

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2008

**City of
Jersey
Village**



Mayor

Russell Hamley

City Council

Joyce Berube

Greg Holden

Frances Wubbenhorst

Ernie English

Jill Klein

16501 Jersey Drive, Jersey Village, TX 77040-1999

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

CITY OF JERSEY VILLAGE, TEXAS

**For the Fiscal Year Ended
September 30, 2008**

**Prepared by
Finance Department**

**Isabel Kato
Director of Finance**

CITY OF JERSEY VILLAGE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

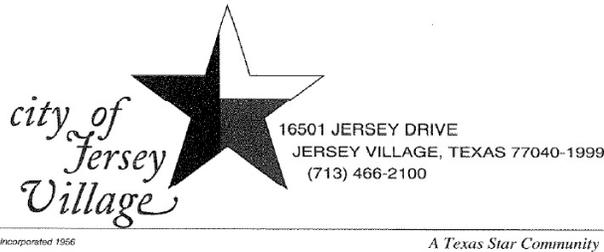
	Page
INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Certificate of Achievement	v
Organization Chart	vi
Principal City Officials	vii
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Net Assets – Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds	22
Notes to Basic Financial Statements	23
Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	45
Notes to Required Supplementary Budget Information	46
Required Pension System Supplementary Information	47
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	54
Budgetary Comparison Schedules	
Debt Service Fund	58

CITY OF JERSEY VILLAGE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

	Page
UNAUDITED STATISTICAL SECTION	
Net Assets by Component	61
Changes in Net Assets	62
Fund Balances of Governmental Funds	64
Changes in Fund Balances of Governmental Funds	66
Assessed Value and Estimated Actual Value of Taxable Property	68
Property Tax Rates Direct and Overlapping Governments	70
Principal Property Taxpayers	71
Property Tax Levies and Collections	72
Ratios of Outstanding Debt by Type	73
Ratios of General Bonded Debt Outstanding	74
Direct and Overlapping Governmental Activities Debt	75
Demographic and Economic Statistics	76
Principal Employers	77
Full-Time Equivalent City Government Employees by Function	78
Operating Indicators by Function	80
Capital Assets Statistics by Function	82

INTRODUCTORY SECTION

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March 2009

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

Dear Mayor and Members of City Council:

The City of Jersey Village, Texas (the City), is required to publish each year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Jersey Village for the fiscal year ended September 30, 2008.

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

The City's financial statements have been audited by Null Lairson, P.C., a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the financial statements for the year ended September 30, 2008 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Strategic Direction

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

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

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

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

- **Fiscal Responsibility** – Continue fiscally sound local government practices through active budget controls and a focus on strategic planning within the community. A strategic planning and team-building program for staff was initiated with the help of Cy-Fair College. Different committees were created in order to incorporate the development of values and an employee-developed-strategic plan.
- **Public Safety** - Provide a safe and secure environment resulting from a partnership between Jersey Village residents and the Police and Emergency Services Departments.
- **Flood Prevention and Mitigation** - The City will continue efforts to reduce flooding in the City and use its influence to encourage the Harris County Flood Control District to complete major flood mitigation programs affecting Jersey Village in a timely manner.
- **Emergency Preparedness** – Our Emergency Management plan is complete and complies with NIMS standards. We were able to use our plan successfully during Hurricane Ike.
- **Economic Development** - The City will focus economic development efforts on increasing the commercial tax base through the attraction of companies and the expansion of existing businesses. Council approved in December 2008 an agreement for a feasibility study for Transit Oriented Development.
- **Quality Public Infrastructure and Recreational Facilities** - Provide continual cost effective maintenance and upgrades of streets, municipal utilities, and other municipal owned facilities to meet the service and capacity requirements of the community. The \$8.5 million street bond project is almost completed.

Profile of the Government

The City, which was formed in 1956, is located 15 miles northwest of downtown Houston. As of September 30, 2008, the City had a land area of 3.58 square miles and an estimated population of approximately 7,600. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statutes to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

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

The City provides a full range of municipal services including public safety (police and fire protection); residential solid waste sanitation services, water and wastewater services, public improvements, repair

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

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

Local Economy. The Texas unemployment rate at 5.1 percent is now lower than the U.S. unemployment rate of 6.0 percent. Jersey Village is at the same level as the State of Texas at 5.1 percent, with an increase compared to previous years, according to the Texas Workforce Commission. The Houston economy is showing signs of a significant slowdown as more residents lose their jobs and employers scale back hiring.

	2008	2007	2006
United States	6.0%	4.7%	4.6%
Texas	5.1%	4.3%	4.5%
Jersey Village	5.1%	4.3%	4.0%

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

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

Major Initiatives

Fiscal Year (FY) 2007-2008 was a year of accomplishments and challenges for the City of Jersey Village. The list below highlights some of the more significant city activities this past year:

- The city received a bond ratings upgrade from Standard and Poor's from A+ to AA for the outstanding Water and Sewer Revenue bonds. The upgrade was based on our fiscal policy and the willingness to adjust rates, taking into consideration long-term planning in order to serve the community.

- A general obligation bond of \$8.5 million was approved by the residents and issued in 2007 in order to improve the City's streets and infrastructure. The projects started in FY 2008 and nearing 70 percent completion.
- During September 2008, Hurricane Ike hit the Houston area as the third most destructive and costly hurricane that made landfall in the United States. The City activated its Emergency Operation Center before Ike made landfall, and responded to community needs in a prompt manner according to NIMS guidelines.
- A strategic planning and team-building program is being implemented for department leaders and staff.

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jersey Village for its comprehensive annual financial report for the year ended September 30, 2007. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This was the thirteenth consecutive year that the City has received this prestigious award. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for compliance review.

Acknowledgements

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

Respectfully submitted,



Isabel Kato
Director of Finance

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, 2007

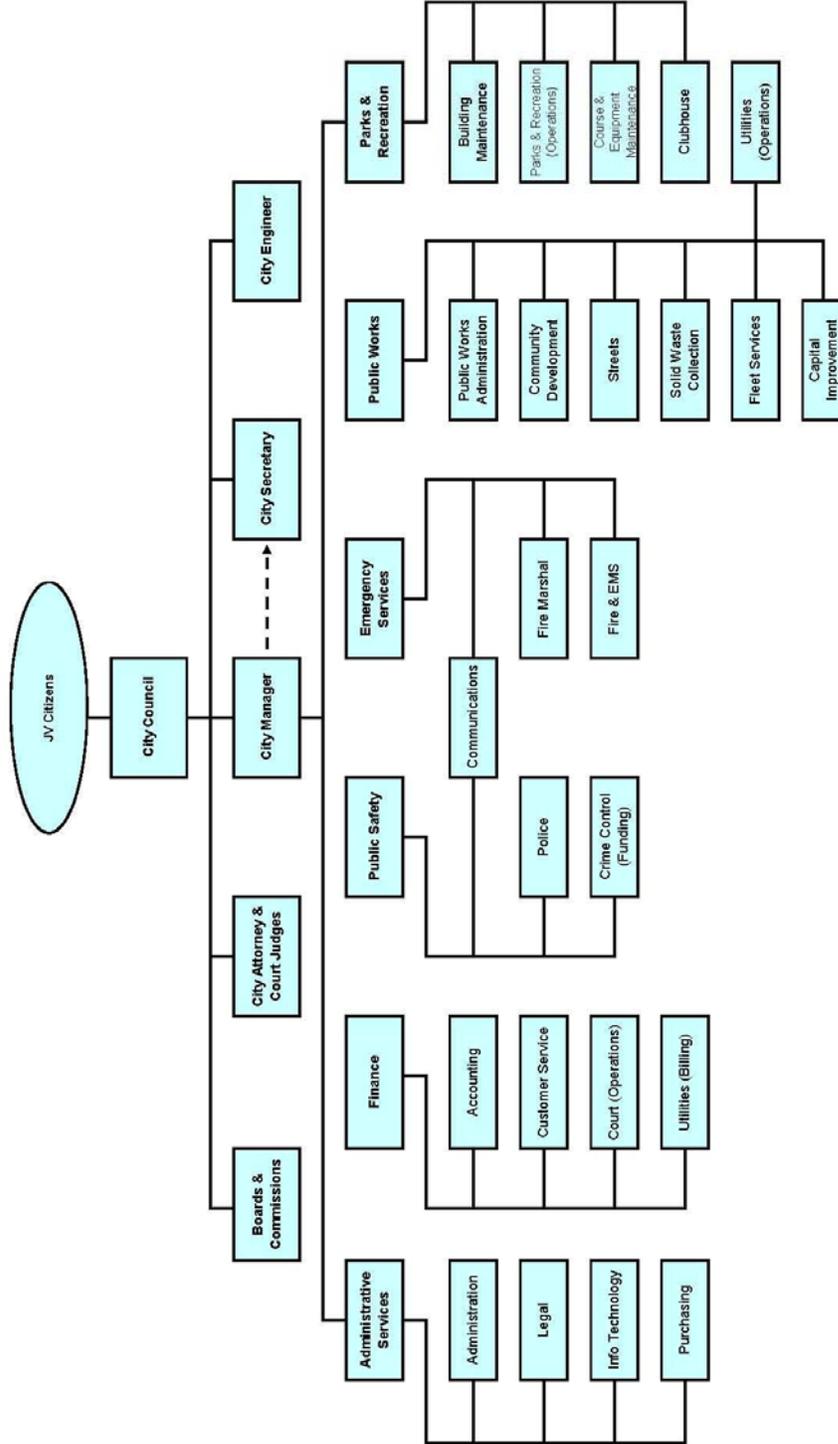
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

