

**Comprehensive
Annual Financial Report**

of the

City of Jersey Village, Texas

**Fiscal Year Ended
September 30, 2000**

Officials Issuing Report

**R. Dale Brown
City Manager**

**Louis Q. Rodriguez, CPA
Director of Finance**



CITY OF JERSEY VILLAGE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2000

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16501 JERSEY DRIVE
HOUSTON, TEXAS, 77040-1999
(713) 466-6159

Incorporated 1956

A Texas Star Community

December 27, 2000

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

The comprehensive annual financial report of the City of Jersey Village, Texas (the "City") for the fiscal year ended September 30, 2000, is hereby submitted. The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. We believe the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

A full range of municipal services is provided by the City including public safety (police and fire protection); residential solid waste sanitation services; water and wastewater services; public improvements; repair and maintenance of infrastructure; recreational and community activities and general administrative services. All funds and account groups of the City are included.

FORM OF GOVERNMENT

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

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

MISSION STATEMENT

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

GEOGRAPHIC DESCRIPTION

The City is located 15 miles northwest of downtown Houston. Estimated total population has increased since 1990 to just over 8,000. Residents have access to the large and diverse employment base in the Houston Metropolitan Area. Per capita income is 147% of state and 131% of national averages. Property market value increased by a moderate 4.7% average annual rate from 1991 through 2000. In March 1999, however, through annexation, property value increased to \$429 million, or nearly \$54,000 per capita. Most of the growth is attributed to steady development of residential property, which constitutes over 54% of the City's 3.5 square miles of land area. Much of the undeveloped land is zoned for commercial uses. The City has limited opportunities to annex adjacent areas, but there is currently no planned annexation in place. The largest taxpayer is a computer manufacturer, which constitutes 7.3% of the total tax base. Overall concentration is fairly low, with the top 10 taxpayers representing 29.2% of the base. Financial position is strong, with the City holding a total general fund balance of about \$2,673,000, or 61% of total operating expenditures, as of September 30, 2000. Property taxes account for over 36% of operating revenues, while a 2.0% sales tax makes up about 31%. The 2001 fiscal year budget projects a small decrease in the fund. Property value growth in 2000 also has been faster than anticipated. With a current total tax rate of \$.68408 per \$100.00 of assessed value, only 29% of the levy limit is being used. In a prior fiscal year designed to reduce property taxes, taxpayers passed a referendum for a 0.5% increase in the sales tax amounting to over \$500,000 annually in additional annual revenues. The increase went into effect October 1, 1995. Overall net debt is high, at about \$2,400 per capita and 2.0% of true value. Debt service accounts for 20% of operating expenditures. The City expects to issue \$4 million - \$5 million of additional debt around the year 2001 for a new fire station, City Hall complex and street reconstruction.

FINANCIAL INFORMATION

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

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

The total financial program of the City of Jersey Village for the 2001 fiscal year consists of an operational budget of \$8,068,466. This budget is \$665,000 more than that of the 1999-2000 fiscal year. The Capital Improvements Fund expenditures are budgeted in the amount of \$8,050,658.

General Governmental Functions

Revenues and Other Financing Sources

The following schedule presents a summary of Governmental fund type (General, Asset Forfeiture, Motel Tax, Crime Control and Prevention, Debt Service, and Capital Projects Fund) revenues for the fiscal year ended September 30, 2000, and the amount of increases and decreases in relation to prior year revenues (in thousands).

Revenue Source	Amount (1000's)	Percent of Total	Increase/ (Decrease) from 1999
Property taxes	\$ 2,975	43.12 %	\$ 354
Other taxes	2,556	37.04	821
Licenses and permits	123	1.78	35
Fines and forfeitures	473	6.86	107
Charges for services	165	2.39	(1)
Other revenue	222	3.22	(15)
Interest revenue	386	5.59	128
Total	\$ 6,900	100.00 %	\$ 1,429

Property Tax

Property tax revenues for the year totaled \$2,974,775, an increase of approximately 14 percent from last year. The following table presents a comparison of valuations, tax rates, and tax levies.

	1999-2000	1998-1999	Change
Net Assessed Valuations	\$ 429,510,881	\$ 319,000,537	\$ 110,510,344
Tax Rate per \$100			
General Fund	0.40535	0.53279	(0.12744)
Debt Service Fund	0.27873	0.15129	0.12744
Total	\$ 0.68408	\$ 0.68408	\$
Tax Levy	\$ 2,938,198	\$ 2,182,219	\$ 755,979

The net assessed property valuation on which the City levied taxes for 1999 was \$429,510,881, an increase of 34.6 percent over the previous tax year. Residential valuations increased 1.0 percent while commercial valuations increased 67.8 percent for a net increase of 10.0 percent. Since 1987, net valuations have increased 98.8%, the majority of which is attributable to the increases of commercial areas.

The combined tax rate for 2000 was \$0.68408 per \$100 of valuation, the same as the previous year. The allocation between the two components was changed by increasing the Debt Service Fund portion by 0.12744 and decreasing the General Fund component by 0.12744. This action increased property taxes allocated for debt service approximately \$714,560. The total levy for the 2000 fiscal year (1999 tax year) was \$2,938,198, an increase from the previous year of \$755,979.

Current property tax collections represent 100.0 percent of the current levy, approximately the same percentage as last year. The ratio of total collections (current and delinquent) to the current tax levy was 98.7 percent. Collections are comparable to collections for the past year and continue to remain at a higher level than in surrounding areas.

The City retains a delinquent tax attorney to assist in collection of delinquent tax accounts. The City through the delinquent tax attorney, intervenes in suits filed by the Cypress-Fairbanks Independent School District, whose accounts overlap with the City's, for a more efficient collection of taxes. Total delinquent taxes outstanding as of September 30, 2000 were \$123,410, representing 4.1 percent of the current tax levy.

Sales Tax

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

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

Sales tax revenue for the City, excluding sales tax revenue for the State, totaled \$1,552,485, an 18 percent increase over the previous year. This increase is primarily attributed to increased new retail business and general growth in retail sales. The monthly average for 1999-2000 was \$129,374, as compared to \$109,663 in the previous year.

Total combined sales tax revenues are 31 percent of total revenues.

Franchise Fees

Franchise fees totaled \$420,751, an increase of \$60,972 from the prior year. Collections are based on gross receipts of electricity, gas, cable, and telephone utilities and are contingent upon customers and customer demand.

Investment Income

The City maintained a high investment balance through its cash management program with revenue from interest earnings, which represented approximately 6 percent of general government revenue. This is slightly higher than last year due to a slight increase in average cash and temporary investment balances and an increase in interest rates over the prior year. Managing investment income is an ever increasing challenge and responsibility for the investment officer.

Expenditures

Expenditures for general governmental purposes totaled \$6,311,256, a decrease of 22 percent from 1999. Changes in levels of expenditures for departments and major functions of the City from the preceding year are shown in the following tabulation (in thousands):

<u>Classification</u>	<u>Amount (1000's)</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 1999</u>
Finance & Administration	\$ 950	15.05 %	\$ 155
Public Works	1,412	22.38	430
Public Safety	1,992	31.56	196
Parks and Recreation	256	4.06	15
Debt Service	1,265	20.04	(1,043)
Capital Improvements	436	6.91	(1,535)
Total	\$ 6,311	100.00 %	\$ (1,782)

The total 2000 expenditures for all functions decreased \$1,781,221 from the prior year. The decrease in debt service is due to prior year early retirement of debt from the recently annexed Municipal Utility Districts.

Fund Balances

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

<u>Fund</u>	<u>2000</u>	<u>1999</u>	<u>Increase (Decrease)</u>
General Fund	\$ 2,673,068	\$ 2,026,341	\$ 646,727
Special Revenue Fund	565,337	238,752	326,585
Debt Service Fund	1,039,866	1,083,233	(43,367)
Capital Projects Fund	2,111,055	1,765,028	346,027

The policy of the General Fund is to maintain a fund balance equivalent of three months or 25 percent of annual normal recurring expenditures. For the year ended September 30, 2000, the calculated balance required for the General Fund is approximately \$1,094,000. The actual undesignated balance of \$2,599,585 is greater than the policy requirement. Amounts in excess of the required balance are presented to the City Council for transfer to a Capital Projects Fund or considered for funding of non-recurring operations and maintenance expenditures. As the funds are accumulated, plans are developed for the best and most appropriate use. This plan is adopted by the City Council as part of the overall annual budget process. The required fund balance for the Debt Service Fund is \$316,286 and the actual balance is \$1,039,866. This amount is greater than the required amount but will be reduced over the next five years to meet debt requirements.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. At September 30, 2000, these indicators were as follows:

<u>Description</u>	<u>Amount</u>	<u>Percent of Debt to Assessed Value</u>	<u>Debt per Capita</u>
Net direct bonded debt	\$ 5,610,125	1.59 %	\$ 701
Overlapping debt	14,126,729	4.43	1,766
Total Direct and Overlapping Debt	\$ 19,736,854	6.02 %	\$ 2,467

Total outstanding tax supported debt (general obligation bonds and certificates of obligation) at September 30, 2000 totaled \$6,649,991.

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

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

Cash Management

The Investment Policy adopted by the City Council is in compliance with state statutes governing investment activities. In 1999-2000, investments were primarily placed with Texpool, a state administered investment pool available to local governments. The City's texpool investments at September 30, 2000 totaled \$8,809,765 (100 percent of the City's portfolio) and interest earnings were at 6.47% in September 2000. Texpool's invested balance was approximately \$8.4 billion. The increase in the investments placed with Texpool was a direct result of the declining interest rates offered with the local depository. The City will continue to review its portfolio per the investment policy after considering safety, liquidity and return on investment. Texpool is rated as a AAA money market fund by Standard and Poor's. As of September 30, 2000, the weighted average maturity of investments was 51 days.

Capital Projects Funds

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

For the last several years, the policy of the City has been 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. Appropriations remain with the project until completion. Council may reappropriate the funds to reflect a change in priority as recommended by staff. Total expenditures for capital improvements were \$399,548. Some projects were completed and several were in progress at year end.

Annually, the City will evaluate the fund balance position of the General Fund and amounts over the policy guidelines will be considered for transfer to this fund. Expenditures during the 1999-2000 fiscal year include the costs of various water line and well projects.

The fund balance designated for capital improvement projects, at September 30, 2000, was \$2,111,055.

Enterprise Funds

The City maintains two separate enterprise funds: a water and wastewater utility fund and a golf course fund.

Utility Fund

The water and wastewater utility fund provides service to customers within the corporate limits. Annually, the City produces or purchases approximately 400 million gallons of water. As of September 30, 2000, the customer base and consumption for the past two fiscal years is presented below:

	<u>1999-2000</u>	<u>1998-1999</u>
<u>Customer Base</u>		
Residential	1,888	1,852
Commercial	229	212
Total	<u>2,117</u>	<u>2,064</u>
<u>Annual Consumption (Thousands of Gallons)</u>		
Residential	266,598	241,531
Commercial	145,550	95,382
Total	<u>412,148</u>	<u>336,913</u>
<u>Average Monthly Consumption per Customer (Gallons)</u>		
Residential	11,767	13,042
Commercial	52,966	44,992
Total	<u>64,733</u>	<u>58,034</u>

In recent years, a five year rate and financial plan was developed to meet the projected operating and maintenance costs. The rate structure adopted as a result of the plan is designed to encourage conservation, recapture all operating costs and fund future capital improvement programs. The actual rates are comprised of two components, a water service charge and a sewer

charge. Base service charges increase with meter size to more accurately reflect the demand created by individual customer classes. A sewer cap of the average sewer bill for the period November through February is in effect during the months March through February. The average monthly bill for a typical residential customer with a 3/4 inch meter based on 3,000 gallons is \$30.79 which represents \$7.70 for water and \$23.09 for sewer.

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

	<u>1999-2000</u>	<u>1998-1999</u>
Gross Revenue	\$ 1,926,002	\$ 1,423,819
Total Operating Expenses (net of depreciation)	1,016,193	734,751
Cash and Equivalents	2,701,784	688,768

To continue to provide maintenance for infrastructure and to maintain revenue levels to meet expenses and debt requirements, the City will increase the water and sewer rates 10% per year for five years. This increase became effective in the 1999 fiscal year. During the next year, the City will continue to upgrade the water and wastewater system by replacing and adding new waterlines and sewer lines in the City.

Golf Course Fund

On August 11, 2000, the City finalized the purchase of Jersey Meadow Golf Course. This golf course had been privately owned and operated within the City for approximately 45 years. The City purchased the original 18 holes, clubhouse, maintenance barn and related equipment for \$6.9 million. Results of operations from the golf course for the one and a half months ended September 30, 2000 are presented below:

Gross Revenue	\$ 222,001
Total Operating Expenses (net of depreciation)	188,795
Cash and Equivalents	344,005

Risk Management

Medical claims are covered by a private insurance carrier. As of September 30, 2000, the City required employees to contribute \$100 per month for dependent group health coverage. For the fiscal year ended September 30, 2000, total cost for the program was \$267,000. Based on the employee population at September 30, 2000 of 57, the average cost per employee was \$4,684.

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

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general government functions and exclude the fixed assets of the Enterprise Fund. As of September 30, 2000, the general fixed assets of the City amounted to \$10,721,464. The \$758,000 decrease from the previous year is mainly attributable to the transfer of vehicles to the Internal Service fund. Annually, as part of the budget process, the City conducts an inventory of materials, equipment and office furniture and disposes of obsolete, surplus or scrap equipment and materials through public auction.

Comprehensive Plan

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

Municipal Facilities

City Hall. The City is scheduled to construct a new City Hall and fire apparatus facility in 2001. The current City Hall building will be converted for office and training use for the Fire Department. The new fire facility will be a two-story structure and will provide space for up to eight vehicles plus equipment required for fire fighting and EMS services. The new City Hall will cover approximately 11,000 square feet and will house current administrative and public works staff. The building will be attached to the former church auditorium, which will be remodeled for use as the new Civic Center. Estimated cost for the City Hall project is \$5,000,000.

