11	11	11	11
Parks and recreation				
Parks	4	4	4	4
Parks acreage	12.1	12.1	12.1	12.1
Swimming pools	1	1	1	1
Water				
Water wells	4	4	4	4
Water mains (miles)	36.6	36.6	36.6	36.6
Fire hydrants	468	468	468	468
Storage capacity (thousands of gallons)	2,550	2,550	2,550	2,550
Sewer				
Sanitary sewers (miles)	36.2	36.2	36.2	36.2
Storm sewers (miles)	21.7	21.7	21.7	21.7
Treatment capacity (thousands of gallons)	800	800	800	800

Source: Various City departments

Fiscal Year					
2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
16	16	16	16	16	18
1	1	1	1	1	1
34	31	35	37	22	18
29.6	29.6	29.6	29.6	29.6	29.6
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	3	3	3
35.8	35.8	35.8	35.8	35.8	35.8
455	455	455	455	455	455
2,550	2,550	2,550	2,550	2,550	2,550
35.2	35.2	35.2	35.2	35.2	35.2
20.7	20.7	20.7	20.7	20.7	20.7
800	800	800	800	800	800

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16327 Lakeview Dr. Jersey Village, TX 77040

SINGLE AUDIT REPORTS

**CITY OF JERSEY VILLAGE,
TEXAS**

**For the Year Ended
September 30, 2022**

CITY OF JERSEY VILLAGE, TEXAS

SINGLE AUDIT REPORTS

For the Year Ended September 30, 2022

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 10, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
April 10, 2023



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Jersey Village, Texas' (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated April 10, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
April 10, 2023

CITY OF JERSEY VILLAGE, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended September 30, 2022

No prior findings.

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

I. SUMMARY OF AUDIT RESULTS

Financial Statements

What were the results of the auditors' determination of whether the financial statements were prepared in accordance with generally accepted accounting principles?	Unmodified
Is a 'going concern' emphasis-of-matter paragraph included in the auditors' report?	No
Is a significant deficiency in internal control disclosed?	No
Is a material weakness in internal control disclosed?	No
Is a material noncompliance disclosed?	No

Federal Programs

Does the auditors' report include a statement that the financial statements include departments, agencies, or other organizational units expending federal awards which are not included in this audit?	No
What is the dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
Did the auditee qualify as low-risk auditee?	Yes

Major Program Information and Audit Findings

Identification of major programs:

<u>Assistance Listing (AL) Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Number of Audit Findings</u>
21.027	Coronavirus State and Local Fiscal Recovery	0

Type of audit report issued on compliance for major programs	Unmodified
--	------------

II. FINANCIAL STATEMENT FINDINGS

None identified.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None identified.

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Pass-through Texas General Land Office:</i>			
Emergency Protective Measures Disaster Grant	97.036	EM-3540-TX	\$ 11,282
<i>Pass-through Texas Department of Emergency Management:</i>			
Hazard Mitigation Grant Programs	97.039	DR-4332-0008	1,748,059
<i>Pass-through Texas Water Development Board:</i>			
Flood Mitigation Assistance	97.029	2000012419	13,023
Flood Mitigation Assistance	97.029	2000012430	3,448
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>1,775,812</u>
U.S. DEPARTMENT OF TREASURY			
<i>Direct Award:</i>			
Coronavirus State and Local Fiscal Recovery	21.027	N/A	1,586,432
TOTAL U.S. DEPARTMENT OF TREASURY			<u>1,586,432</u>
TOTAL FEDERAL AWARDS EXPENDED			<u><u>\$ 3,362,244</u></u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
For the Year Ended September 30, 2022

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. INDIRECT COST RATE

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