**CITY OF JERSEY VILLAGE
ORGANIZATIONAL CHART**



PRINCIPAL CITY OFFICIALS

CITY OF JERSEY VILLAGE, TEXAS

For the Year Ended September 30, 2008

Elected Officials

Russell Hamley

Joyce Berube

Greg Holden

Frances Wubbenhorst

Ernie English

Jill Klein

Position

Mayor

Council Member – Position No. 1

Council Member – Position No. 2

Council Member – Position No. 3

Council Member – Position No. 4
Mayor Pro-Tem

Council Member – Position No. 5

Appointed Officials and Department Heads

Mike Castro

Lorri Coody

Kenneth Wall

Ismael Segundo

Mark Bitz

Isabel Kato

Charles Wedemeyer

Michael Brown

Position

City Manager

City Secretary

City Attorney

Director of Public Works

Fire Chief

Director of Finance

Police Chief

Director of Parks and Recreation

FINANCIAL SECTION

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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jersey Village, Texas (the "City") as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely present component unit, each major fund and the aggregate remaining fund information of the City as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March , 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions or laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report, which has been issued separately from this document, is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis, on pages 3 through 10, as well as the budgetary comparison and pension system supplementary information, on pages 45 through 47, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

To the Honorable Mayor and
Members of City Council
City of Jersey Village, Texas
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial information and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Houston, Texas
March 30, 2009

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Jersey Village (the "City"), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2008. It should be read in conjunction with the accompanying letter of transmittal and the accompanying basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through their user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, community development and culture and recreation. The business-type activities of the City include a Utility fund and a golf course.

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

The government-wide financial statements can be found on pages 13 through 15 of this report.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories governmental and proprietary and utilize different accounting approaches.

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

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

The City maintains 6 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, debt service and capital projects funds, which are considered to be major funds. Data from the other 3 governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

Proprietary Funds. The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds.

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water & Wastewater Utility and Jersey Meadow Golf Course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet and equipment replacement which is later charged to the individual funds.

The basic proprietary fund financial statements can be found on pages 20 through 22 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 42 of this report.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and general fund budgetary comparisons. Required supplementary information can be found on pages 45 through 47 of the City's Comprehensive Annual Financial Report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and supporting schedules can be found beginning on pages 52 through 55 of the City's Comprehensive Annual Financial Report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$45.2 million (net assets). Of this amount, \$11.5 million (unrestricted net assets) may be used to meet the ongoing obligations to citizens and creditors.

By far the largest portion of the City's net assets (70 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CONDENSED SCHEDULE OF NET ASSETS

Amounts in (000's)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 18,255	\$ 18,919	\$ 4,358	\$ 4,147	\$ 22,613	\$ 23,066
Capital assets	32,296	28,964	18,033	17,685	50,329	46,649
Total Assets	50,551	47,883	22,391	21,832	72,942	69,715
Current liabilities	1,942	862	247	252	2,189	1,114
Long-term liabilities	24,762	25,936	854	952	25,616	26,888
Total Liabilities	26,704	26,798	1,101	1,204	27,805	28,002
Net assets:						
Invested in capital assets, net of related debt	14,252	13,472	17,233	16,785	31,485	30,257
Restricted	1,360	1,482	743	694	2,103	2,176
Unrestricted	8,235	6,131	3,314	3,149	11,549	9,280
Total Net Assets	\$ 23,847	\$ 21,085	\$ 21,290	\$ 20,628	\$ 45,137	\$ 41,713

An additional portion of the City's net assets (5 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The government's net assets increased by \$3.5 million during the current fiscal year primarily due to governmental activities revenues exceeding governmental expenses.

The following table summarizes the changes in net assets for the City for the years ended September 30, 2008 and 2007.

CONDENSED SCHEDULE OF CHANGES IN NET ASSETS

Amounts in (000's)

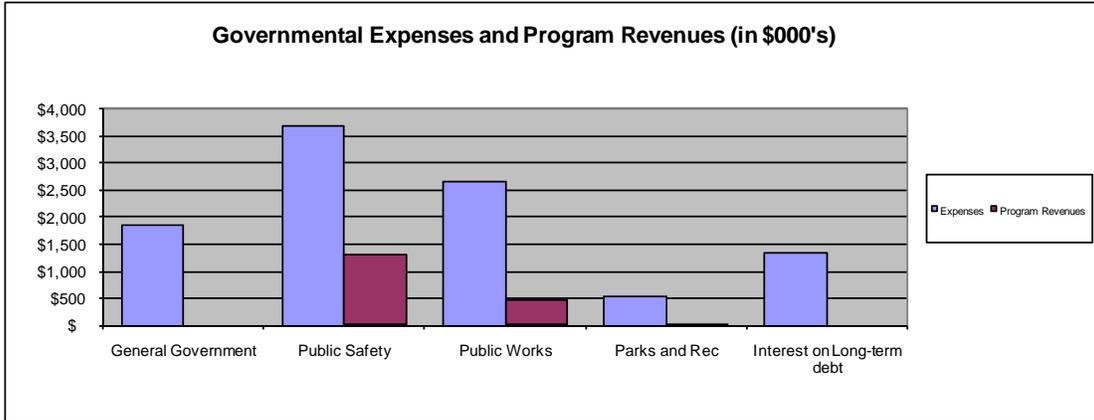
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenue						
Charges for services	\$ 1,777	\$ 1,910	\$ 4,434	3,690	\$ 6,211	\$ 5,600
Operating grants and contributions	1,303	537	23		1,326	537
General revenues						
Property taxes	5,677	4,991			5,677	4,991
Franchise and other taxes	590	554			590	554
Sales tax	2,449	2,602			2,449	2,602
Unrestricted investment earnings	597	576	95	149	692	724
Miscellaneous	84	75			84	75
Total Revenues and Transfers	12,477	11,244	4,552	3,839	17,029	15,083
Expenses						
General Government	1,864	1,465			1,864	1,465
Public Safety	3,691	3,337			3,691	3,337
Public Works	2,654	2,139			2,654	2,139
Parks and Recreation	541	424			541	424
Interest on Long-term debt	1,345	1,069			1,345	1,069
Utility			1,952	1,650	1,952	1,650
Golf Course			1,558	1,433	1,558	1,433
Total Expenses	10,095	8,433	3,510	3,083	13,605	11,516
Increase in net assets before transfers	2,382	2,811	1,042	756	3,424	3,567
Transfers	380		(380)			
Increase (decrease) in net assets	2,762	2,811	662	756	3,424	3,567
Beginning net assets	21,085	18,274	20,628	19,872	41,713	38,146
Ending Net Assets	\$ 23,847	\$ 21,085	\$ 21,290	\$ 20,628	\$ 45,137	\$ 41,713

At the end of Fiscal Year 2007-2008, property tax revenues increased due to the assessed valuations and decreased sales tax revenue earnings due to the lump sum payment that was erroneously made to the City of Houston. Grants and contributions increased substantially because of the FEMA reimbursement due to Hurricane Ike.