Recycling

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

Police Public Safety Programs

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

Fire Department Public Education

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

the goal of the Fire Marshal's office to get compliance through education rather than citations which may lead to punitive action.

FUTURE PROJECTS

Capital Improvement Program

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

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

For fiscal year 1999-2000, the City's primary thrust in capital projects was the renovation and upgrade of a water well. Future projects contained in the CIP include construction of a new extension and/or rehabilitation of numerous water and sewer lines.

INDEPENDENT AUDIT

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1999. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

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

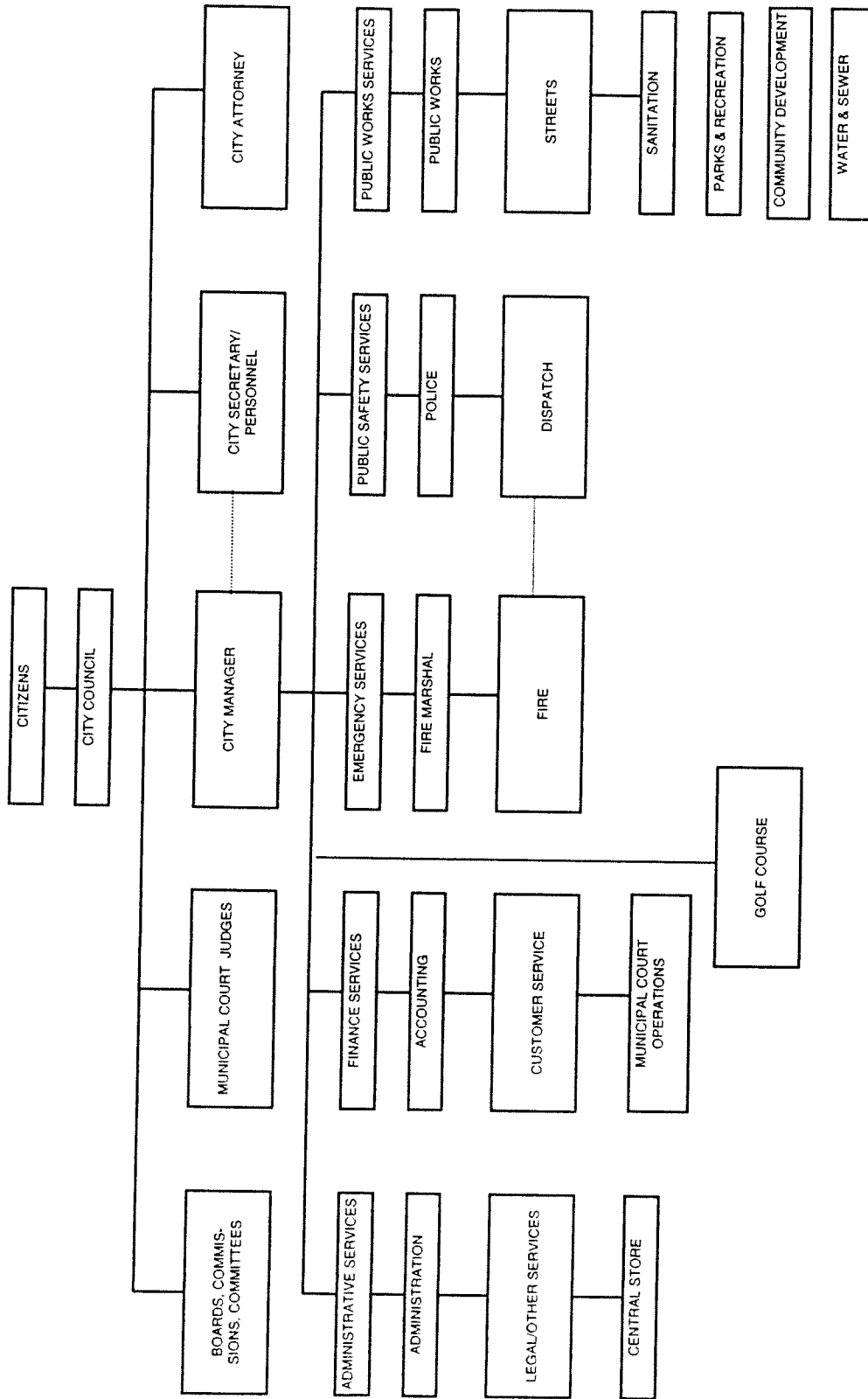
ACKNOWLEDGMENTS

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

Respectfully submitted,

R. Dale Brown
City Manager

CITY OF JERSEY VILLAGE
 ORGANIZATION CHART
 FY 1999-2000



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Jersey Village,
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1999

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



Anne Spray Kinsey
President

Jeffrey L. Esser
Executive Director

CITY OF JERSEY VILLAGE, TEXAS

PRINCIPAL OFFICIALS

September 30, 2000

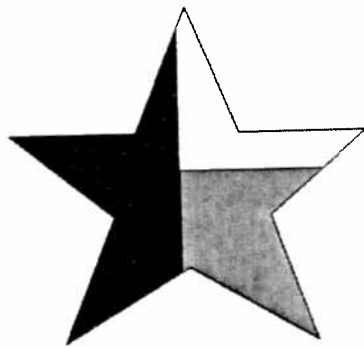
<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Stephen Schneider	Mayor	2001
Rusty Preece	Council Member – Position No. 1	2002
Ed Heathcott	Council Member – Position No. 2	2001
Charlie Wilson, Jr.	Council Member – Position No. 3 (Mayor Pro-Tem)	2001
Russell Hamley	Council Member – Position No. 4	2002
Joyce Berube	Council Member – Position No. 5	2002
<u>Key Staff</u>	<u>Position</u>	
R. Dale Brown	City Manager *	
Debbie Loesch	City Secretary *	
Kenneth Wall	City Attorney *	
Roderick Hainey	Director of Public Works	
Kathy Hutchens	Fire Chief	
Louis Q. Rodriguez	Director of Finance	
Charles Wedemeyer	Police Chief	

* - City Council Appointive Position



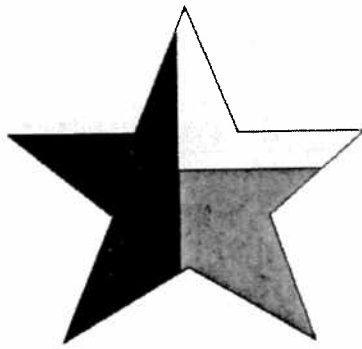
*A Texas Star Community
Jersey Village, Texas*

COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES



*A Texas Star Community
Jersey Village, Texas*

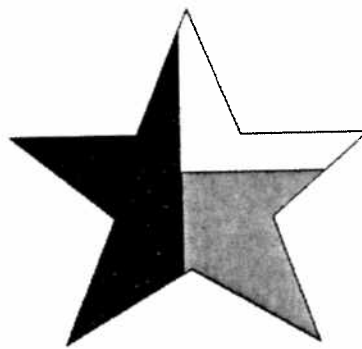
GOVERNMENTAL FUND TYPES



*A Texas Star Community
Jersey Village, Texas*

GENERAL FUND

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



*A Texas Star Community
Jersey Village, Texas*

Independent Auditors' Report

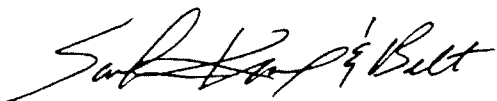
To the Honorable Mayor and
Members of the City Council
City of Jersey Village, Texas

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the City of Jersey Village, Texas, as of September 30, 2000, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the City of Jersey Village, Texas, management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Jersey Village, Texas, as of September 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Jersey Village, Texas, as of September 30, 2000, and the results of operations of such funds and the cash flows of individual proprietary fund types for the year ended in conformity with generally accepted accounting principles.

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



Sugar Land, Texas
December 11, 2000



GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF JERSEY VILLAGE, TEXAS

COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2000

with comparative totals for September 30, 1999

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Cash and temporary investments	\$ 3,168,865	\$ 579,300	\$ 1,040,754	\$ 2,069,005
Receivables:				
Taxes	70,243		30,460	
Accounts	84,115			
Due from other funds	351,041	558		43,294
Inventory				
Prepaid expenses				
General fixed assets				
Proprietary fixed assets net of accumulated amortization and depreciation				
<u>Other Debits</u>				
Amount available for debt service				
Amount to be provided for retirement of general long-term debt				
Total Assets and Other Debits	<u>\$ 3,674,264</u>	<u>\$ 579,858</u>	<u>\$ 1,071,214</u>	<u>\$ 2,112,299</u>
<u>Liabilities, Equity, and Other Credits</u>				
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 892,101	\$	\$	\$
Due to other funds	38,852	14,521	888	1,244
Customer deposits				
Deferred revenue	70,243		30,460	
Bond anticipation note payable				
Bonds payable				
Certificates of obligation				
Accrued interest on premium compound interest bonds				
Total Liabilities	<u>1,001,196</u>	<u>14,521</u>	<u>31,348</u>	<u>1,244</u>
<u>Equity and Other Credits</u>				
Contributed capital				
Investment in general fixed assets				
Retained Earnings:				
Reserved				
Unreserved				
Fund Balances:				
Reserved	57,514		1,039,866	
Unreserved and designated	15,969	565,337		2,111,055
Unreserved and undesignated	2,599,585			
Total Equity and Other Credits	<u>2,673,068</u>	<u>565,337</u>	<u>1,039,866</u>	<u>2,111,055</u>
Total Liabilities, Equity, and Other Credits	<u>\$ 3,674,264</u>	<u>\$ 579,858</u>	<u>\$ 1,071,214</u>	<u>\$ 2,112,299</u>

See Notes to Financial Statements.

Proprietary Fund Types		Account Groups		(Memorandum Only)	
Enterprise	Internal Service	General Fixed Assets	General Long-Term Debt	September 30, 2000	September 30, 1999
\$ 3,045,789	\$ 373,091	\$	\$	\$ 10,276,804	\$ 6,619,816
				100,703	82,643
206,262				290,377	234,059
1,244				396,137	1,488,711
24,008				24,008	
14,771				14,771	
		10,721,464		10,721,464	11,478,967
17,212,988	436,076			17,649,064	9,607,532
			1,039,866	1,039,866	1,083,233
			8,015,539	8,015,539	8,520,636
<u>\$ 20,505,062</u>	<u>\$ 809,167</u>	<u>\$ 10,721,464</u>	<u>\$ 9,055,405</u>	<u>\$ 48,528,733</u>	<u>\$ 39,115,597</u>
\$ 209,371	\$	\$	\$	\$ 1,101,472	\$ 381,949
282,681	57,951			396,137	1,488,711
66,311				66,311	61,164
				100,703	82,643
9,000,000					1,255,000
			4,774,991	13,774,991	4,019,991
			1,875,000	1,875,000	2,125,000
			2,405,414	2,405,414	2,203,878
<u>9,558,363</u>	<u>57,951</u>	<u></u>	<u>9,055,405</u>	<u>19,720,028</u>	<u>11,618,336</u>
9,941,322	387,114			10,328,436	9,765,094
		10,721,464		10,721,464	11,478,967
377,807				435,321	321,001
627,570	364,102			991,672	818,845
				1,039,866	1,083,233
				2,692,361	2,015,236
				2,599,585	2,014,885
<u>10,946,699</u>	<u>751,216</u>	<u>10,721,464</u>	<u></u>	<u>28,808,705</u>	<u>27,497,261</u>
<u>\$ 20,505,062</u>	<u>\$ 809,167</u>	<u>\$ 10,721,464</u>	<u>\$ 9,055,405</u>	<u>\$ 48,528,733</u>	<u>\$ 39,115,597</u>

CITY OF JERSEY VILLAGE, TEXAS

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

Year Ended September 30, 2000
with comparative totals for Year Ended September 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Property taxes	\$ 1,823,730	\$	\$ 1,151,045	\$
Other taxes	1,984,985	571,456		
Licenses and permits	123,410			
Fines and warrants	472,585			
Fees and charges for services	165,102			
Mutual aid	4,470			
Intergovernmental	101,079			
Interest on investments	192,984	26,943	70,732	95,575
Other	115,755			
Total Revenues	<u>4,984,100</u>	<u>598,399</u>	<u>1,221,777</u>	<u>95,575</u>
Expenditures				
Current:				
General government	950,181			
Public safety	1,756,089	235,542		
Public works	1,412,506			
Parks and recreation	256,004			
Capital outlay		36,272		399,548
Debt Service:			750,000	
Principal retirement			515,144	
Interest and fiscal charges				
Total Expenditures	<u>4,374,780</u>	<u>271,814</u>	<u>1,265,144</u>	<u>399,548</u>
Revenues Over (Under) Expenditures	<u>609,320</u>	<u>326,585</u>	<u>(43,367)</u>	<u>(303,973)</u>
Other Financing Sources (Uses)				
Sale of assets	5,720			
Operating transfers in	231,687			650,000
Operating transfers (out)	(200,000)			
Total Other Financing Sources (Uses)	<u>37,407</u>			<u>650,000</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>646,727</u>	<u>326,585</u>	<u>(43,367)</u>	<u>346,027</u>
Fund balances - Beginning	2,026,341	238,752	1,083,233	1,765,028
Restatement				
Fund Balances - Ending	<u>\$ 2,673,068</u>	<u>\$ 565,337</u>	<u>\$ 1,039,866</u>	<u>\$ 2,111,055</u>

See Notes to Financial Statements.

Totals (Memorandum Only)			
September 30, 2000		September 30, 1999	
\$	2,974,775	\$	2,620,888
	2,556,441		1,735,116
	123,410		87,731
	472,585		365,854
	165,102		165,902
	4,470		
	101,079		51,021
	386,234		257,625
	115,755		186,891
	<u>6,899,851</u>		<u>5,471,028</u>
	950,181		794,586
	1,991,631		1,795,737
	1,412,506		981,523
	256,004		241,396
	435,820		1,970,872
	750,000		1,965,000
	515,144		343,393
	<u>6,311,286</u>		<u>8,092,507</u>
	<u>588,565</u>		<u>(2,621,479)</u>
	5,720		5,336
	881,687		1,269,257
	(200,000)		(637,570)
	<u>687,407</u>		<u>637,023</u>
	1,275,972		(1,984,456)
	5,111,354		4,033,330
			3,062,480
\$	<u>6,387,326</u>	\$	<u>5,111,354</u>

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

Year Ended September 30, 2000

	<u>General Fund</u>		<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Actual</u>	
<u>Revenues</u>			
Property taxes	\$ 1,760,523	\$ 1,823,730	\$ 63,207
Other taxes	1,729,000	1,984,985	255,985
Licenses and permits	68,400	123,410	55,010
Fines and warrants	325,700	472,585	146,885
Fees and charges for services	151,125	165,102	13,977
Mutual aid	3,800	4,470	670
Intergovernmental	102,600	101,079	(1,521)
Interest on investments	119,600	192,984	73,384
Other	470,507	115,755	(354,752)
Total Revenues	<u>4,731,255</u>	<u>4,984,100</u>	<u>252,845</u>
<u>Expenditures</u>			
Current:			
General government	974,809	950,181	24,628
Public safety	2,185,744	1,756,089	429,655
Public works	1,505,488	1,412,506	92,982
Parks and recreation	277,638	256,004	21,634
Capital Outlay			
Debt Service:			
Principal retirement			
Interest and fiscal charges			
Total Expenditures	<u>4,943,679</u>	<u>4,374,780</u>	<u>568,899</u>
Revenues Over (Under) Expenditures	(212,424)	609,320	821,744
<u>Other Financing Sources (Uses)</u>			
Sale of assets		5,720	5,720
Operating transfers in	231,687	231,687	
Operating transfers (out)	(200,000)	(200,000)	
Total Other Financing Sources (Uses)	<u>31,687</u>	<u>37,407</u>	<u>5,720</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(180,737)	646,727	827,464
Fund balances - Beginning	2,026,341	2,026,341	
Fund Balances - Ending	<u>\$ 1,845,604</u>	<u>\$ 2,673,068</u>	<u>\$ 827,464</u>

See Notes to Financial Statements.

Special Revenue Fund			Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 498,000	\$ 571,456	\$ 73,456	\$ 1,204,421	\$ 1,151,045	\$ (53,376)
5,500	26,943	21,443	35,000	70,732	35,732
<u>503,500</u>	<u>598,399</u>	<u>94,899</u>	<u>1,239,421</u>	<u>1,221,777</u>	<u>(17,644)</u>
352,607	235,542	117,065			
242,200	36,272	205,928			
<u>594,807</u>	<u>271,814</u>	<u>322,993</u>	<u>750,000</u>	<u>750,000</u>	
(91,307)	326,585	417,892	<u>577,301</u>	<u>515,144</u>	<u>62,157</u>
			<u>1,327,301</u>	<u>1,265,144</u>	<u>62,157</u>
			(87,880)	(43,367)	44,513
(400)		400			
<u>(400)</u>		<u>400</u>			
(91,707)	326,585	418,292	(87,880)	(43,367)	44,513
<u>238,752</u>	<u>238,752</u>		<u>1,083,233</u>	<u>1,083,233</u>	
<u>\$ 147,045</u>	<u>\$ 565,337</u>	<u>\$ 418,292</u>	<u>\$ 995,353</u>	<u>\$ 1,039,866</u>	<u>\$ 44,513</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-4

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

Year Ended September 30, 2000
with comparative totals for Year Ended September 30, 1999

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
			<u>2000</u>	<u>1999</u>
<u>Operating Revenues</u>				
Charges for services	\$ 2,057,702	\$	\$ 2,057,702	\$ 1,350,162
Penalties and interest	20,162		20,162	12,030
Impact fees	36,764		36,764	47,396
Rental fees		358,475	358,475	52,750
Other	33,375		33,375	14,231
Total Operating Revenues	<u>2,148,003</u>	<u>358,475</u>	<u>2,506,478</u>	<u>1,476,569</u>
<u>Operating Expenses</u>				
Personnel services	347,301		347,301	196,433
Materials and supplies	58,363		58,363	23,099
Repairs and maintenance	92,246		92,246	67,871
Utilities	218,990		218,990	129,972
Purchased services	223,560		223,560	194,281
Depreciation	473,598	96,003	569,601	283,430
Other services and charges	264,528		264,528	123,095
Total Operating Expenses	<u>1,678,586</u>	<u>96,003</u>	<u>1,774,589</u>	<u>1,018,181</u>
Operating Income	469,417	262,472	731,889	458,388
<u>Non-Operating Revenue (Expenses)</u>				
Investment income	134,589	10,988	145,577	31,457
Interest and fiscal charges	(56,146)		(56,146)	
Total Non-Operating Revenue (Expenses)	<u>78,443</u>	<u>10,988</u>	<u>89,431</u>	<u>31,457</u>
Income Before Operating Transfers	547,860	273,460	821,320	489,845
<u>Operating transfers in (out)</u>	<u>(681,687)</u>	<u></u>	<u>(681,687)</u>	<u>(631,687)</u>
Net Income (Loss)	(133,827)	273,460	139,633	(141,842)
Add depreciation on fixed assets acquired with external contributions	90,000		90,000	180,000
Change in Retained Earnings	<u>(43,827)</u>	<u>273,460</u>	<u>229,633</u>	<u>38,158</u>
Retained earnings, beginning of year	1,049,204	90,642	1,139,846	1,101,688
Retained Earnings, End of Year	<u>1,005,377</u>	<u>364,102</u>	<u>1,369,479</u>	<u>1,139,846</u>
Contributed capital, beginning of year	9,765,094		9,765,094	5,770,590
Depreciation transferred from R.E.	(90,000)		(90,000)	(180,000)
Increase in contributed capital	266,228	387,114	653,342	4,174,504
Contributed Capital, End of Year	<u>9,941,322</u>	<u>387,114</u>	<u>10,328,436</u>	<u>9,765,094</u>
Fund Equity, End of Year	<u>\$ 10,946,699</u>	<u>\$ 751,216</u>	<u>\$ 11,697,915</u>	<u>\$ 10,904,940</u>

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-5

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES

Year Ended September 30, 2000
with comparative totals for Year Ended September 30, 1999

	Enterprise	Internal Service	Totals (Memorandum Only)	
			2000	1999
<u>Cash Flows from Operating Activities</u>				
Operating Income	\$ 469,417	\$ 262,472	\$ 731,889	\$ 458,388
Adjustments to Reconcile Operating Income to Net Cash				
Provided by Operating Activities:				
Depreciation and amortization	473,598	96,003	569,601	283,430
(Increase) Decrease in accts receivable	(1,826)		(1,826)	(107,038)
(Increase) Decrease in inventory	(24,008)		(24,008)	
(Increase) Decrease in prepaid expenses	(14,771)		(14,771)	
Increase (Decrease) in accounts payable and accrued liabilities	199,009		199,009	(1,997)
Increase in customer deposits	5,147		5,147	9,813
Net Cash Provided (Used) by Operating Activities	1,106,566	358,475	1,465,041	642,596
<u>Cash Flows from Noncapital Financing Activities</u>				
(Increase) Decrease in due from other funds	383,844		383,844	(310,088)
Increase (Decrease) in due to other funds	282,681	6,651	289,332	50,960
Operating transfers in (out)	(681,687)		(681,687)	(631,687)
Noncapital assets contributed through annexation				400,000
Net Cash Provided (Used) by Financing Activities	(15,162)	6,651	(8,511)	(490,815)
<u>Cash Flows from Capital and Related Financing Activities</u>				
Proceeds from bond issues	9,000,000		9,000,000	
Capital expenditures for property, plant, and equipment	(7,812,826)	(144,965)	(7,957,791)	(13,456)
Interest payments on revenue bonds	(56,146)		(56,146)	
Net Cash Provided (Used) by Capital and Related Financing Activities	1,131,028	(144,965)	986,063	(13,456)
<u>Cash Flows from Investing Activities</u>				
Interest on investments	134,589	10,988	145,577	31,457
Net Cash Provided by Investing Activities	134,589	10,988	145,577	31,457
Net Increase in Cash and Cash Equivalents	2,357,021	231,149	2,588,170	169,782
Cash and cash equivalents, beginning of year	688,768	141,942	830,710	660,928
Cash and Cash Equivalents, End of Year	\$ 3,045,789	\$ 373,091	\$ 3,418,880	\$ 830,710
<u>Supplemental Information:</u>				
Assets contributed through annexation	\$	\$	\$	\$ 3,955,572
Assets contributed by other funds	\$ 266,228	\$ 387,114	\$ 653,342	\$ 218,932

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these general purpose financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the City's financial reporting entity. The Jersey Village Crime Control and Prevention District (the "District"), a blended component unit of the City, is included in these financial statements. The purpose of the District is to enhance crime control and prevention within the City. The District's board is appointed by the City and the City is able to impose its will on the District, including approving its operating budget. Financial statements of the District are available from the City. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Basis of Presentation-Fund Accounting

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

Governmental Fund Types

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

General Fund

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

Special Revenue Funds

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

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

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

Debt Service Fund

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

Capital Projects Funds

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

Proprietary Fund Types

Enterprise Funds

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

Internal Service Fund

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

Account Groups

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

CITY OF JERSEY VILLAGE, TEXAS

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NOTES TO FINANCIAL STATEMENTS

General Fixed Assets

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

General Long-Term Debt

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

C. Basis of Accounting

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

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

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

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NOTES TO FINANCIAL STATEMENTS

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

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

D. Budgets

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

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

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

The City of Jersey Village has complied with all budget requirements for the year ended September 30, 2000. The City Administration and Fire Marshal departments had expenditures over appropriations due to vacation leave accruals during the year. The Finance department had expenditures over appropriations due to software capital outlay which was encumbered and reserved for in the prior year, and the Legal department had expenditures over appropriations due to increased charges for services.

E. Cash and Cash Equivalents

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

F. Inventories

Inventories are stated at cost. The City uses the FIFO method of accounting for inventories. Inventories consist of expendable supplies held for consumption, and the cost thereof is recorded as an expense/expenditure at the time the inventory items are issued (consumption method).

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NOTES TO FINANCIAL STATEMENTS

G. Interfund Transactions

Transactions Between Funds

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly attributable to another fund are recorded as expenditures or expenses in the reimbursing fund and primarily as reductions of the expenditure or expense in the fund that is reimbursed.

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

H. Fund Equity

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

I. Compensated Employee Absences

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

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

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NOTES TO FINANCIAL STATEMENTS

J. Fixed Assets

General Fixed Assets

General fixed assets have been acquired or constructed for general governmental purposes. Such fixed assets are recorded as expenditures in the Governmental Funds and capitalized at historical cost in the General Fixed Assets Account Group. Gifts or contributions of general fixed assets are recorded at estimated fair market value upon receipt. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized as general fixed assets. No depreciation has been provided on general fixed assets.

Enterprise Fund Fixed Assets

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

	<u>Years</u>
Water and sewer system	40-50
Golf course improvements	20
Equipment	5-20
Vehicles	5-7

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

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

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K. Debt Service

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

L. General Property Taxes

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

M. Total Columns on Combined Statements

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

NOTE 2 - DEPOSITS (CASH) AND TEMPORARY INVESTMENTS

Deposits (Cash)

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

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depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance.

The City's cash deposits, at September 30, 2000, were entirely guaranteed by FDIC insurance or by pledged collateral held by the City's agent bank. The deposits were collateralized in accordance with state law and were properly secured throughout the year.

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

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

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

Temporary Investments

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

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

- Category 1 Investments that are insured, registered or held by the entity or by its agent in the entity's name.
- Category 2 Investments that are uninsured and unregistered held by the counterparty's trust department or agent in the entity's name.

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Category 3 Uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the entity's name.

Based on these three levels of risk, all of the City's investments other than amounts in Texpool are classified as Category 1. The Texpool investments are not evidenced by securities that exist in physical or book entry form and accordingly are not categorized. However, Texpool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act of 1995, as amended. The primary objective of these investment pools is to provide a safe environment for the placement of public funds in short-term, fully collateralized investments.

Cash and Temporary Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with maturities of three months or less. The City's temporary investments (Texpool) are carried at amortized cost rather than fair value to report net assets to compute share prices. Accordingly, the fair value of the City's position in Texpool is the same as the value of the pool shares. The State Comptroller of Public Accounts of Texas exercises oversight responsibility over Texpool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. In accordance with GASB No. 31 "Accounting and Reporting Certain Investments and External Investment Pools", the City reports all investments at fair value with the exception of "money market investments" and "2a7-like pools." Money market investments are reported at amortized cost, and investment positions in external investment pools that are operated in a manner consistent with the SEC rule's 2a7 of the Investment Company Act of 1940, such as Texpool, are reported using the pools' share price. The City's cash and temporary investments, at September 30, 2000, are shown below.

	Carrying Amount	Fair Value
Cash	\$ 1,467,039	\$ 1,467,039
Texpool	8,809,765	8,809,765
Total Cash and Temporary Investments	\$ 10,276,804	\$ 10,276,804

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NOTE 3 - PROPERTY TAXES

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

Property taxes are prorated between operations and debt service based on rates adopted for the year of the levy. For the current year, the City levied property taxes of \$0.68408 per \$100 of assessed valuation which were prorated between operations and debt service in the amounts of \$0.40535 and \$0.27873, respectively. The resulting adjusted tax levies were \$1,741,022 and \$1,197,176 for operations and debt service, respectively, on the total adjusted taxable valuation of \$429,510,881 for the 1999 tax year.