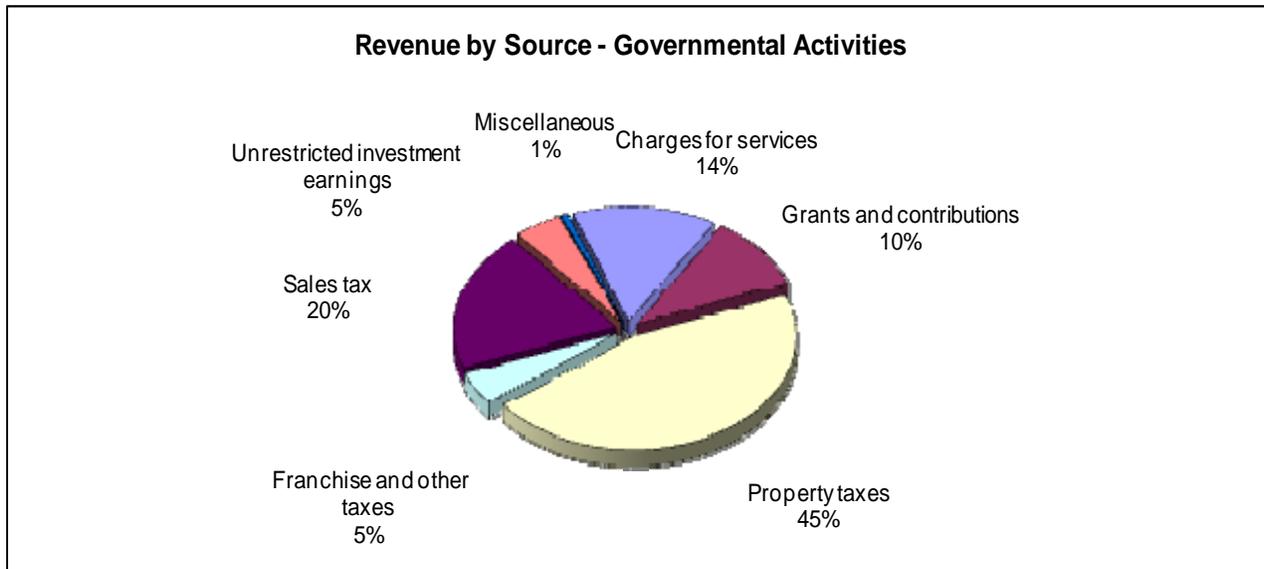
The most notable changes in expenses for the year can be found in General Government. This increase was due to personal services, capital projects, and costs related to recovery from Hurricane Ike.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities. Governmental activities increased the City's net assets by \$2.8 million. A comparison of program expenses to program revenues and revenues by source for governmental activities follows:

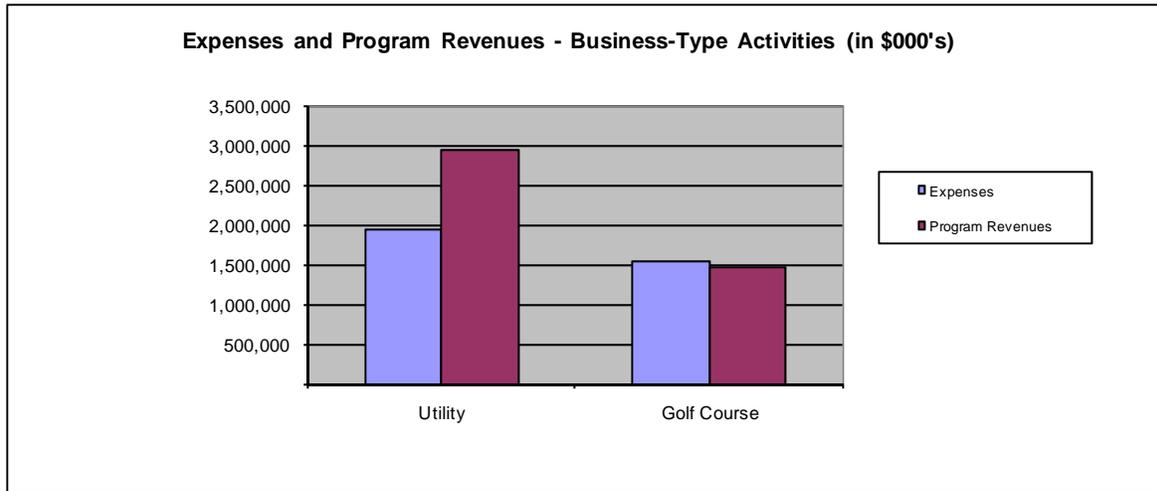


Revenue sources for governmental activities were distributed as follows:



CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities. The net assets of the City's business-type activities increased by \$662,000. This was a modest increase compared to previous year because of a decrease in revenues and an increase in expenditures towards the end of the fiscal year 2007-2008 due to Hurricane Ike. A comparison between expenses and program revenues (charges for services) relating to Utility and golf course operations follows.



Revenue sources for business-type activities consisted almost entirely of charges for services.

Financial Analysis of the Government's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15.2 million, a decrease of approximately \$1.8 million from the prior year. This decrease is due primarily to capital project funds, specifically the Street Bond.

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

The General fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7.3 million. Both the unreserved fund balance and the total fund balance increased by approximately \$2.1 million compared to last year. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 91% of total general fund expenditures.

The Debt Service fund had a total fund balance of approximately \$545,000, all of which is reserved for the payment of debt service. The net decrease in fund balance from the prior year of approximately \$182,000 was because of an increase in debt service payments due to new bond issuance. The fund balance represents 21.5% of the debt service payments by the fund. This is well above 15% stipulated in our adopted City of Jersey Village Fund Balance Policy.

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Unrestricted net assets of the Utility Enterprise fund at the end of the year amounted to approximately \$2 million and represents approximately 102% of annual operating expenses for the fund.

Unrestricted net assets of the Golf Course fund at the end of the year amounted to approximately \$473,000 or 30% of annual operating and non-operating expenses for the fund.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to \$536,400 primarily in the following functions:

\$ 120,500	Increase for General Government
\$ 55,900	Increase for Public Safety
\$ 360,000	Increase for Public Works

These differences were mainly for Police overtime, capital projects, and the additional cost related to Hurricane Ike. All these costs increases were not contemplated in the original budget.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2008 amounted to \$50.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, park facilities, water and wastewater plants and service lines, machinery and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was approximately \$3.7 million. The following table shows capital asset activity for the 2008 and 2007 fiscal years (in 000's):

	Balance at September 30, 2008	Balance at September 30, 2007
Governmental Activities:		
Capital assets, not being depreciated:		
Land	\$ 1,956	\$ 1,956
Construction in progress	3,888	226
Capital assets being depreciated:		
Infrastructure	20,825	20,823
Buildings and improvements	4,376	4,457
Machinery and equipment	1,251	1,501
Total Governmental Activities	\$ 32,296	\$ 28,964
Business-type Activities:		
Capital assets, not being depreciated:		
Land	\$ 1,360	\$ 1,360
Construction in progress	406	391
Capital assets being depreciated:		
Infrastructure	12,728	12,145
Buildings and improvements	3,281	3,553
Machinery and equipment	208	229
Total Business-type Activities	\$ 17,983	\$ 17,678

CITY OF JERSEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

At the end of fiscal year 2008, the City had invested in a broad range of capital assets, including police equipment, information technology, streets and utilities. During the year, major capital additions included the construction of roadways within the City.

Additional information on capital asset activity can be found in note 4 to the financial statements.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$23.9 million. Of this amount, \$23.1 million is backed by the full faith and credit of the City, and the remainder represents revenue bonds secured solely by specified revenue sources.

The city's General Fund and its Utility Enterprise Fund both maintain a rating of A2 from Moody's Investor Services. The city received an increase from A+ to AA from Standard & Poor's for the outstanding Water and Sewer System Revenue Bonds.

The City has no legal debt limit provision in its charter.

Additional information on long-term debt activity can be found in note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During 2008 the Houston region was insulated from the downturn of the economy compared to other parts of the country. Experts predict that the Houston area will begin to experience the effects of the national downturn during FY 2009. A significant concern for the city is the prospect of the declining home values, coupled with declining sales tax receipts. A simultaneous decline in both home values and sales tax will have severe implications for the budget, as the city's general fund revenue is principally made up of property taxes, sales taxes, and franchise fees. Revenue projections for the budget are based on historical data, estimates from the finance department and input from individual department heads. Revenue projections have been projected conservatively, taking into account a slowing regional and national economy.

Overall revenues for the fiscal year 2009 are projected at 38.3% decrease over fiscal year 2008. Much of this decrease can be attributed to the influx of the \$8.5 million bond issuance and the lump sum payment of the sales tax that were erroneously paid to the City of Houston. The General Fund portion of the Property Tax revenue is estimated to be approximately \$5.8 million. The ad valorem tax rate continues at .7425 cent per hundred dollar assessed valuation. Of this tax rate, 47.82 cents is utilized for maintenance and operation activities of the General Fund, and the remaining amount, 26.43 cents, is used for the Debt Service Fund. The City's portion of the sales tax rate is one and one-half cents, with an additional half cent for Crime Control and Prevention. The General Fund receives one and one-half cent with the additional half cent as an instrument of property tax reduction

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Department, at the City of Jersey Village, 16501 Jersey Drive, Jersey Village Texas 77040.

BASIC FINANCIAL STATEMENTS

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CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF NET ASSETS

September 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Governmental Activities
ASSETS				
Cash and equivalents	\$ 17,102,319	\$ 2,017,115	\$ 19,119,434	\$ 1,207,412
Receivables	1,772,222	648,937	2,421,159	126,476
Internal balances	(916,202)	916,202		
Due from component unit	296,866		296,866	
Inventories		32,806	32,806	
Restricted cash and equivalents		742,993	742,993	
Capital assets				
Capital assets, not being depreciated	5,844,559	1,766,691	7,611,250	
Capital assets, net of depreciation	26,451,536	16,266,519	42,718,055	
Total Capital Assets	<u>32,296,095</u>	<u>18,033,210</u>	<u>50,329,305</u>	
Total Assets	<u>50,551,300</u>	<u>22,391,263</u>	<u>72,942,563</u>	<u>1,333,888</u>
LIABILITIES				
Accounts payable and accrued expenses	1,821,753	151,813	1,973,566	
Due to State	53,062		53,062	
Due to primary government				296,866
Accrued interest	68,105	2,698	70,803	
Customer deposits		92,636	92,636	
Long-term liabilities				
Due within one year	1,354,721	105,000	1,459,721	
Due in more than one year	23,407,656	748,902	24,156,558	
Total Liabilities	<u>26,705,297</u>	<u>1,101,049</u>	<u>27,806,346</u>	<u>296,866</u>
NET ASSETS				
Invested in capital assets, net of related debt	14,251,751	17,233,210	31,484,961	
Restricted for:				
Capital projects	5,172	742,993	748,165	
Debt service	477,319		477,319	
Tourism	629,486		629,486	
Public safety	247,154		247,154	
Unrestricted	8,235,121	3,314,011	11,549,132	1,037,022
Total Net Assets	<u>\$ 23,846,003</u>	<u>\$ 21,290,214</u>	<u>\$ 45,136,217</u>	<u>\$ 1,037,022</u>

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2008

Functions/Programs	Expenses	Program Revenue	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General Government	\$ 1,864,463	\$	\$
Public Safety	3,691,280	1,287,420	1,299,724
Public Works	2,653,961	477,912	3,301
Parks and Recreation	541,244	11,954	
Interest on Long-term debt	1,344,921		
Total governmental activities	<u>10,095,869</u>	<u>1,777,286</u>	<u>1,303,025</u>
Business-type Activities			
Utility	1,952,219	2,956,434	
Golf Course	1,558,274	1,477,667	22,957
Total business-type activities	<u>3,510,493</u>	<u>4,434,101</u>	<u>22,957</u>
Total primary government	<u>\$ 13,606,362</u>	<u>\$ 6,211,387</u>	<u>\$ 1,325,982</u>
Component Unit			
Crime Control and Prevention District	<u>\$ 640,908</u>	<u>\$</u>	<u>\$</u>

General revenues:

Taxes:

 Property taxes

 Sales and use taxes

 Franchise and other taxes

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Governmental Activities
\$ (1,864,463)	\$	\$ (1,864,463)	
(1,104,136)		(1,104,136)	
(2,172,748)		(2,172,748)	
(529,290)		(529,290)	
(1,344,921)		(1,344,921)	
<u>(7,015,558)</u>		<u>(7,015,558)</u>	
	1,004,215	1,004,215	
	<u>(57,650)</u>	<u>(57,650)</u>	
	946,565	946,565	
<u>(7,015,558)</u>	<u>946,565</u>	<u>(6,068,993)</u>	
			\$ (640,908)
5,677,399		5,677,399	
2,449,404		2,449,404	803,704
589,850		589,850	
597,233	95,731	692,964	26,040
83,664		83,664	19,709
<u>379,913</u>	<u>(379,913)</u>		
<u>9,777,463</u>	<u>(284,182)</u>	<u>9,493,281</u>	<u>849,453</u>
2,761,905	662,383	3,424,288	208,545
<u>21,084,098</u>	<u>20,627,831</u>	<u>41,711,929</u>	<u>828,477</u>
<u>\$ 23,846,003</u>	<u>\$ 21,290,214</u>	<u>\$ 45,136,217</u>	<u>\$ 1,037,022</u>

CITY OF JERSEY VILLAGE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2008

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 7,129,090	\$ 548,697	\$ 6,969,543	\$ 837,363	\$ 15,484,693
Receivables, net of allowance for doubtful accounts					
Property and sales taxes	560,045	107,508			667,553
Other	1,101,368		3,301		1,104,669
Due from other funds	11,774	16,280		178,595	206,649
Total Assets	<u>8,802,277</u>	<u>672,485</u>	<u>6,972,844</u>	<u>1,015,958</u>	<u>17,463,564</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,196,412		442,779	89,150	1,728,341
Due to other funds	192,198	19,553	35,858	18,032	265,641
Deferred revenue	441,915	107,508			549,423
Payable to other governments				53,062	53,062
Total Liabilities	<u>1,830,525</u>	<u>127,061</u>	<u>478,637</u>	<u>160,244</u>	<u>2,596,467</u>
Fund balances:					
Reserved for:					
Construction			6,494,207	5,172	6,499,379
Debt service		545,424			545,424
Public safety	12,331			221,056	233,387
Tourism				629,486	629,486
Unreserved	7,256,287				7,256,287
Total Fund Balances	<u>7,268,618</u>	<u>545,424</u>	<u>6,494,207</u>	<u>855,714</u>	<u>15,163,963</u>
Total Liabilities and Fund Balances	<u>\$ 9,099,143</u>	<u>\$ 672,485</u>	<u>\$ 6,972,844</u>	<u>\$ 1,015,958</u>	<u>\$ 17,760,430</u>

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS**

September 30, 2008

Total fund balance, governmental funds \$ 15,163,963

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

Capital assets used in governmental activities, including those reported in the City's internal service fund, are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. 32,296,095

Certain other long-term assets such as property taxes receivable are not available to pay current period expenditures and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. 549,423

Some liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the government-wide financial statements.