Property taxes receivable, at September 30, 2000, consists of the following:

<u>Tax Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
1999	\$ 22,168	\$ 15,243
1998	8,791	2,590
1997	7,432	2,214
1996	7,589	2,499
1995	8,184	2,419
1994	4,148	1,109
1993 and prior	11,931	4,386
	<u>\$ 70,243</u>	<u>\$ 30,460</u>

NOTE 4 - LAND, BUILDINGS AND EQUIPMENT

A summary of changes in land, buildings, and equipment included in the General Fixed Assets Account Group, for the year ended September 30, 2000, follows:

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	<u>Balance October 1, 1999</u>	<u>Transfers In and Additions</u>	<u>Transfers Out and Retirements</u>	<u>Balance Sept. 30, 2000</u>
Land, buildings and improvements	\$ 9,242,188	\$	\$	\$ 9,242,188
Vehicles	900,691		(900,691)	
Equipment	1,330,707	114,537	(5,504)	1,439,740
Construction in progress	5,381	34,155		39,536
Total General Fixed Assets	<u>\$ 11,478,967</u>	<u>\$ 148,692</u>	<u>\$ (906,195)</u>	<u>\$ 10,721,464</u>

A summary of changes in Enterprise Fund land, buildings, and equipment, for the year ended September 30, 2000, follows:

	<u>Balance October 1, 1999</u>	<u>Transfers In and Additions</u>	<u>Transfers Out and Retirements</u>	<u>Balance Sept. 30, 2000</u>
Water system	\$ 5,816,908	\$ 223,014	\$	\$ 6,039,922
Sewer system	6,004,697			6,004,697
Land, buildings and improvements	464,990	6,365,182		6,830,172
Vehicles and equip	277,292	602,387	(99,091)	780,588
Bond issue costs		331,066		331,066
Const in progress		780,419	(223,014)	557,405
	<u>\$ 12,563,887</u>	<u>\$ 8,302,068</u>	<u>\$ (322,105)</u>	<u>20,543,850</u>
Less accumulated depreciation				(3,330,862)
Net Land, Buildings and Equipment				<u>\$ 17,212,988</u>

The City purchased a golf course during the fiscal year ended September 30, 2000. Related land, buildings, improvements and equipment amounts were recorded at fair value at the date of purchase.

Construction in progress amounts for Enterprise Fund projects at September 30, 2000 consist of a water plant upgrade and an interconnect waterline with the City of Houston.

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NOTES TO FINANCIAL STATEMENTS

A summary of changes in Internal Service Fund fixed assets for the year ended September 30, 2000, follows:

	Balance October 1, 1999	Transfers In and Additions	Transfers Out and Retirements	Balance Sept. 30, 2000
Vehicles	\$	\$ 1,072,760	\$ (26,763)	\$ 1,045,997
Equipment		27,840		27,840
	\$	\$ 1,100,600	\$ (26,763)	1,073,837
Less accumulated depreciation				(637,761)
Net Vehicles and Equipment				\$ 436,076

NOTE 5 - LONG-TERM DEBT

General Long-Term Debt

General Obligation Bonds

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

	Interest Rates	Amount
Series 1986	7.00 - 9.00%	\$ 150,000
MUD No. 247 Refunding Series 1991	6.25 - 8.10%	2,384,991
MUD No. 199 Refunding Series 1996	4.75 - 6.25%	985,000
Series 2000	5.00 - 7.00%	\$ 1,255,000
		\$ 4,774,991

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

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NOTES TO FINANCIAL STATEMENTS

General Long-Term Debt			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 660,000	311,108	\$ 971,108
2002	332,476	606,561 *	939,037
2003	255,755	606,493 *	862,248
2004	255,224	608,567 *	863,791
2005	374,163	617,476 *	991,639
2006 - 2014	2,897,373	3,923,056 *	6,820,429
	<u>\$ 4,774,991</u>	<u>\$ 6,673,261</u>	<u>\$ 11,448,252</u>

* Includes accreted interest on premium compound interest bonds.

A portion of the bonds sold in the MUD No. 247 Series 1991 refunding bond issue were compound interest bonds. These obligations have par values of \$174,991 and maturity values of \$4,210,000. The interest on these obligations will be paid upon maturity in the fiscal years ending September 30, 2002 through 2011. The accreted values of the outstanding bonds at September 30, 2000 is approximately \$2,580,405; and accordingly, accrued interest on these bonds of \$2,405,414 has been recorded in the general long-term debt account group.

Combination Tax and Revenue Certificates of Obligation

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

	<u>Interest Rates</u>	<u>Amount</u>
Series 1994	5.00 - 6.50%	\$ 1,400,000
Series 1995	5.00 - 6.00%	475,000
		<u>\$ 1,875,000</u>

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NOTES TO FINANCIAL STATEMENTS

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

General Long-Term Debt			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	250,000	93,500	343,500
2002	250,000	80,925	330,925
2003	300,000	66,950	366,950
2004	275,000	52,200	327,200
2005	150,000	41,050	191,050
2006-2009	650,000	77,438	727,438
	<u>\$ 1,875,000</u>	<u>\$ 412,063</u>	<u>\$ 2,287,063</u>

Revenue Bonds Payable

The City also issues revenue bonds to provide funds for constructing improvements and extensions to the City's waterworks and sanitary sewer system payable from and secured by a first lien on and pledge of the revenues derived from the City's water and sewer system. Revenue bonds currently outstanding are as follow:

	<u>Interest Rates</u>	<u>Amount</u>
Series 2000	5.00 - 7.00%	<u>\$ 1,600,000</u>

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

Enterprise Fund			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	100,000	92,750	192,750
2002	100,000	85,750	185,750
2003	100,000	78,750	178,750
2004	100,000	71,750	171,750
2005	100,000	64,750	164,750
2006-2016	1,100,000	312,375	1,412,375
	<u>\$ 1,600,000</u>	<u>\$ 706,125</u>	<u>\$ 2,306,125</u>

Certificates of Obligation

The City also issues certificates of obligation (C.O.'s) to provide funds for the acquisition and construction of major capital facilities payable from pledge of the revenues of the City's golf course operations. C.O.'s currently outstanding are as follow:

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	<u>Interest Rates</u>	<u>Amount</u>
Series 2000	5.00 - 7.00%	\$ 6,960,000
Series 2000A-Taxable	8.90%	440,000
		\$ 7,400,000

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

<u>Fiscal Year</u>	<u>Enterprise Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001		444,848	444,848
2002	135,000	438,840	573,840
2003	145,000	426,380	571,380
2004	160,000	412,808	572,808
2005	170,000	399,738	569,738
2006-2025	6,790,000	4,387,767	11,177,767
	\$ 7,400,000	\$ 6,510,381	\$ 13,910,381

Summary of Long-Term Debt Requirements

The annual requirements to amortize all long-term debt outstanding at September 30, 2000 follow:

<u>Fiscal Year</u>	<u>General Long-Term Debt</u>		<u>Enterprise Fund</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2001	910,000	404,608	100,000	537,598	1,952,206
2002	582,476	687,486	235,000	524,590	2,029,552
2003	555,755	673,443	245,000	505,130	1,979,328
2004	530,224	660,767	260,000	484,558	1,935,549
2005	399,163	623,076	270,000	464,488	1,756,727
2006-2025	3,672,373	4,035,944	7,890,000	4,700,142	20,298,459
	\$ 6,649,991	\$ 7,085,324	\$ 9,000,000	\$ 7,216,506	\$ 29,951,821

During the year ended September 30, 2000, the following changes occurred in the general long-term debt account group:

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	Accrued Interest on PCI Bonds	Bond Anticipation Note	General Obligation Bonds	Certificates of Obligation	Total
Bal. Oct. 1, 1999	\$ 2,203,878	\$ 1,255,000	\$ 4,019,991	\$ 2,125,000	\$ 9,603,869
New issues/additions	201,536		1,255,000		1,456,536
Principal retirements		(1,255,000)	(500,000)	(250,000)	(2,005,000)
Bal. Sept. 30, 2000	\$ 2,405,414	\$	\$ 4,774,991	\$ 1,875,000	\$ 9,055,405

During the year ended September 30, 2000, the following changes occurred in enterprise fund debt:

	Revenue Bonds	Certificates of Obligation	Total
Bal. Oct. 1, 1999	\$	\$	\$
New issues/additions	1,600,000	7,400,000	9,000,000
Principal retirements			
Bal. Sept. 30, 2000	\$ 1,600,000	\$ 7,400,000	\$ 9,000,000

NOTE 6 - RETIREMENT PLANS

Texas Municipal Retirement System

Plan Description

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, defined benefit plan in the state-wide Texas Municipal Retirement System ("TMRS"), one of 731 administered by TMRS, an agent multiple-employer public employee retirement system.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be

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the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and the City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

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

Contributions

The contribution rate for the employees is 7%, and the City matching ratio is currently two to one, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. When the City periodically adopts updated service credits and increases its annuities in effect, the increased unfunded actuarial liability is to be amortized over a new 25-year period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 1999 valuation is effective for rates beginning January 2001). Actuarial assumptions of the plan follow:

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

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

Following is information related to the most recent and the two preceding actuarial valuations:

Calendar Year	1999	1998	1997
Actuarial Value of Assets	\$ 1,087,017	\$ 734,674	\$ 470,116
Actuarial Accrued Liability	\$ 2,563,472	\$ 1,572,654	\$ 1,378,564
Percentage Funded	42.4%	46.7%	34.1%
Unfunded Actuarial Accrued Liability	\$ 1,476,455	\$ 837,980	\$ 908,448
Annual Covered Payroll	\$ 1,895,105	\$ 1,599,598	\$ 1,471,627
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	77.9%	52.4%	61.7%
Net Pension Obligation at the Beginning of Period	\$	\$	\$
Annual Required Contribution	269,444	197,743	144,933
Interest on Net Pension Obligation			
Adjustment to the Annual Required Contribution			
Annual Pension Cost	269,444	197,743	144,933
Contributions Made	269,444	197,743	144,933
Increase in Net Pension Obligation			
Net Pension Obligation at the End of Period	\$ 0	\$ 0	\$ 0

The City is one of 731 municipalities having the benefit plan administered by TMRS. Each of the 731 municipalities have an annual, individual actuarial valuation performed. All assumptions for the December 31, 1999 valuations are

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - INTERFUND TRANSACTIONS

Operating transfers between funds during the 2000 year were as follow:

<u>Operating Transfer From</u>	<u>Operating Transfer To</u>	<u>Amounts</u>
Enterprise Fund	General Fund	\$ 231,687
Enterprise Fund	Capital Projects fund	450,000
General Fund	Capital Projects fund	200,000
		<u>\$ 881,687</u>

Interfund balances due to/from as of September 30, 2000 were as follow:

<u>Due To</u>	<u>Due From</u>	<u>Amounts</u>
General Fund	Debt Service	\$ 888
General Fund	Internal Service Fund	57,951
General Fund	Spec. Rev. Fund - Crime Control	14,521
General Fund	Enterprise Fund - Utility Fund	275,867
General Fund	Enterprise Fund - Golf Course	1,814
Spec. Rev. Fund - Hotel Occup.	General Fund	159
Spec. Rev. Fund - Asset Forf.	General Fund	399
Capital Projects Fund	Enterprise Fund - Golf Course	5,000
Capital Projects Fund	General Fund	38,294
Enterprise Fund - Utility Fund	Capital Projects Fund	1,244
		<u>\$ 396,137</u>

NOTE 8 - FUND EQUITY

Reservations

Fund balance in the General Fund of \$57,514 is reserved for encumbrances.

Retained earnings in the Enterprise Fund of \$377,807 is reserved for the following:

Debt service	\$ 16,100
Water capacity	144,683
Wastewater capacity	217,024
	<u>\$ 377,807</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

Designations

Fund balance in the General Fund of \$15,969 is designated as follows:

Future maintenance	\$	8,598
Police department		1,120
Fire department		5,080
Parks department		1,171
	\$	<u>15,969</u>

Fund balance in the Special Revenue Fund of \$565,337 is designated as follows:

Economic development	\$	232,999
Crime control and prevention		332,338
	\$	<u>565,337</u>

Fund balance in the Capital Projects Fund of \$2,111,055 is designated for authorized construction.

NOTE 9 - CONTRIBUTED CAPITAL

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

	<u>2000</u>	<u>1999</u>
Contributed capital at beginning of year	\$ 9,765,094	\$ 5,770,590
Additions - Capital Projects Fund	266,228	218,932
Annexation of MUD Nos. 247 and 199		3,955,572
Deductions - Depreciation on contributed assets	(90,000)	(180,000)
Contributed Capital at End of Year	<u>\$ 9,941,322</u>	<u>\$ 9,765,094</u>

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The City had a number of capital improvement commitments at September 30, 2000. These commitments and their related capital improvement construction in progress are summarized in Note 4.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit A-6

NOTES TO FINANCIAL STATEMENTS

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. The City has not significantly reduced insurance coverage or had settlements, which exceeded coverage amounts for the past three fiscal years.

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

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-1

GENERAL FUND
COMPARATIVE BALANCE SHEETS

September 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<u>Assets</u>		
Cash and temporary investments	\$ 3,168,865	\$ 3,748,392
Receivables:		
Taxes	70,243	51,396
Accounts	84,115	29,623
Due from other funds	351,041	54,312
	<u>3,674,264</u>	<u>3,883,723</u>
Total Assets	<u>\$ 3,674,264</u>	<u>\$ 3,883,723</u>
<u>Liabilities and Equity</u>		
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$ 892,101	\$ 371,587
Due to other funds	38,852	1,434,399
Deferred revenue	70,243	51,396
	<u>1,001,196</u>	<u>1,857,382</u>
Total Liabilities	<u>1,001,196</u>	<u>1,857,382</u>
<u>Equity</u>		
Fund Balances:		
Reserved:		
Encumbrances	57,514	
Unreserved:		
Designated		
Future maintenance	8,598	8,598
Police department	1,120	1,120
Fire department	5,080	567
Parks department	1,171	1,171
Undesignated	<u>2,599,585</u>	<u>2,014,885</u>
Total Equity	<u>2,673,068</u>	<u>2,026,341</u>
Total Liabilities and Equity	<u>\$ 3,674,264</u>	<u>\$ 3,883,723</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 1 of 5

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

Year Ended September 30, 2000
with comparative actual balances for the Year Ended September 30, 1999

	2000		Variance	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues				
Property taxes	\$ 1,760,523	\$ 1,823,730	\$ 63,207	\$ 1,902,539
Other taxes	1,729,000	1,984,985	255,985	1,530,487
Licenses and permits	68,400	123,410	55,010	87,731
Fines and warrants	325,700	472,585	146,885	365,854
Fees and charges for services	151,125	165,102	13,977	165,902
Mutual aid	3,800	4,470	670	
Intergovernmental	102,600	101,079	(1,521)	51,021
Interest on investments	119,600	192,984	73,384	158,665
Other	470,507	115,755	(354,752)	172,691
Total Revenues	<u>4,731,255</u>	<u>4,984,100</u>	<u>252,845</u>	<u>4,434,890</u>
Expenditures				
General Government:				
City Administration:				
Personnel services	199,791	216,384	(16,593)	174,684
Supplies	3,770	3,769	1	2,690
Repairs and maintenance	738	735	3	4,604
Other services and charges	90,173	84,619	5,554	60,554
Capital outlay	1,453	1,453		10,025
Total City Administration	<u>295,925</u>	<u>306,960</u>	<u>(11,035)</u>	<u>252,557</u>
Legal and Other Services:				
Personnel services	150	101	49	123
Other services and charges	165,550	171,063	(5,513)	122,112
Total Legal and Other Services	<u>165,700</u>	<u>171,164</u>	<u>(5,464)</u>	<u>122,235</u>
Central Store:				
Supplies	19,024	18,727	297	16,002
Repairs and maintenance	8,552	8,808	(256)	5,315
Other services and charges	7,746	3,603	4,143	6,931
Capital outlay	4,479	4,479		8,813
Total Central Store	<u>39,801</u>	<u>35,617</u>	<u>4,184</u>	<u>37,061</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 2 of 5

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

Year Ended September 30, 2000
with comparative actual balances for the Year Ended September 30, 1999

	2000		Variance	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
Expenditures (continued)				
General Government: (continued)				
Finance:				
Personnel services	127,261	125,922	1,339	94,717
Supplies	4,100	2,281	1,819	4,020
Repairs and maintenance	7,900	4,805	3,095	4,268
Other services and charges	16,200	13,330	2,870	13,856
Capital outlay		17,007	(17,007)	
Total Finance	<u>155,461</u>	<u>163,345</u>	<u>(7,884)</u>	<u>116,861</u>
Customer Service:				
Personnel services	89,840	74,154	15,686	67,025
Supplies	3,541	2,116	1,425	2,095
Repairs and maintenance	5,359	5,344	15	1,330
Other services and charges	30,900	26,791	4,109	30,174
Capital outlay				16,408
Total Customer Service	<u>129,640</u>	<u>108,405</u>	<u>21,235</u>	<u>117,032</u>
Municipal Court:				
Personnel services	98,182	97,289	893	76,128
Supplies	3,500	2,972	528	1,898
Repairs and maintenance	2,600	2,561	39	1,445
Other services and charges	81,000	58,868	22,132	65,976
Capital outlay	3,000	3,000		3,393
Total Municipal Court	<u>188,282</u>	<u>164,690</u>	<u>23,592</u>	<u>148,840</u>
Total General Government	<u>974,809</u>	<u>950,181</u>	<u>24,628</u>	<u>794,586</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 3 of 5

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

Year Ended September 30, 2000
with comparative actual balances for the Year Ended September 30, 1999

	<u>2000</u>		<u>Variance</u>	<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>
Expenditures (continued)				
Public Safety:				
Police:				
Personnel services	1,235,037	1,072,003	163,034	940,980
Supplies	37,155	6,084	31,071	21,757
Repairs and maintenance	18,745	15,119	3,626	15,196
Other services and charges	79,095	43,146	35,949	82,358
Capital outlay	128,900	21,345	107,555	183,578
Total Police	<u>1,498,932</u>	<u>1,157,697</u>	<u>341,235</u>	<u>1,243,869</u>
Dispatch:				
Personnel services	265,347	220,800	44,547	183,940
Supplies	3,850	3,386	464	2,685
Repairs and maintenance	4,380	3,711	669	1,242
Other services and charges	8,520	4,959	3,561	5,274
Capital outlay	1,850	2,820	(970)	21,128
Total Dispatch	<u>283,947</u>	<u>235,676</u>	<u>48,271</u>	<u>214,269</u>
Fire:				
Personnel services	153,196	122,089	31,107	75,120
Supplies	37,075	34,048	3,027	32,606
Repairs and maintenance	9,000	8,281	719	5,847
Other services and charges	80,700	62,537	18,163	42,722
Capital outlay	17,725	13,023	4,702	14,268
Total Fire	<u>297,696</u>	<u>239,978</u>	<u>57,718</u>	<u>170,563</u>
Fire Marshal:				
Personnel services	99,569	119,098	(19,529)	84,313
Supplies	3,200	2,272	928	2,506
Repairs and maintenance	600		600	
Other services and charges	1,800	1,368	432	933
Total Fire Marshal	<u>105,169</u>	<u>122,738</u>	<u>(17,569)</u>	<u>87,752</u>
Total Public Safety	<u>2,185,744</u>	<u>1,756,089</u>	<u>429,655</u>	<u>1,716,453</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 4 of 5

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

Year Ended September 30, 2000
with comparative actual balances for the Year Ended September 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Expenditures (continued)				
Public Works:				
Administration:				
Personnel services	164,145	165,372	(1,227)	136,846
Supplies	4,850	4,352	498	3,922
Repairs and maintenance	12,050	11,037	1,013	855
Other services and charges	42,900	29,799	13,101	33,657
Capital outlay	2,000	1,925	75	2,430
Total Administration	225,945	212,485	13,460	177,710
Code Enforcement:				
Personnel services	68,798	65,600	3,198	47,298
Supplies	2,350	1,766	584	2,541
Repairs and maintenance	400		400	
Other services and charges	8,500	4,704	3,796	1,927
Capital outlay				450
Total Code Enforcement	80,048	72,070	7,978	52,216
Streets:				
Personnel services	159,369	156,914	2,455	139,437
Supplies	3,600	2,099	1,501	1,667
Repairs and maintenance	44,400	15,752	28,648	26,643
Other services and charges	145,200	135,107	10,093	121,326
Capital outlay				15,575
Total Streets	352,569	309,872	42,697	304,648
Buildings & Grounds:				
Personnel services	48,757	49,886	(1,129)	41,358
Supplies	4,880	4,819	61	2,830
Repairs and maintenance	18,620	16,290	2,330	20,937
Other services and charges	49,300	46,403	2,897	41,719
Total Buildings & Grounds	121,557	117,398	4,159	106,844
Sanitation:				
Other services and charges	230,000	218,996	11,004	212,178
Total Sanitation	230,000	218,996	11,004	212,178

CITY OF JERSEY VILLAGE, TEXAS

Exhibit B-2 Page 5 of 5

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

Year Ended September 30, 2000
with comparative actual balances for the Year Ended September 30, 1999

	<u>2000</u>		<u>Variance</u>	<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>
Expenditures (continued)				
Public Works (continued):				
Fleet Service:				
Personnel services	86,519	88,375	(1,856)	54,379
Supplies	92,000	88,509	3,491	52,756
Repairs and maintenance	23,300	12,597	10,703	19,339
Other services and charges	290,250	289,629	621	1,453
Capital outlay	3,300	2,575	725	
Total Fleet Service:	<u>495,369</u>	<u>481,685</u>	<u>13,684</u>	<u>127,927</u>
Total Public Works	<u>1,505,488</u>	<u>1,412,506</u>	<u>92,982</u>	<u>981,523</u>
Parks and Recreation:				
Personnel services	222,838	217,457	5,381	184,238
Supplies	22,400	13,953	8,447	12,403
Repairs and maintenance	16,300	13,466	2,834	24,534
Other services and charges	6,600	4,905	1,695	1,943
Capital outlay	9,500	6,223	3,277	18,278
Total Parks and Recreation	<u>277,638</u>	<u>256,004</u>	<u>21,634</u>	<u>241,396</u>
Total Expenditures	<u>4,943,679</u>	<u>4,374,780</u>	<u>568,899</u>	<u>3,733,958</u>
Revenues Over (Under) Expenditures	<u>(212,424)</u>	<u>609,320</u>	<u>821,744</u>	<u>700,932</u>
Other Financing Sources (Uses)				
Sale of assets		5,720	5,720	5,336
Operating transfers in	231,687	231,687		231,687
Operating transfers (out)	(200,000)	(200,000)		(637,570)
Total Other Financing Sources (Uses)	<u>31,687</u>	<u>37,407</u>	<u>5,720</u>	<u>(400,547)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>(180,737)</u>	<u>646,727</u>	<u>827,464</u>	<u>300,385</u>
Fund balances - Beginning	<u>2,026,341</u>	<u>2,026,341</u>		<u>1,725,956</u>
Fund Balances - Ending	<u>\$ 1,845,604</u>	<u>\$ 2,673,068</u>	<u>\$ 827,464</u>	<u>\$ 2,026,341</u>

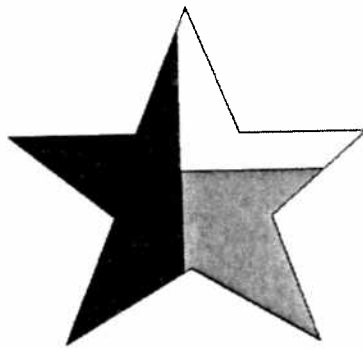
SPECIAL REVENUE FUNDS

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

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

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

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



*A Texas Star Community
Jersey Village, Texas*

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-1

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

September 30, 2000
with comparative totals for September 30, 1999

	<u>Hotel</u>	<u>Asset</u>	<u>Crime</u>	<u>Totals</u>	
	<u>Occupancy</u>	<u>Forfeiture</u>	<u>Control & Prevention</u>	<u>2000</u>	<u>1999</u>
<u>Assets</u>					
Cash and temporary investments	\$ 232,840	\$ 935	\$ 345,525	\$ 579,300	\$ 241,605
Due from other funds	159	399		558	159
Total Assets	\$ 232,999	\$ 1,334	\$ 345,525	\$ 579,858	\$ 241,764
<u>Liabilities and Fund Balance</u>					
<u>Liabilities</u>					
Due to other funds	\$	\$	\$ 14,521	\$ 14,521	\$ 3,012
<u>Fund Balances</u>					
Unreserved and designated					
Hotel occupancy	232,999			232,999	157,339
Asset forfeiture		1,334		1,334	1,308
Crime control & prevention			331,004	331,004	80,105
Total Liabilities and Fund Balances	\$ 232,999	\$ 1,334	\$ 345,525	\$ 579,858	\$ 241,764

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-2

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

Year Ended September 30, 2000
with comparative totals for the Year Ended September 30, 1999

	Hotel Occupancy	Asset Forfeiture	Crime Control & Prevention	Totals	
				2000	1999
Revenues					
Hotel occupancy tax	\$ 64,464	\$	\$	\$ 64,464	\$ 48,540
Sales tax			506,992	506,992	156,089
Interest on investments	11,196	26	15,721	26,943	19,666
Other					
Total Revenues	<u>75,660</u>	<u>26</u>	<u>522,713</u>	<u>598,399</u>	<u>224,295</u>
Expenditures					
Current:					
Public safety			235,542	235,542	79,284
Capital Outlay			36,272	36,272	387,430
Total Expenditures			<u>271,814</u>	<u>271,814</u>	<u>466,714</u>
Revenues Over (Under) Expenditures	75,660	26	250,899	326,585	(242,419)
Fund Balances, beg. of year	<u>157,339</u>	<u>1,308</u>	<u>80,105</u>	<u>238,752</u>	<u>481,171</u>
Fund Balances, End of Year	<u>\$ 232,999</u>	<u>\$ 1,334</u>	<u>\$ 331,004</u>	<u>\$ 565,337</u>	<u>\$ 238,752</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-3

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

Year Ended September 30, 2000
with comparative totals for the Year Ended September 30, 1999

	2000		Variance	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
<u>Revenues</u>				
Hotel occupancy tax	\$ 48,000	\$ 64,464	\$ 16,464	\$ 48,540
Interest on investments	5,500	11,196	5,696	19,270
Other				
Total Revenues	53,500	75,660	22,160	67,810
<u>Expenditures</u>				
Current:				
General government	142,000		142,000	
Capital Outlay	36,000		36,000	387,430
Total Expenditures	178,000		178,000	387,430
Revenues Over (Under) Expenditures	(124,500)	75,660	200,160	(319,620)
Operating Transfers (Out)				
Fund Balances, beginning of year	157,339	157,339		476,959
Fund Balances, End of Year	\$ 32,839	\$ 232,999	\$ 200,160	\$ 157,339

CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-4

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

Year Ended September 30, 2000
with comparative totals for the Year Ended September 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues				
Interest on investments	\$	\$ 26	\$ 26	\$ 208
Other				
Total Revenues		26	26	208
Expenditures				
Current:				
Public safety				3,112
Total Expenditures				3,112
Revenues Over (Under) Expenditures		26	26	(2,904)
Operating Transfers (Out)	(400)			
Fund Balances, beginning of year	1,308	1,308		4,212
Fund Balances, End of Year	\$ 908	\$ 1,334	\$ 26	\$ 1,308

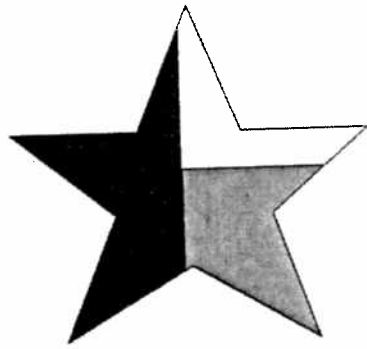
CITY OF JERSEY VILLAGE, TEXAS

Exhibit C-5

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

Year Ended September 30, 2000
with comparative totals for the Year Ended September 30, 1999