General obligation bonds	(16,802,596)
Accreted interest on premium compound interest bonds	(1,292,802)
Certificates of obligation	(6,390,000)
Capital lease payable	(53,153)
Compensated absences	(223,826)
Accrued interest	(68,105)

The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets. 667,004

Net Assets of Governmental Activities in the Statement of Net Assets \$ 23,846,003

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2008

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property taxes	\$ 3,459,058	\$ 2,259,611	\$	\$	\$ 5,718,669
Sales and use taxes	2,353,342			96,062	2,449,404
Franchise taxes	589,850				589,850
Licenses and permits	271,512				271,512
Charges for services	438,649				438,649
Fines and forfeitures	1,055,854			121,795	1,177,649
Investment earnings	195,504	30,623	309,587	18,529	554,243
Intergovernmental	1,290,410		3,301		1,293,711
Other	94,028				94,028
Total Revenues	<u>9,748,207</u>	<u>2,290,234</u>	<u>312,888</u>	<u>236,386</u>	<u>12,587,715</u>
EXPENDITURES					
Current:					
General government	1,597,076			151,097	1,748,173
Public safety	3,573,988			12,678	3,586,666
Public works	2,249,229		64,173		2,313,402
Parks and recreation	510,991				510,991
Capital Outlay			3,993,106	46,687	4,039,793
Debt Service:					
Principal		920,054			920,054
Interest and other charges		1,617,322			1,617,322
Total Expenditures	<u>7,931,284</u>	<u>2,537,376</u>	<u>4,057,279</u>	<u>210,462</u>	<u>14,736,401</u>
Revenues over/(under) expenditures	<u>1,816,923</u>	<u>(247,142)</u>	<u>(3,744,391)</u>	<u>25,924</u>	<u>(2,148,686)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	315,000	64,913			379,913
Total Other Financing Sources and (Uses)	<u>315,000</u>	<u>64,913</u>			<u>379,913</u>
Changes in fund balance	<u>2,131,923</u>	<u>(182,229)</u>	<u>(3,744,391)</u>	<u>25,924</u>	<u>(1,768,773)</u>
Fund balances - beginning of year	5,136,695	727,653	10,238,598	829,790	16,932,736
Fund balances - End of Year	<u>\$ 7,268,618</u>	<u>\$ 545,424</u>	<u>\$ 6,494,207</u>	<u>\$ 855,714</u>	<u>\$ 15,163,963</u>

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES

For the Year Ended September 30, 2008

Net change in fund balances - total governmental funds: \$ (1,768,773)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays \$4,050,905 exceeded depreciation -\$737,785 in the current period. 3,313,120

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. (152,844)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the net amount of debt repayments and proceeds during the current fiscal year. 1,115,769

Payments for certain liabilities accrued in previous years are reflected as expenditures in the fund financial statements. These same amounts are treated as a decrease in long-term liabilities in the Statement of Activities.

Compensated absences (18,362)
Interest on debt 258,859

Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and information technology, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 14,136

Change in net assets of governmental activities \$ 2,761,905

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2008

	Enterprise Funds			Governmental Activities
	Utility	Golf Course	Total	Internal Service Fund
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,786,793	\$ 230,322	\$ 2,017,115	\$ 1,550,617
Accounts receivable, net	318,503	330,434	648,937	
Due from other funds	20,356	4,966	25,322	34,681
Inventories		32,806	32,806	
Restricted cash and equivalents	742,993		742,993	
Total Current Assets	2,868,645	598,528	3,467,173	1,585,298
Non-current assets:				
Capital Assets:				
Land	445,240	915,000	1,360,240	
Construction in progress	406,451		406,451	
Infrastructure	17,595,247		17,595,247	
Buildings and improvements	70,449	5,707,467	5,777,916	
Equipment and furniture	352,486	621,711	974,197	3,175,926
Less accumulated depreciation	(5,032,355)	(3,048,486)	(8,080,841)	(2,353,684)
Total Non-current Assets	13,837,518	4,195,692	18,033,210	822,242
Total Assets	16,706,163	4,794,220	21,500,383	2,407,540
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	53,535	98,278	151,813	26,403
Due to other funds	1,011		1,011	
Accrued interest	2,698		2,698	
Customer deposits	92,636		92,636	
Compensated absences - current portion	5,000		5,000	
Bonds payable- current portion	100,000		100,000	
Total current liabilities	254,880	98,278	353,158	26,403
Non-current liabilities:				
Compensated absences	22,103	26,799	48,902	
Bonds payable	700,000		700,000	
Total Non-current Liabilities	722,103	26,799	748,902	
Total Liabilities	976,983	125,077	1,102,060	26,403
NET ASSETS				
Invested in capital assets, net of related debt	13,037,518	4,195,692	17,233,210	822,242
Restricted for capital projects	742,993		742,993	
Unrestricted	1,948,669	473,451	2,422,120	1,558,895
Total Net Assets	\$ 15,729,180	\$ 4,669,143	\$ 20,398,323	\$ 2,381,137

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. 891,891

Total net assets per Government-wide Financial Statements \$ 21,290,214

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008

	Enterprise Funds			Governmental Activities
	Utility	Golf Course	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 2,946,988	\$ 1,477,667	\$ 4,424,655	\$ 380,192
Total Operating Revenues	<u>2,946,988</u>	<u>1,477,667</u>	<u>4,424,655</u>	<u>380,192</u>
OPERATING EXPENSES				
Personal services	227,082	726,497	953,579	
Supplies	779,328	189,897	969,225	
Repairs and maintenance	95,981	167,609	263,590	31,895
Contractual services	554,646	115,954	670,600	
Other	13,959	63,019	76,978	
Depreciation	237,716	295,589	533,305	374,816
Total Operating Expenses	<u>1,908,712</u>	<u>1,558,565</u>	<u>3,467,277</u>	<u>406,711</u>
Operating income (loss)	<u>1,038,276</u>	<u>(80,898)</u>	<u>957,378</u>	<u>(26,519)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	83,790	11,941	95,731	42,990
Operating grants and contributions	9,446	22,957	32,403	
Interest expense	(43,750)	(1,800)	(45,550)	
Total non-operating revenue (expenses)	<u>49,486</u>	<u>33,098</u>	<u>82,584</u>	<u>42,990</u>
Income (loss) before transfers	<u>1,087,762</u>	<u>(47,800)</u>	<u>1,039,962</u>	<u>16,471</u>
Transfers out	(379,913)		(379,913)	
Change in Net Assets	<u>707,849</u>	<u>(47,800)</u>	<u>660,049</u>	<u>16,471</u>
Total net assets - beginning of year	15,021,331	4,716,943	19,738,274	2,364,666
Total Net Assets - End of Year	<u>\$ 15,729,180</u>	<u>\$ 4,669,143</u>	<u>\$ 20,398,323</u>	<u>\$ 2,381,137</u>
Change in net assets, per above			660,049	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			2,334	
Change in Business-Type Activities in Net Assets per Government-Wide Financial Statements			<u>\$ 662,383</u>	

See Notes to Basic Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008

	Enterprise Funds			Governmental Activities
	Utility	Golf Course	Total	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 2,855,828	\$ 1,147,233	\$ 4,003,061	\$ 380,192
Disbursed for personal services	(257,148)	(694,435)	(951,583)	
Disbursed for goods and services	(1,463,551)	(532,931)	(1,996,482)	(42,450)
Cash Flows Provided By Operating Activities	<u>1,135,129</u>	<u>(80,133)</u>	<u>1,054,996</u>	<u>337,742</u>
Cash Flows From Noncapital Financing				
Transfers out	(421,928)	(9,551)	(431,479)	
Operating grants	9,446	22,957	32,403	
Cash Flows Used in Noncapital Financing Activities	<u>(412,482)</u>	<u>13,406</u>	<u>(399,076)</u>	
Cash Flows From Capital And Related Financing Activities				
Acquisition and construction of capital assets	(816,980)	(14,005)	(830,985)	(167,385)
Debt principal payments	(100,000)		(100,000)	(73,936)
Interest paid on debt	(43,750)	(1,800)	(45,550)	(4,853)
Cash Flows Used in Capital and Related Financing Activities	<u>(960,730)</u>	<u>(15,805)</u>	<u>(976,535)</u>	<u>(246,174)</u>
Cash Flows From Investing Activities				
Interest earned on investments	83,790	11,941	95,731	42,990
Cash Flows Used by Investing Activities	<u>83,790</u>	<u>11,941</u>	<u>95,731</u>	<u>42,990</u>
Increase (Decrease) In Cash	<u>(154,293)</u>	<u>(70,591)</u>	<u>(224,884)</u>	<u>134,558</u>
Cash balance at beginning of year	2,684,079	300,913	2,984,992	1,416,059
Cash Balance at End of Year	<u>\$ 2,529,786</u>	<u>\$ 230,322</u>	<u>\$ 2,760,108</u>	<u>\$ 1,550,617</u>
Cash	\$ 1,786,793	\$ 230,322	\$ 2,017,115	\$ 1,550,617
Restricted cash	742,993		742,993	
Total Cash	<u>\$ 2,529,786</u>	<u>\$ 230,322</u>	<u>\$ 2,760,108</u>	<u>\$ 1,550,617</u>
Cash Flows From Operating Activities				
Operating income (loss)	\$ 1,038,276	\$ (80,898)	\$ 957,378	\$ (26,519)
Adjustment to reconcile net income to net cash provided by operating activities				
Depreciation	237,716	295,589	533,305	374,816
Changes in operating assets and liabilities				
Decrease (increase) in accounts receivable	(97,805)	(330,434)	(428,239)	
Decrease (increase) in inventory		(4,245)	(4,245)	
Increase (decrease) in customer deposits	6,645		6,645	
Increase (decrease) in accounts payable	(19,637)	7,793	(11,844)	(10,555)
Increase (decrease) in accrued compensated absences	(30,066)	32,062	1,996	
Cash Flows Provided By Operating Activities	<u>\$ 1,135,129</u>	<u>\$ (80,133)</u>	<u>\$ 1,054,996</u>	<u>\$ 337,742</u>

See Notes to Financial Statements.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Jersey Village, Texas (the “City”) was incorporated in 1956 and adopted a Home-Rule Charter in August 1986. The Charter provides for a “Council-Manager” form of government.