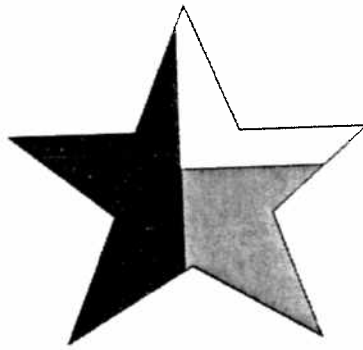
	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues				
Sales tax	\$ 450,000	\$ 506,992	\$ 56,992	\$ 156,089
Interest on investments		15,721	15,721	188
Total Revenues	<u>450,000</u>	<u>522,713</u>	<u>72,713</u>	<u>156,277</u>
Expenditures				
Current:				
Public safety	210,607	235,542	(24,935)	76,172
Capital outlay	206,200	36,272	169,928	
Total Expenditures	<u>416,807</u>	<u>271,814</u>	<u>144,993</u>	<u>76,172</u>
Revenues Over (Under) Expenditures	33,193	250,899	217,706	80,105
Operating Transfers (Out)				
Fund Balances, beginning of year	<u>80,105</u>	<u>80,105</u>		
Fund Balances, End of Year	<u>\$ 113,298</u>	<u>\$ 331,004</u>	<u>\$ 217,706</u>	<u>\$ 80,105</u>



A Texas Star Community
Jersey Village, Texas

DEBT SERVICE FUND

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



*A Texas Star Community
Jersey Village, Texas*

CITY OF JERSEY VILLAGE, TEXAS

Exhibit D-1

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

September 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<u>Assets</u>		
Cash and temporary investments	\$ 1,040,754	\$ 786,478
Taxes receivable	30,460	31,247
Due from other funds		296,755
	<hr/>	<hr/>
Total Assets	\$ 1,071,214	\$ 1,114,480
	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities and Equity</u>		
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$	\$
Due to other funds	888	
Deferred revenue	30,460	31,247
	<hr/>	<hr/>
Total Liabilities	31,348	31,247
	<hr/>	<hr/>
<u>Equity</u>		
Fund Balances:		
Reserved for debt service	1,039,866	1,083,233
	<hr/>	<hr/>
Total Equity	1,039,866	1,083,233
	<hr/>	<hr/>
Total Liabilities and Equity	\$ 1,071,214	\$ 1,114,480
	<hr/> <hr/>	<hr/> <hr/>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit D-2

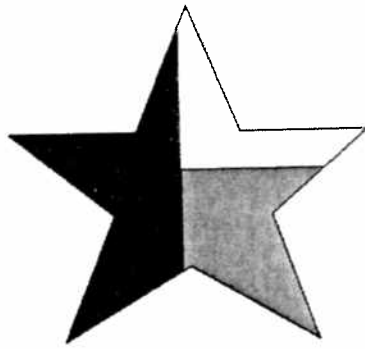
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2000
with comparative totals for the Year Ended September 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues				
Property taxes	\$ 1,204,421	\$ 1,151,045	\$ (53,376)	\$ 718,349
Interest on investments	35,000	70,732	35,732	24,059
Total Revenues	<u>1,239,421</u>	<u>1,221,777</u>	<u>(17,644)</u>	<u>742,408</u>
Expenditures				
Principal retirement	750,000	750,000		1,965,000
Interest retirement	546,363	483,606	62,757	337,699
Fiscal charges	30,938	31,538	(600)	5,694
Total Expenditures	<u>1,327,301</u>	<u>1,265,144</u>	<u>62,157</u>	<u>2,308,393</u>
Revenues Over Expenditures	(87,880)	(43,367)	44,513	(1,565,985)
Fund Balances, beginning of year	1,083,233	1,083,233		371,512
Residual equity transfer				2,277,706
Fund Balances, End of Year	<u>\$ 995,353</u>	<u>\$ 1,039,866</u>	<u>\$ 44,513</u>	<u>\$ 1,083,233</u>

CAPITAL PROJECTS FUND

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



*A Texas Star Community
Jersey Village, Texas*

CITY OF JERSEY VILLAGE, TEXAS

Exhibit E-1

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

September 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<u>Assets</u>		
Cash and temporary investments	\$ 2,069,005	\$ 1,012,631
Due from other funds	43,294	752,397
	<hr/>	<hr/>
Total Assets	\$ 2,112,299	\$ 1,765,028
	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities and Equity</u>		
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$	\$
Due to other funds	1,244	
	<hr/>	<hr/>
Total Liabilities	1,244	
	<hr/>	<hr/>
<u>Equity</u>		
Fund Balances:		
Unreserved:		
Designated for construction	2,111,055	1,765,028
	<hr/>	<hr/>
Total Equity	2,111,055	1,765,028
	<hr/>	<hr/>
Total Liabilities and Equity	\$ 2,112,299	\$ 1,765,028
	<hr/> <hr/>	<hr/> <hr/>

CITY OF JERSEY VILLAGE, TEXAS

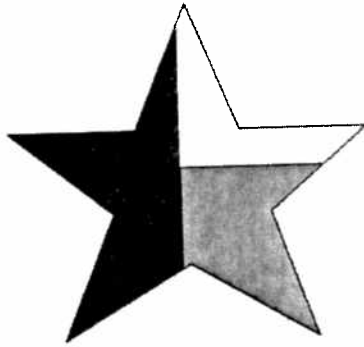
Exhibit E-2

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

Year Ended September 30, 2000
with comparative actual balances for the Year Ended September 30, 1999

	2000		Variance Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues				
Intergovernmental	\$ 20,000	\$ 95,575	\$ 75,575	\$ 55,235
Interest on investments				14,200
Other				69,435
Total Revenues	<u>20,000</u>	<u>95,575</u>	<u>75,575</u>	<u>69,435</u>
Expenditures				
Capital Outlay:				
General Government:				
City Hall	100,000	9,769	90,231	623,570
Public Safety:				3,500
Fire				
Public Works:				
Parks	30,000		30,000	248,417
Streets	38,400	24,050	14,350	460,150
Water and sewer	1,887,549	365,729	1,521,820	247,805
Total Expenditures	<u>2,055,949</u>	<u>399,548</u>	<u>1,656,401</u>	<u>1,583,442</u>
Revenues Over (Under) Expenditures	<u>(2,035,949)</u>	<u>(303,973)</u>	<u>1,731,976</u>	<u>(1,514,007)</u>
Other Financing Sources				
Operating transfers in	650,000	650,000		1,037,570
Total Other Financing Sources	<u>650,000</u>	<u>650,000</u>		<u>1,037,570</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>(1,385,949)</u>	<u>346,027</u>	<u>1,731,976</u>	<u>(476,437)</u>
Fund balances - Beginning	1,765,028	1,765,028		1,456,691
Residual equity transfer				784,774
Fund Balances - Ending	<u>\$ 379,079</u>	<u>\$ 2,111,055</u>	<u>\$ 1,731,976</u>	<u>\$ 1,765,028</u>

PROPRIETARY FUND TYPES



*A Texas Star Community
Jersey Village, Texas*

ENTERPRISE FUNDS

These funds are used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The following describes the various types of Enterprise Funds used by the City:

Utility Fund - This fund accounts for the operations of the water and sewer system.

Golf Course Fund - This fund is used to account for the City-owned golf course and its operations.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit F-1

ENTERPRISE FUNDS COMBINING BALANCE SHEETS

September 30, 2000
with comparative totals for September 30, 1999

	<u>Utility</u>	<u>Golf Course</u>	<u>Totals</u>	
			<u>2000</u>	<u>1999</u>
Assets				
Current Assets				
Cash and temporary investments	\$ 2,701,784	\$ 344,005	\$ 3,045,789	\$ 688,768
Accounts receivable	202,377	3,885	206,262	204,436
Due from other funds	1,244		1,244	385,088
Inventory		24,008	24,008	
Prepaid expenses		14,771	14,771	
Total Current Assets	<u>2,905,405</u>	<u>386,669</u>	<u>3,292,074</u>	<u>1,278,292</u>
Land, Buildings and Equipment	13,292,031	7,251,819	20,543,850	12,563,887
Less accumulated depreciation	(3,133,518)	(197,344)	(3,330,862)	(2,956,355)
Land, Buildings and Equipment, Net	<u>10,158,513</u>	<u>7,054,475</u>	<u>17,212,988</u>	<u>9,607,532</u>
Total Assets	<u>\$ 13,063,918</u>	<u>\$ 7,441,144</u>	<u>\$ 20,505,062</u>	<u>\$ 10,885,824</u>
Liabilities and Equity				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 22,024	\$ 187,347	\$ 209,371	\$ 10,362
Due to other funds	275,867	6,814	282,681	
Customer deposits	66,311		66,311	61,164
Revenue bonds payable-current portion	100,000		100,000	
Total Current Liabilities	<u>464,202</u>	<u>194,161</u>	<u>658,363</u>	<u>71,526</u>
Revenue bonds payable-less current portion	1,500,000		1,500,000	
Certificates of obligation-less current portion	1,500,000	7,400,000	7,400,000	
	<u>1,500,000</u>	<u>7,400,000</u>	<u>8,900,000</u>	
Total Liabilities	<u>1,964,202</u>	<u>7,594,161</u>	<u>9,558,363</u>	<u>71,526</u>
Equity				
Contributed Capital	9,941,322		9,941,322	9,765,094
Retained Earnings (Deficit):				
Reserved:				
Debt service	16,100		16,100	15,500
Water capacity	144,683		144,683	124,406
Wastewater capacity	217,024		217,024	181,095
Unreserved	780,587	(153,017)	627,570	728,203
Total Equity	<u>11,099,716</u>	<u>(153,017)</u>	<u>10,946,699</u>	<u>10,814,298</u>
Total Liabilities and Equity	<u>\$ 13,063,918</u>	<u>\$ 7,441,144</u>	<u>\$ 20,505,062</u>	<u>\$ 10,885,824</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit F-2

ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

Year Ended September 30, 2000
with comparative totals for Year Ended September 30, 1999

	Utility	Golf Course	Totals	
			2000	1999
Operating Revenues				
Charges for services	\$ 1,835,701	\$ 222,001	\$ 2,057,702	\$ 1,350,162
Penalties and interest	20,162		20,162	12,030
Impact fees	36,764		36,764	47,396
Other	33,375		33,375	14,231
Total Operating Revenues	<u>1,926,002</u>	<u>222,001</u>	<u>2,148,003</u>	<u>1,423,819</u>
Operating Expenses				
Personnel services	264,653	82,648	347,301	196,433
Materials and supplies	31,393	26,970	58,363	23,099
Repairs and maintenance	86,733	5,513	92,246	67,871
Utilities	205,873	13,117	218,990	129,972
Purchased services	204,003	19,557	223,560	194,281
Depreciation	276,254	197,344	473,598	283,430
Other services and charges	223,538	40,990	264,528	123,095
Total Operating Expenses	<u>1,292,447</u>	<u>386,139</u>	<u>1,678,586</u>	<u>1,018,181</u>
Operating Income (Loss)	633,555	(164,138)	469,417	405,638
Non-Operating Revenue (Expenses)				
Investment income	123,468	11,121	134,589	28,772
Interest and fiscal charges	(56,146)		(56,146)	
Total Non-Operating Revenue (Expenses)	<u>67,322</u>	<u>11,121</u>	<u>78,443</u>	<u>28,772</u>
Income (Loss) Before Operating Transfers	700,877	(153,017)	547,860	434,410
Operating transfers in (out)	<u>(681,687)</u>		<u>(681,687)</u>	<u>(631,687)</u>
Net Income (Loss)	19,190	(153,017)	(133,827)	(197,277)
Add depreciation on fixed assets acquired with external contributions	90,000		90,000	180,000
Change in Retained Earnings	<u>109,190</u>	<u>(153,017)</u>	<u>(43,827)</u>	<u>(17,277)</u>
Retained earnings, beginning of year	1,049,204		1,049,204	1,066,481
Retained Earnings (Deficit), End of Year	<u>1,158,394</u>	<u>(153,017)</u>	<u>1,005,377</u>	<u>1,049,204</u>
Contributed capital, beginning of year	9,765,094		9,765,094	5,770,590
Depreciation transferred from R.E.	(90,000)		(90,000)	(180,000)
Increase in contributed capital	266,228		266,228	4,174,504
Contributed Capital, End of Year	<u>9,941,322</u>		<u>9,941,322</u>	<u>9,765,094</u>
Fund Equity (Deficit), End of Year	<u>\$ 11,099,716</u>	<u>\$ (153,017)</u>	<u>\$ 10,946,699</u>	<u>\$ 10,814,298</u>

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

Exhibit F-3

ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS

Year Ended September 30, 2000
with comparative totals for Year Ended September 30, 1999

	<u>Utility</u>	<u>Golf Course</u>	<u>Totals</u>	
			<u>2000</u>	<u>1999</u>
<u>Cash Flows from Operating Activities</u>				
Operating Income	\$ 633,555	\$ (164,138)	\$ 469,417	\$ 405,638
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and amortization	276,254	197,344	473,598	283,430
(Increase) Decrease in accts receivable	2,059	(3,885)	(1,826)	(107,038)
(Increase) Decrease in inventory		(24,008)	(24,008)	
(Increase) Decrease in prepaid expenses		(14,771)	(14,771)	
Increase (Decrease) in accounts payable and accrued liabilities	11,662	187,347	199,009	(1,997)
Increase in customer deposits	5,147		5,147	9,813
Net Cash Provided (Used) by Operating Activities	<u>928,677</u>	<u>177,889</u>	<u>1,106,566</u>	<u>589,846</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
(Increase) Decrease in due from other funds	383,844		383,844	(310,088)
Increase (Decrease) in due to other funds	275,867	6,814	282,681	(340)
Operating transfers in (out)	(681,687)		(681,687)	(631,687)
Noncapital assets contributed through annexation				400,000
Net Cash Provided (Used) by Financing Activities	<u>(21,976)</u>	<u>6,814</u>	<u>(15,162)</u>	<u>(542,115)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Proceeds from bond issues	1,600,000	7,400,000	9,000,000	
Capital expenditures for property, plant, and equipment	(561,007)	(7,251,819)	(7,812,826)	(13,456)
Interest payments on revenue bonds	(56,146)		(56,146)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>982,847</u>	<u>148,181</u>	<u>1,131,028</u>	<u>(13,456)</u>
<u>Cash Flows from Investing Activities</u>				
Interest on investments	123,468	11,121	134,589	28,772
Net Cash Provided by Investing Activities	<u>123,468</u>	<u>11,121</u>	<u>134,589</u>	<u>28,772</u>
Net Increase in Cash and Cash Equivalents	2,013,016	344,005	2,357,021	63,047
Cash and cash equivalents, beginning of year	688,768		688,768	625,721
Cash and Cash Equivalents, End of Year	<u>\$ 2,701,784</u>	<u>\$ 344,005</u>	<u>\$ 3,045,789</u>	<u>\$ 688,768</u>
<u>Supplemental Information:</u>				
Assets contributed through annexation	\$	\$	\$	\$ 3,955,572
Assets contributed by other funds	<u>\$ 266,228</u>	<u>\$</u>	<u>\$ 266,228</u>	<u>\$ 218,932</u>

See Notes to Financial Statements.