The City Council is the principal legislative body of the City. The City Manager is appointed by the City Council and is responsible for the administration of the City.

The City provides the following services: public safety, public works, parks and recreation, water and wastewater and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

In conformity with GAAP, the financial statements of component units have been included in the financial reporting entity as discretely presented component units.

Jersey Village Crime Control and Prevention District

The seven member board of the Jersey Village Crime Control and Prevention District (the “District”) are appointed by City Council. The District provides additional crime control and prevention to the City. The District’s budget requires the approval of City Council. The operations of the District are reported in a single governmental fund.

The component unit identified above is included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The City appoints the organizations' board and is either able to impose its will on them or a financial benefit/burden exists.

Complete financial statements of the individual component units are not prepared.

The financial reporting entity consists of the primary government and other organizations for which the primary government is financially accountable.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General property taxes are recorded as receivables when levied and as revenue in the period for which they were levied and become available. Property taxes receivables have been recorded as deferred revenues at year-end. Property taxes collected within 60 days subsequent to September 30, 2008, have not been recorded as revenue as the amount is not considered material. Franchise taxes and sales taxes relating to underlying transactions that occurred prior to September 30, 2008, have been recorded as receivables and revenue. Licenses and permits, and fines and forfeitures are not susceptible to accrual since they are not measurable until received. Revenue on federal and state cost-reimbursement grants is accrued when the related expenditures are incurred. Interest is recorded when earned.

The City reports the following major governmental funds:

The *General Fund* is used to account for all financial transactions that are not accounted for in another fund. The principal sources of revenue of the General Fund are property taxes, sales and use taxes, franchise taxes, licenses and permits, and fines and forfeitures. Expenditures are for general government, public safety, public works and other community services.

The *Debt Service Fund* is used to account for the payment of interest and principal on all general long-term debt of the City except for capital leases which are accounted for in the General Fund. The primary source of revenue for the Debt Service Fund is general property taxes.

The *Capital Projects Fund* is used to account for the proceeds of general obligation debt and the corresponding expenditures primarily consisting of construction projects.

The City has two major proprietary funds:

The *Utility Enterprise Fund* is used to account for operations of the water and wastewater division and the construction of related facilities. The fund is financed and operated in a manner similar to private business enterprises - where the intent of the City is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis 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.

The *Golf Course Fund* is used to account for the operations of the City's municipal golf course. The fund follows the same basis of accounting as the Utility Enterprise Fund.

Additionally the City reports the following fund type:

The *Internal Service Fund* is used to account for the purchase of vehicles and equipment by one department to other departments, on a cost reimbursement basis.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Private-sector standards for accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. The City has elected not to follow private sector guidance issued subsequent to that date.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operational expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through contractual provisions or enabling legislation.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

D. Cash and Cash Equivalents

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

E. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Utility fund have not been recognized as of the end of the year as they are considered immaterial.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Due to and from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. These receivables and payables are, for the most part, eliminated from the Government-Wide Statement of Net Assets and are recorded as “due from other funds” or “due to other funds” in the fund financial statements.

G. Inventory and Prepaid Items

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

H. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of one year. All purchased Capital assets are valued at cost where historical records exist. Donated Capital assets are valued at their estimated fair value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements, including public domain and equipment are capitalized and Proprietary Fund Capital assets are depreciated over the remaining useful lives of the related Capital assets using the straight line method, as applicable.

Asset	Estimated Useful Lives
Equipment	5-20 years
Vehicles	5-7 years
Buildings and improvements	20 years
Water and sewer system	40 years
Infrastructure	75 years

I. Compensated Absences

Employees earn vacation based on years of service with the City and may accumulate unused time up to a maximum of 20 days. In accordance with GAAP, the liability for accumulated vacation as of September 30, 2008 has been recorded as a liability in the Government-Wide Statement of Net Assets. Upon retirement from the City, an employee will receive compensation for unused sick leave hours. Vesting in unused sick leave hours ranges from 20 to 60 percent based on years of service with the City.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. 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 October 1, or as soon thereafter as practicable. Taxes are due upon receipt and all taxes not paid prior to February 1 are deemed delinquent and are subject to such penalty and interest set forth by the Property Tax Code. All property located within the City limits on the first day of January of each year are charged with a special lien in favor of the City from such date for taxes due thereon.

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 the general obligation debt is provided by the debt service tax together with interest earned in the Debt Service Fund.

L. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

M. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period and are deferred and amortized in the Government-wide Statement of Activities. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts and issuance costs are recorded as deferred charges.

N. Fund Equity

In the fund financial statements, the City reserves or designates all or portions of fund equity in the various governmental fund financial statements. The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Revenues and Expenditures/Expenses

In the fund financial statements revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses in the Government-Wide Statement of Activities are recognized in essentially the same manner as used in commercial accounting.

P. Post-employment Healthcare Benefits

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

Q. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual amounts could vary from those estimates.

NOTE 2 – DEPOSITS (CASH) AND INVESTMENTS

Authorization for Deposits and Investments

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the City.

In accordance with applicable statutes, the City has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the City incurs for banking services received. The City may place funds with the depository in interest and non-interest bearing accounts. State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent. City policy requires the collateralization level to be at least 102% of market value of principal and accrued interest.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS (CASH) AND INVESTMENTS (continued)

The Council has adopted a written investment policy regarding the investment of City funds as required by the Public Funds Investment Act (Chapter 2256, Texas Government Code). The investments of the City are in compliance with the City’s investment policy. The City’s investment policy is more restrictive than the PFIA requires. It is the City’s policy to restrict its direct investments to obligations of the U.S. Government or U.S. Government Agencies, fully collateralized certificates of deposit, bankers acceptances, mutual funds, repurchase agreements and local government investment pools. The maximum maturity allowed is two years from date of purchase. The City’s investment policy does not allow investments in commercial paper, collateralized mortgage obligations, floating rate investments or swaps.

Deposit and Investment Amounts

The City’s cash and investments are classified as: cash and cash equivalents and restricted cash and investments. The cash and cash equivalents include cash on hand, deposits with financial institutions and in a privately-managed public funds investment pool account (TexPool). The restricted cash and investments are assets restricted for specific use.

The following schedule shows the City’s recorded cash and investments at year-end:

	Demand Deposits	Public Funds Investment Pool (TexPool)	Total
Primary government			
Unrestricted	\$ 2,625,159	\$ 16,494,275	\$ 19,119,434
Restricted	18,600	724,393	742,993
Discretely Presented Component Unit	54,484	1,152,928	1,207,412
	<u>\$ 2,698,243</u>	<u>\$ 18,371,596</u>	<u>\$ 21,069,839</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS (CASH) AND INVESTMENTS (continued)

Investment Risks

Interest Rate Risk

At year-end, the City’s investments (TexPool) had a weighted average maturity of sixty days.

The City measures interest rate risk using the weighted average maturity method for the portfolio. The City’s investment policy specifies a maximum weighted average maturity of 365 days or 12 months based on the stated maturity date for each investment in the portfolio.

To the extent possible, the City attempts to match investments with anticipated cash flow requirements. The City does not directly invest in securities with a stated maturity date more than two years or 730 days from date of purchase. The settlement date is considered the date of purchase.

Concentration of Credit Risk

The City had investments in authorized investment pools comprised 100 percent of the total investment portfolio at year-end. The City investment policy allows these investment levels for the portfolio.

At year-end balances in TexPool, a privately managed public funds investment pool, were rated AAAM by Standard & Poor’s.