ACCOUNT GROUPS



*A Texas Star Community
Jersey Village, Texas*

GENERAL FIXED ASSETS

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

CITY OF JERSEY VILLAGE, TEXAS

Exhibit G-1

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

September 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<u>General Fixed Assets</u>		
Land, buildings and improvements	\$ 9,242,188	\$ 9,242,188
Vehicles		900,691
Equipment	1,439,740	1,330,707
Construction in progress	39,536	5,381
Total General Fixed Assets	<u>\$ 10,721,464</u>	<u>\$ 11,478,967</u>
<u>Investment in General Fixed Assets</u>		
General obligation bonds	\$ 3,312,000	\$ 3,312,000
Certificates of obligation	4,065,136	4,065,136
Municipality	1,253,999	2,011,502
Annexation of utility districts	1,990,329	1,990,329
Donations	100,000	100,000
Total Investment in General Fixed Assets	<u>\$ 10,721,464</u>	<u>\$ 11,478,967</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit G-2

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

September 30, 2000

<u>Function and Activity</u>	<u>Land, Buildings & Improvements</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
<u>General Government</u>				
City Hall	\$ 1,310,154	\$ 796,397	\$	\$ 2,106,551
Total General Government	<u>1,310,154</u>	<u>796,397</u>		<u>2,106,551</u>
<u>Public Safety</u>				
Police	1,051,369	218,766		1,270,135
Fire	128,500	267,917		396,417
Total Public Safety	<u>1,179,869</u>	<u>486,683</u>		<u>1,666,552</u>
<u>Public Works</u>				
Streets and drainage	5,516,318	148,287		5,664,605
Fleet services	200,000			200,000
Total Public Works	<u>5,716,318</u>	<u>148,287</u>		<u>5,864,605</u>
<u>Community Services</u>				
Parks & recreation	300,000	8,373		308,373
Civic center	387,430			387,430
Swimming pool	348,417			348,417
Total Community Services	<u>1,035,847</u>	<u>8,373</u>		<u>1,044,220</u>
Construction in Progress			39,536	39,536
Total General Fixed Assets	<u>\$ 9,242,188</u>	<u>\$ 1,439,740</u>	<u>\$ 39,536</u>	<u>\$ 10,721,464</u>

CITY OF JERSEY VILLAGE, TEXAS

Exhibit G-3

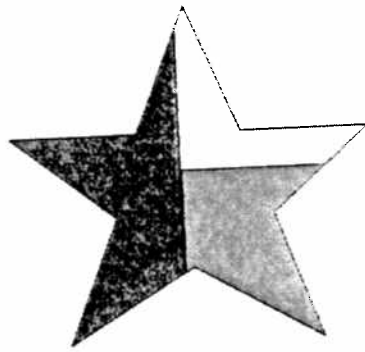
GENERAL FIXED ASSETS
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY

Year Ended September 30, 2000

<u>Function and Activity</u>	<u>General Fixed Assets October 1, 1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>General Fixed Assets Sept. 30, 2000</u>
<u>General Government</u>				
City Hall	\$ 2,074,719	\$ 32,381	\$ (549)	\$ 2,106,551
Total General Government	<u>2,074,719</u>	<u>32,381</u>	<u>(549)</u>	<u>2,106,551</u>
<u>Public Safety</u>				
Police	1,586,725	50,667	(367,257)	1,270,135
Fire	<u>757,574</u>	<u>24,125</u>	<u>(385,282)</u>	<u>396,417</u>
Total Public Safety	<u>2,344,299</u>	<u>74,792</u>	<u>(752,539)</u>	<u>1,666,552</u>
<u>Public Works</u>				
Streets and drainage	5,812,464	5,248	(153,107)	5,664,605
Fleet services	<u>200,000</u>			<u>200,000</u>
Total Public Safety	<u>6,012,464</u>	<u>5,248</u>	<u>(153,107)</u>	<u>5,864,605</u>
<u>Community Services</u>				
Parks & recreation	306,257	2,116		308,373
Civic center	387,430			387,430
Swimming pool	<u>348,417</u>			<u>348,417</u>
Total Community Services	<u>1,042,104</u>	<u>2,116</u>		<u>1,044,220</u>
Construction in Progress	<u>5,381</u>	<u>34,155</u>		<u>39,536</u>
Total General Fixed Assets	<u>\$ 11,478,967</u>	<u>\$ 148,692</u>	<u>\$ (906,195)</u>	<u>\$ 10,721,464</u>

GENERAL LONG-TERM DEBT

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



*A Texas Star Community
Jersey Village, Texas*

CITY OF JERSEY VILLAGE, TEXAS

Exhibit H-1

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

September 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<u>Amount Available and to be Provided for the Payment of General Long-Term Debt</u>		
Amount available in Debt Service Fund	\$ 1,039,866	\$ 1,083,233
Amount to be provided for retirement of general long-term debt	<u>8,015,539</u>	<u>8,520,636</u>
Total Amount Available and to be Provided	<u><u>\$ 9,055,405</u></u>	<u><u>\$ 9,603,869</u></u>
 <u>General Long-Term Debt Payable</u>		
Bond anticipation note payable	\$	\$ 1,255,000
Certificates of obligation	1,875,000	2,125,000
General obligation bonds	4,774,991	4,019,991
Accrued interest on premium compound interest bonds	<u>2,405,414</u>	<u>2,203,878</u>
Total General Long-Term Debt Payable	<u><u>\$ 9,055,405</u></u>	<u><u>\$ 9,603,869</u></u>

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT

September 30, 2000

<u>Date of Issue</u>	<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>
07/15/1986	General Obligation Bonds - Series 1986	7.00 - 9.00%	\$ 1,200,000
06/01/1994	Certificates of Obligation - Series 1994	5.00 - 6.50%	1,900,000
03/21/1995	Certificates of Obligation - Series 1995	5.00 - 6.00%	750,000
10/18/1991	MUD No. 247 Refunding Bonds - 1991	6.25 - 8.10%	3,924,991
08/01/1996	MUD No. 199 Refunding Bonds -1996	4.75 - 6.25%	1,225,000
02/23/1999	Bond Anticipation Note Payable	4.49%	1,255,000
02/25/2000	General Obligation Ref. Bonds - Series 2000	5.00 - 7.00%	1,255,000

Totals

<u>Amounts Outstanding October 1, 1999</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amounts Outstanding Sept. 30, 2000</u>	<u>Interest Current Year</u>
\$ 225,000	\$	\$ 75,000	\$ 150,000	\$ 13,125
1,550,000		150,000	1,400,000	80,163
575,000		100,000	475,000	26,300
2,724,991		340,000	2,384,991	202,660
1,070,000		85,000	985,000	63,523
1,255,000		1,255,000		56,350
	<u>1,255,000</u>		<u>1,255,000</u>	<u>41,643</u>
<u>\$ 7,399,991</u>	<u>\$ 1,255,000</u>	<u>\$ 2,005,000</u>	<u>\$ 6,649,991</u>	<u>\$ 483,764</u>

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF GENERAL LONG-TERM DEBT
SERVICE REQUIREMENTS TO MATURITY

September 30, 2000

Due During Fiscal Year Ending Sept. 30,	Annual Requirements for All Series			General Obligation Bonds Series 1986		
	Total Principal Due	Total Interest Due	Total	Principal Due March 15	Interest Due March 15, Sept. 15	Total
2001	\$ 910,000	\$ 404,608	\$ 1,314,608	\$ 75,000	\$ 7,875	\$ 82,875
2002	582,476	687,486	1,269,962	75,000	2,625	77,625
2003	555,755	673,443	1,229,198			
2004	530,224	660,767	1,190,991			
2005	399,163	623,076	1,022,239			
2006	400,729	615,786	1,016,515			
2007	407,094	582,961	990,055			
2008	435,054	576,843	1,011,897			
2009	442,732	539,851	982,583			
2010	139,317	708,135	847,452			
2011	7,447	706,593	714,040			
2012	565,000	149,040	714,040			
2013	615,000	103,275	718,275			
2014	660,000	53,460	713,460			
Totals	\$ 6,649,991	\$ 7,085,324	\$ 13,735,315	\$ 150,000	\$ 10,500	\$ 160,500

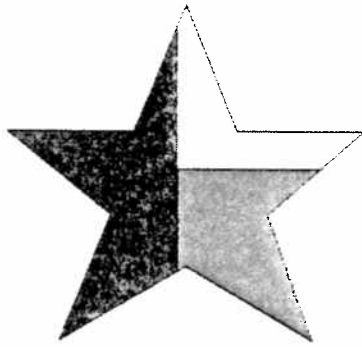
	MUD No. 247 Refunding Series 1991			MUD No. 199 Refunding Series 1996		
	Principal Due April 1	Interest Due October 1, April 1	Total	Principal Due April 1	Interest Due October 1, April 1	Total
2001	\$ 370,000	\$ 177,160	\$ 547,160	\$ 90,000	\$ 59,060	\$ 149,060
2002	37,476	491,564 *	529,040	95,000	54,110	149,110
2003	30,755	508,285 *	539,040	100,000	48,695	148,695
2004	25,224	523,816 *	549,040	105,000	42,895	147,895
2005	19,163	509,876 *	529,039	105,000	36,700	141,700
2006	15,729	523,311 *	539,040	110,000	30,400	140,400
2007	12,094	511,946 *	524,040	120,000	23,690	143,690
2008	10,054	528,986 *	539,040	125,000	16,250	141,250
2009	7,732	516,308 *	524,040	135,000	8,437	143,437
2010	9,317	704,723 *	714,040			
2011	7,447	706,593 *	714,040			
2012	565,000	149,040	714,040			
2013	615,000	103,275	718,275			
2014	660,000	53,460	713,460			
Totals	\$ 2,384,991	\$ 6,008,343	\$ 8,393,334	\$ 985,000	\$ 320,237	\$ 1,305,237

* Includes accreted interest on premium compound interest bonds.

Due During Fiscal Year Ending Sept. 30,	Certificate of Obligation Series 1994			Certificate of Obligation Series 1995		
	Principal Due March 15	Interest Due March 15, Sept. 15	Total	Principal Due March 15	Interest Due March 15, Sept. 15	Total
	2001	\$ 150,000	\$ 72,250	\$ 222,250	\$ 100,000	\$ 21,250
2002	150,000	64,675	214,675	100,000	16,250	116,250
2003	150,000	56,950	206,950	150,000	10,000	160,000
2004	150,000	49,075	199,075	125,000	3,125	128,125
2005	150,000	41,050	191,050			
2006	150,000	32,875	182,875			
2007	150,000	24,438	174,438			
2008	175,000	15,094	190,094			
2009	175,000	5,031	180,031			
2010						
2011						
2012						
2013						
2014						
Totals	<u>\$ 1,400,000</u>	<u>\$ 361,438</u>	<u>\$ 1,761,438</u>	<u>\$ 475,000</u>	<u>\$ 50,625</u>	<u>\$ 525,625</u>

	General Obligation Refund. Series 2000		
	Principal Due March 15	Interest Due March 15, Sept. 15	Total
	2001	\$ 125,000	\$ 67,013
2002	125,000	58,262	183,262
2003	125,000	49,513	174,513
2004	125,000	41,856	166,856
2005	125,000	35,450	160,450
2006	125,000	29,200	154,200
2007	125,000	22,887	147,887
2008	125,000	16,513	141,513
2009	125,000	10,075	135,075
2010	130,000	3,412	133,412
2011			
2012			
2013			
2014			
Totals	<u>\$ 1,255,000</u>	<u>\$ 334,181</u>	<u>\$ 1,589,181</u>





*A Texas Star Community
Jersey Village, Texas*

CITY OF JERSEY VILLAGE, TEXAS
GENERAL GOVERNMENT REVENUES BY SOURCE

Last Ten Fiscal Years

<u>Function</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
Property taxes	\$ 1,628,329	\$ 1,806,602	\$ 1,923,292	\$ 1,934,908
Other taxes	548,833	712,572	670,440	695,633
Licenses and permits	34,844	36,131	33,683	35,058
Fines and warrants	276,094	234,616	270,571	247,397
Fees and charges for services	45,164	39,606	31,750	35,609
Mutual aid	8,825	8,240	9,375	7,575
Intergovernmental				23,070
Interest on investments	75,211	47,761	44,019	58,843
Other revenue	124,031	111,282	83,178	44,713
	<u>\$ 2,741,331</u>	<u>\$ 2,996,810</u>	<u>\$ 3,066,308</u>	<u>\$ 3,082,806</u>

Includes General, Special Revenue and Debt Service Funds.

Source - Accounting records of the City.

Table 1

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
\$ 2,000,348	\$ 1,910,704	\$ 2,025,203	\$ 2,098,134	\$ 2,620,888	\$ 2,974,775
740,539	968,365	1,048,605	1,102,110	1,735,116	2,556,441
48,845	57,656	37,359	120,499	87,731	123,410
147,467	208,879	217,036	250,481	365,854	472,585
31,189	30,880	126,971	176,192	165,902	165,102
4,100		3,920	4,375		4,470
	34,153	28,411	17,029	51,021	101,079
112,880	125,321	150,907	174,510	202,390	290,659
<u>78,975</u>	<u>63,172</u>	<u>74,428</u>	<u>42,743</u>	<u>172,691</u>	<u>115,755</u>
<u>\$ 3,164,343</u>	<u>\$ 3,399,130</u>	<u>\$ 3,712,840</u>	<u>\$ 3,986,073</u>	<u>\$ 5,401,593</u>	<u>\$ 6,804,276</u>

CITY OF JERSEY VILLAGE, TEXAS
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

<u>Function</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
General government	\$ 499,132	\$ 496,369	\$ 515,457	\$ 858,083
Public safety	1,038,564	946,167	967,659	1,110,552
Public works	649,288	657,873	643,251	708,912
Parks and recreation	212,179	229,747	190,151	216,244
Debt service	481,897	536,164	513,485	497,381
	<u>\$ 2,881,060</u>	<u>\$ 2,866,320</u>	<u>\$ 2,830,003</u>	<u>\$ 3,391,172</u>

Includes General, Special Revenue and Debt Service Funds.

Source - Accounting records of the City.

Table 2

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
\$ 599,038	\$ 554,444	\$ 623,901	\$ 919,141	\$ 794,586	\$ 950,181
1,143,729	1,224,660	1,318,004	1,372,878	1,795,737	1,991,631
755,126	780,232	852,707	955,147	981,523	1,412,506
172,774	200,510	183,004	232,094	241,396	256,004
<u>535,803</u>	<u>448,388</u>	<u>482,423</u>	<u>461,946</u>	<u>2,308,393</u>	<u>1,265,144</u>
<u><u>\$ 3,206,470</u></u>	<u><u>\$ 3,208,234</u></u>	<u><u>\$ 3,460,039</u></u>	<u><u>\$ 3,941,206</u></u>	<u><u>\$ 6,121,635</u></u>	<u><u>\$ 5,875,466</u></u>

CITY OF JERSEY VILLAGE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS

Table 3

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Levy and Adjust.</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Levy and Adjust.</u>	<u>Outstanding Delinquent Taxes</u>	<u>O/S Delinquent Taxes as Percent of Levy and Adjust.</u>
1991	1990	\$ 0.7300	\$ 1,655,203	\$ 1,619,024	97.81	\$ 88,397	5.34
1992	1991	0.7185	1,810,022	1,795,843	99.22	102,576	5.67
1993	1992	0.7300	1,877,669	1,919,377	102.22	60,868	3.24
1994	1993	0.7300	1,904,604	1,904,908	100.02	60,564	3.18
1995	1994	0.7300	1,972,375	1,981,369	100.46	51,570	2.61
1996	1995	0.6841	1,907,160	1,903,522	99.81	55,208	2.89
1997	1996	0.6841	2,004,325	2,003,970	99.98	55,563	2.77
1998	1997	0.6841	2,075,236	2,080,800	100.27	49,999	2.41
1999	1998	0.6841	2,653,532	2,620,888	98.77	82,643	3.11
2000	1999	0.6841	2,992,835	2,974,775	99.40	100,703	3.36

Source - Tax assessor/collector's records.

CITY OF JERSEY VILLAGE, TEXAS

Table 4

**ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Assessed Value to Estimated Actual Value</u>
1991	1990	\$ 216,010,200	\$ 223,447,520	96.67
1992	1991	249,479,770	257,535,570	96.87
1993	1992	256,069,560	266,172,010	96.20
1994	1993	264,119,510	273,472,470	96.58
1995	1994	270,188,356	278,714,280	96.94
1996	1995	278,791,996	286,530,390	97.30
1997	1996	289,851,600	297,896,974	97.30
1998	1997	298,945,530	313,892,807	95.24
1999	1998	319,000,537	328,582,998	97.08
2000	1999	429,510,881	453,549,380	94.70

Source - Tax assessor/collector's records.

CITY OF JERSEY VILLAGE, TEXAS
PROPERTY TAX RATES AND TAX LEVIES -
DIRECT AND OVERLAPPING

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City of Jersey Village</u>	<u>Cypress-Fairbanks ISD</u>	<u>Harris County</u>	<u>Port of Houston Authority</u>
<u>Tax Levies and Adjust.</u>					
1991	1990	\$ 1,655,203	\$ 100,666,253	\$ 339,934,538	\$ 14,325,485
1992	1991	1,810,022	58,815,671	341,733,008	17,091,568
1993	1992	1,877,669	56,296,766	371,558,722	16,726,662
1994	1993	1,904,604	131,002,581	382,535,958	13,808,086
1995	1994	1,972,375	139,421,783	412,804,415	14,976,058
1996	1995	1,907,160	162,792,374	473,600,094	14,952,080
1997	1996	2,004,325	173,088,071	523,916,738	24,162,556
1998	1997	2,075,236	176,423,440	520,373,005	24,359,472
1999	1998	2,653,532	171,055,799	547,937,258	28,031,572
2000	1999	3,015,542	244,700,451	556,815,185	28,760,514
<u>Tax Rates (*)</u>					
1991	1990	\$ 0.7300	\$ 1.4900	\$ 0.3148	\$ 0.0133
1992	1991	0.7185	0.8200	0.3219	0.0153
1993	1992	0.7300	0.7680	0.3291	0.0150
1994	1993	0.7300	1.7200	0.3385	0.0122
1995	1994	0.7300	1.7500	0.3647	0.0122
1996	1995	0.6841	1.7500	0.4068	0.0128
1997	1996	0.6841	1.7500	0.4248	0.0196
1998	1997	0.6841	1.7700	0.4187	0.0200
1999	1998	0.6841	1.7700	0.4166	0.0213
2000	1999	0.6841	1.7090	0.3984	0.0204

Source - Tax Department records of the various taxing authorities.

(*) Per \$100 valuation.

Table 5

<u>Harris County Flood Control</u>	<u>Harris County Hospital Dist.</u>	<u>Total</u>
\$ 66,823,478	\$ 179,433,767	\$ 702,838,724
58,953,528	220,564,979	698,968,776
63,103,788	231,593,278	741,156,885
62,882,159	214,409,517	806,542,905
71,147,820	208,822,817	849,145,268
88,468,765	144,111,169	885,831,642
98,265,975	152,708,834	974,146,499
98,929,284	153,862,379	976,022,816
105,183,974	162,785,387	1,017,647,522
112,786,369	206,540,256	1,152,618,317
\$ 0.0619	\$ 0.1662	\$ 2.7762
0.0528	0.1962	2.1247
0.0559	0.1962	2.0942
0.0557	0.1898	3.0462
0.0557	0.1898	3.1024
0.0760	0.1238	3.0535
0.0797	0.1238	3.0820
0.0796	0.1238	3.0962
0.0800	0.1238	3.0958
0.0800	0.1465	3.0384

CITY OF JERSEY VILLAGE, TEXAS

Table 6

TAX RATE DISTRIBUTION

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Tax Rate</u>
1991	1990	\$ 0.57000	\$ 0.16000	\$ 0.73000
1992	1991	0.52557	0.19293	0.71850
1993	1992	0.52609	0.20391	0.73000
1994	1993	0.53236	0.19764	0.73000
1995	1994	0.57600	0.15400	0.73000
1996	1995	0.52802	0.15606	0.68408
1997	1996	0.51764	0.16644	0.68408
1998	1997	0.52966	0.15442	0.68408
1999	1998	0.53279	0.15129	0.68408
2000	1999	0.40535	0.27873	0.68408

Source - City's tax ordinances.
Tax rates are per \$100 valuation.

CITY OF JERSEY VILLAGE, TEXAS

Table 7

PRINCIPAL TAXPAYERS

September 30, 2000

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
1. Compaq Computer Corp.	Personal	\$ 31,563,940	7.35 %
2. Beeler Sanders V Ltd.	Real	20,137,910	4.69
3. Beeler Sanders V Ltd.	Real	14,781,170	3.44
4. Beeler Sanders V Ltd.	Real	13,364,140	3.11
5. Micron Semiconductor	Personal	10,332,250	2.41
6. Joe Myers Ford, Inc.	Personal	10,234,320	2.38
7. Beeler Sanders V Ltd.	Real	7,485,250	1.74
8. Wal-Mart Properties	Personal	6,148,990	1.43
9. Infineon Technologies, Inc.	Personal	5,735,700	1.34
10. Joe Myers Toyota, Inc.	Personal	5,624,100	1.31
		<u>\$ 125,407,770</u>	<u>29.20 %</u>

Source - Tax assessor/collector's records.

CITY OF JERSEY VILLAGE, TEXAS
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>
1991	4,850	\$ 216,010,200	\$ 2,222,000
1992	4,890	249,479,770	1,864,000
1993	4,926	256,069,560	1,506,000
1994	4,970	264,119,510	3,043,000
1995	5,000	270,188,356	3,525,000
1996	5,000	278,791,996	3,275,000
1997	5,056	289,851,600	2,975,000
1998	5,310	298,945,530	2,675,000
1999	8,000	319,000,537	6,144,991
2000	8,000	429,510,881	6,649,991

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

Table 8

<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
\$ 164,073	\$ 2,057,927	0.95	424
100,626	1,763,374	0.71	361
174,042	1,331,958	0.52	270
294,919	2,748,081	1.04	553
291,380	3,233,620	1.20	647
301,779	2,973,221	1.07	595
332,636	2,642,364	0.91	523
371,512	2,303,488	0.77	434
1,083,233	5,061,758	1.59	633
1,039,866	5,610,125	1.31	701

CITY OF JERSEY VILLAGE, TEXAS

Table 9

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

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service Requirements</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service Requirements to Expend.</u>
1991	\$ 339,253	\$ 142,644	\$ 481,897	\$ 2,881,060	16.73
1992	390,791	145,373	536,164	2,866,320	18.71
1993	393,735	119,750	513,485	2,830,003	18.14
1994	401,944	95,437	497,381	3,391,172	14.67
1995	310,441	225,362	535,803	3,206,470	16.71
1996	250,000	198,388	448,388	3,208,234	13.98
1997	300,000	182,423	482,423	3,460,039	13.94
1998	300,000	161,946	461,946	3,941,206	11.72
1999	1,965,000	343,393	2,308,393	6,121,635	37.71
2000	750,000	515,144	1,265,144	5,875,466	21.53

CITY OF JERSEY VILLAGE, TEXAS

Table 10

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

September 30, 2000

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Outstanding as of</u>	<u>Percentage Applicable to City of Jersey Village</u>	<u>City of Jersey Village Share of Debt</u>
Cypress-Fairbanks I.S.D.	\$ 477,724,633	8/31/2000	2.83 %	\$ 13,519,607
Harris County (including Toll Rd)	1,585,962,345	2/28/2000	0.25	3,964,906
Harris Co. Flood Control District	151,409,153	2/28/2000	0.24	363,382
Port of Houston Authority	242,775,000	12/31/1999	0.25	<u>606,938</u>
Total Net Overlapping Debt				18,454,833
City of Jersey Village				<u>6,649,991</u>
Total Net Direct and Overlapping Debt				<u><u>\$ 25,104,824</u></u>

CITY OF JERSEY VILLAGE, TEXAS

Table 11

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Unemployment Rate (A)</u>
1991	4850	\$ 49,923	37	5.7
1992	4890	50,460	39	7.3
1993	4926	52,071	40	6.8
1994	4970	53,148	41	6.2
1995	5000	53,684	41	5.4
1996	5000	54,225	41	5.2
1997	5056	56,394	40	5.2
1998	5310	57,521	40	4.5
1999	8000	59,534	40	4.0
2000	8000	61,022	40	4.0

(A) Source - Texas Workforce Commission

CITY OF JERSEY VILLAGE, TEXAS

Table 12

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Value</u>	<u>Construction *</u>	<u>Bank Deposits</u>
1991	\$ 223,447,520	\$ 86,906,275	\$ 102,906,275
1992	257,535,570	89,524,377	106,524,377
1993	266,172,010	93,907,270	111,907,270
1994	273,472,470	94,994,481	113,994,481
1995	278,714,280	84,224,925	104,224,920
1996	280,149,310	95,674,282	106,284,660
1997	289,851,600	108,680,040	108,410,353
1998	298,945,530	17,785,550	109,494,456
1999	319,000,537	11,750,894	111,609,000
2000	429,510,881	25,595,111	114,399,225 **

* Construction values in years 1991 through 1997 include the City of Jersey Village and surrounding areas. Beginning in 1998, only construction values within the City of Jersey Village are included.

** Estimated at 2.5% growth.

CITY OF JERSEY VILLAGE, TEXAS

MISCELLANEOUS STATISTICAL DATA

September 30, 2000

Date of incorporation	April 16, 1956
Date of present charter	August, 1986
Form of government	Home Rule
Area	2283 acres

Miles of Streets

Streets - Paved	31 miles
Streets - Unpaved	None

Fire Protection

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

Fire Prevention

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

Police Protection

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

Recreation

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

Miles of storm sewers	23
-----------------------	----

Table 13

Education

High School

Number of teachers	172
Number of students	3,100

Grades 1-9

Number of teachers	208
Number of students	3,040

City Employees

Department heads	5
Employees:	
Full-time	57
Part-time (Full-time equivalent)	10

Election

Number of Votes Cast:	
Last City Election - Regular Election	474

Water

Source	Ground Water
Average daily consumption	1,256,000 gallons
Maximum daily consumption	2,658,000 gallons
Water mains	39 miles
Number of connections	2,049 2,117

Sewer

Average daily flow	690,000 gallons
Maximum daily flow	1,088,000 gallons
Sanitary sewer mains	32 miles
Number of connections	1,820

2000
1999