Restricted Assets

The Enterprise Funds have restricted certain cash and investments for customer deposits, and construction.

<u>Purpose</u>	<u>Amount</u>
Customer deposits	\$ 92,636
Construction	650,357
	<u>\$ 742,993</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 – RECEIVABLES

Amounts recorded as receivables as of September 30, 2008 for the government’s individual major and nonmajor funds, including the applicable allowance for uncollectible accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Water and Wastewater</u>	<u>Golf Course</u>	<u>Total</u>
Receivables:					
Property taxes	175,954	\$ 110,106	\$		\$ 286,060
Sales and franchise taxes	388,573				388,573
Customers			318,503	330,434 *	648,937
Fines	598,249				598,249
FEMA grants	736,436				736,436
Gross receivables	<u>1,899,212</u>	<u>110,106</u>	<u>318,503</u>	<u>330,434</u>	<u>2,658,255</u>
Less: allowance for uncollectibles	<u>(237,799)</u>	<u>(2,598)</u>			<u>(240,397)</u>
Net total receivables	<u><u>\$ 1,661,413</u></u>	<u><u>\$ 107,508</u></u>	<u><u>\$ 318,503</u></u>	<u><u>\$ 330,434</u></u>	<u><u>\$ 2,417,858</u></u>

* The bulk of this receivable was due to a processing and clearing issue between the credit card company and the bank. This was resolved in November 2008.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable - general fund	\$ 171,472
Delinquent property taxes receivable - debt service fund	107,508
Adjudicated court fines and forfeitures	270,443
	<u><u>\$ 549,423</u></u>

Property Taxes

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The Harris County Central Appraisal District ("HCCAD") establishes appraised values. Taxes are levied by the City Council based on the appraised values and operating needs of the City.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS

A summary of activity for capital assets capitalized by the City for the year ended September 30, 2008 follows:

	Balance at September 30, 2007	Additions	Retirements and Reclassifications	Balance at September 30, 2008
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,956,455	\$	\$	\$ 1,956,455
Construction in progress	226,372	3,675,270	(13,538)	3,888,104
Total capital assets, not being depreciated	<u>2,182,827</u>	<u>3,675,270</u>	<u>(13,538)</u>	<u>5,844,559</u>
Capital assets being depreciated:				
Infrastructure	25,571,676	353,148		25,924,824
Buildings and improvements	6,308,405	94,857		6,403,262
Machinery and equipment	4,127,465	366,055	(31,951)	4,461,569
Total capital assets being depreciated	<u>36,007,546</u>	<u>814,060</u>	<u>(31,951)</u>	<u>36,789,655</u>
Less accumulated depreciation for:				
Infrastructure	(4,748,453)	(351,838)		(5,100,291)
Building and improvements	(1,851,085)	(176,521)		(2,027,606)
Machinery and equipment	(2,626,710)	(584,242)	730	(3,210,222)
Total accumulated depreciation	<u>(9,226,248)</u>	<u>(1,112,601)</u>	<u>730</u>	<u>(10,338,119)</u>
Total capital assets being depreciated, net	26,781,298	(298,541)	(31,221)	26,451,536
Governmental Activities Capital Assets, Net	<u><u>\$ 28,964,125</u></u>	<u><u>\$ 3,376,729</u></u>	<u><u>\$ (44,759)</u></u>	<u><u>\$ 32,296,095</u></u>

	Balance at September 30, 2007	Additions	Retirements and Reclassifications	Balance at September 30, 2008
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,360,240	\$	\$	\$ 1,360,240
Construction in progress	390,733	19,018	(3,300)	406,451
Total capital assets, not being depreciated	<u>1,750,973</u>	<u>19,018</u>	<u>(3,300)</u>	<u>1,766,691</u>
Capital assets being depreciated:				
Infrastructure	16,795,233	800,014		17,595,247
Buildings and improvements	5,712,133	65,783		5,777,916
Machinery and equipment	974,197			974,197
Total capital assets being depreciated	<u>23,481,563</u>	<u>865,797</u>		<u>24,347,360</u>
Less accumulated depreciation for:				
Infrastructure	(4,650,495)	(217,027)		(4,867,522)
Building and improvements	(2,151,382)	(296,104)		(2,447,486)
Machinery and equipment	(745,659)	(20,174)		(765,833)
Total accumulated depreciation	<u>(7,547,536)</u>	<u>(533,305)</u>		<u>(8,080,841)</u>
Total capital assets being depreciated, net	15,934,027	332,492		16,266,519
Business-type Activities Capital Assets, Net	<u><u>\$ 17,685,000</u></u>	<u><u>\$ 351,510</u></u>	<u><u>\$ (3,300)</u></u>	<u><u>\$ 18,033,210</u></u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS (continued)

Depreciation was charged to functions of the primary government as follows:

Governmental Activities:

General	\$	122,005
Public safety		195,149
Public works		377,399
Parks and recreation		43,232
Internal service fund assets		374,816
	<u>\$</u>	<u>1,112,601</u>

Business-type Activities:

Water and sewer	\$	237,716
Golf course		295,589
	<u>\$</u>	<u>533,305</u>

Construction in progress for the various projects and remaining commitments under these construction contracts at September 30, 2008, are as follows:

GENERAL

Project Description

	Authorized Contract	Contract Expenditures	Remaining Commitment
Lakeview Senate to WOB	\$ 120,677	\$ 13,977	\$ 106,700
Hillcrest Drainage Oversizing	113,300	21,933	91,367
Jones Road Ext Drainage	700,000	20,691	679,309
Jones Road Ext Engineering	216,771	156,233	60,538
Jones Road Ext Drainage	679,309	67,820	611,490
Jones Road Ext Engineering	60,538	9,600	50,938
Street Bond Equador	727,000	391,690	335,310
Street Bond Shanghai	1,206,000	684,441	521,559
Street Bond Tahoe	581,200	92,800	488,400
Street Bond Chichester	1,065,000	490,593	574,407
Street Bond Argentina	1,649,000	1,161,911	487,089
Street Bond Glamorgan	760,000	188,694	571,306
Street Bond Leeds	729,000	85,900	643,100
Street Bond Equador Waterline	139,000	85,703	53,297
Street Bond Chichester Waterline	204,000	70,465	133,535
Street Bond Argentina Waterlines	314,000	227,989	86,012
Street Bond Glamorgan Waterline	127,000	70,480	56,520
Street Bond Irrigation	30,000	29,898	102
Police Department Expansion	20,000	17,285	2,715
	<u>\$ 9,441,796</u>	<u>\$ 3,888,104</u>	<u>\$ 5,553,692</u>

PROPRIETARY

Project Description

	Authorized Contract	Contract Expenditures	Remaining Commitment
Sanitary Sewer Rehabilitation	\$ 521,000	\$ 327,512	\$ 193,488
Water Model	35,000	23,448	11,552
Sewerline SE of Hwy 290 & Senate	92,250	24,774	67,477
Water Plant Rehabilitation	200,000	30,718	169,283
	<u>\$ 848,250</u>	<u>\$ 406,451</u>	<u>\$ 441,799</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental and business type activities. These instruments include general obligation bonds, certificates of obligation and revenue bonds. Future ad valorem tax revenues, water and sewer system revenues or liens on property and equipment secure these debt obligations.

During the year ended September 30, 2008, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General obligation bonds	17,224,550		\$ (540,054)	16,684,496	\$ 557,732
Premium on bonds	118,100		-	118,100	
Accreted interest on premium compound interest bonds	1,551,661	121,087	(379,946)	1,292,802	379,946
Certificates of obligation	6,770,000		(380,000)	6,390,000	390,000
Capital lease payable	66,696		(13,543)	53,153	13,543
Compensated absences	205,464	49,959	(31,597)	223,826	13,500
Governmental activity Long-term liabilities	<u>\$ 25,936,471</u>	<u>\$ 171,046</u>	<u>\$ (1,345,140)</u>	<u>\$ 24,762,377</u>	<u>\$ 1,354,721</u>
Business-type Activities					
Revenue bonds	\$ 900,000	\$	\$ (100,000)	\$ 800,000	\$ 100,000
Compensated absences	51,906	4,756	(2,760)	53,902	5,000
Business-type activity Long-term liabilities	<u>\$ 951,906</u>	<u>\$ 4,756</u>	<u>\$ (102,760)</u>	<u>\$ 853,902</u>	<u>\$ 105,000</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT (continued)

Annual debt service requirements to retire outstanding general obligation bonds are as follows:

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2009	\$ 557,732	\$ 1,147,894	\$ 1,705,626
2010	469,317	1,306,297	1,775,614
2011	377,447	1,289,412	1,666,859
2012	975,000	716,171	1,691,171
2013	1,040,000	653,282	1,693,282
2014	1,110,000	585,248	1,695,248
2015	655,000	506,628	1,161,628
2016	685,000	474,349	1,159,349
2017	715,000	440,318	1,155,318
2018	740,000	407,460	1,147,460
2019	770,000	376,012	1,146,012
2020	800,000	343,447	1,143,447
2021	830,000	309,802	1,139,802
2022	865,000	274,845	1,139,845
2023	895,000	239,001	1,134,001
2024	930,000	201,238	1,131,238
2025	970,000	160,863	1,130,863
2026	1,610,000	106,038	1,716,038
2027	1,690,000	35,913	1,725,913
	<u>\$ 16,684,496</u>	<u>\$ 9,574,218</u>	<u>\$ 26,258,714</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT (continued)

Annual debt service requirements to retire outstanding certificates of obligation are as follows:

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2009	\$ 390,000	\$ 351,043	\$ 741,043
2010	230,000	330,438	560,438
2011	245,000	313,812	558,812
2012	260,000	296,138	556,138
2013	275,000	277,412	552,412
2014	295,000	257,463	552,463
2015	310,000	236,287	546,287
2016	330,000	214,094	544,094
2017	350,000	194,000	544,000
2018	370,000	176,000	546,000
2019	395,000	156,875	551,875
2020	420,000	136,500	556,500
2021	445,000	114,875	559,875
2022	475,000	91,875	566,875
2023	500,000	67,500	567,500
2024	535,000	41,625	576,625
2025	565,000	14,125	579,125
	<u>\$ 6,390,000</u>	<u>\$ 3,270,062</u>	<u>\$ 9,660,062</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT (continued)

Annual debt service requirements to retire outstanding revenue bonds are as follows:

Year Ending September 30	Business-type Activities		
	Principal	Interest	Total
2009	\$ 100,000	\$ 37,625	\$ 137,625
2010	100,000	32,500	132,500
2011	100,000	27,500	127,500
2012	100,000	22,500	122,500
2013	100,000	17,500	117,500
2014	100,000	12,500	112,500
2015	100,000	7,500	107,500
2016	100,000	2,500	102,500
	<u>\$ 800,000</u>	<u>\$ 160,125</u>	<u>\$ 960,125</u>

Capital Lease Payable

Capital lease payments on equipment purchased in the capital replacement internal service fund are as follows:

Year Ending September 30	Governmental Activities	
	Total	
2009	\$ 16,600	
2010	16,600	
2011	16,600	
2012	8,300	
	<u>58,100</u>	total payments required
	<u>(4,947)</u>	less interest payable
	<u>\$ 53,153</u>	principal payable

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM DEBT (continued)

The following is a summary of the terms of obligations of certificates of obligation, general obligation bonds and revenue bonds outstanding as of September 30, 2008:

Governmental Activities

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
1991 General Obligation Refunding Bonds	\$ 3,924,991	6.25% to 8.10%	\$ 1,864,496
1996 General Obligation Refunding Bonds	1,225,000	4.75% to 6.25%	135,000
2000 General Obligation Refunding Bonds	1,255,000	5.00% to 7.00%	255,000
2002 General Obligation Bonds	2,300,000	4.75% to 6.75%	1,800,000
2003 General Obligation Bonds	5,000,000	3.00% to 4.80%	4,130,000
2007 General Obligation Bonds	8,500,000	4.25% to 6.25%	8,500,000
			<u>16,684,496</u>
Certificates of Obligation			
1994 Tax and Revenue Certificates of Obligation	1,900,000	5.00% to 6.50%	175,000
2000 Tax and Revenue Certificates of Obligation	6,960,000	5.00% to 7.00%	6,215,000
			<u>6,390,000</u>
Capital Lease	73,215	5.05%	53,153
Total Governmental Activities			<u>\$ 23,127,649</u>

Business-type activities

Series	Original Issue	Interest Rate	Debt Outstanding
Revenue Bonds			
2000 Contract Revenue Refunding Bonds	\$ 1,600,000	5.00% to 7.00%	<u>\$ 800,000</u>

Legal Compliance

A number of limitations and restrictions are contained in the various bond ordinances. The City has complied with all significant limitations and restrictions.

A summary of permanent improvement bonds authorized, but unissued at September 30, 2008 follows:

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Amount Unissued</u>
Fire Station	February 2002	<u>\$ 2,500,000</u>	<u>\$ 200,000</u>

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6– INTERFUND TRANSACTIONS

During the year ended September 30, 2008 the Utility Fund transferred \$315,000 to the General Fund to supplement general revenues.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM

Plan Description and Provisions

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, defined benefit plan in the state-wide Texas Municipal Retirement System ("TMRS"), one of 821 currently 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 the total monetary credits and employee contributions accumulated, with interest, if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions, with interest, and the employer-financed monetary credits, with interest, were used to purchase an annuity.

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

Deposit Rate:	7%
Matching Ratio (City to Employee):	2 to 1
A member is vested after	5 years

Members can retire at ages 60 and above with 5 or more years of service or with 25 years of service regardless of age.

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

Contributions

Under the state law governing TMRS, the Actuary annually determines the City's 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 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 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. 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 to budget for it, 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.

The City's total payroll in fiscal year 2008 was \$4.18 million and the City's contributions were based on a payroll of \$3.9 million. Contributions made by employees totaled \$274,835, and the City made contributions of \$532,504 during the fiscal year ended September 30, 2008.

Three year trend information is presented below:

Fiscal Year	Annual Pension Cost (APC)	Percentage Contributed
2006	\$ 484,973	100%
2007	493,771	100%
2008	532,504	100%

Note: Annual covered payroll and annual required contributions are presented on a calendar year basis

Because the actuary determines contribution rates on an annual basis and the City pays the calculated rate each month, the City will always have a net pension obligation (NPO) of zero at the beginning and end of the period, and the annually required contributions (ARC) will always equal contributions made.

A schedule of funding progress for TMRS for the three most recent actuarial valuations may be found in the required supplementary information section of the City's Comprehensive Annual Financial Report. All assumptions for the December 31, 2007 valuations are contained in the 2007 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. The following is a summary of the actuarial assumptions:

Valuation date	12/31/2007
Actuarial cost method	Unit credit
Amortization method	Level percent of payroll
Remaining amortization period	25 years - Open
Asset valuation method	Amortized cost
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increase	None
Includes inflation at	3.50%
Cost-of-living adjustments	None

CITY OF JERSEY VILLAGE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Risk control techniques have been established to reasonably ensure that the City's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned by or under control of the City. Furthermore, supervisory personnel are held responsible for monitoring risk control techniques on an operational basis.

The primary technique used for risk financing is the City's participation in Texas Municipal League risk pool that has lessened the cost of insurance. Should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the City. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

All risk activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF JERSEY VILLAGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL (WITH VARIANCES)

GENERAL FUND (UNAUDITED)

For the year ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property taxes	\$ 3,245,000	\$ 3,245,000	\$ 3,459,058	\$ 214,058
Sales and use taxes	1,870,000	1,870,000	2,353,342	483,342
Franchise taxes	561,700	561,700	589,850	28,150
Licenses and permits	179,500	179,500	271,512	92,012
Charges for services	236,000	236,000	438,649	202,649
Fines and forfeitures	771,000	771,000	1,055,854	284,854
Investment earnings	200,000	200,000	195,504	(4,496)
Intergovernmental	739,897	739,897	1,290,410	550,513
Other	58,300	58,300	94,028	35,728
Total Revenues	<u>7,861,397</u>	<u>7,861,397</u>	<u>9,748,207</u>	<u>1,886,810</u>
EXPENDITURES				
Current:				
General government				
City administration	420,259	420,259	413,315	6,944
Legal	154,800	154,800	134,109	20,691
Information technology	342,418	354,945	308,577	46,368
Purchasing	28,100	28,100	16,984	11,116
Finance	257,065	257,065	256,021	1,044
Customer service	104,599	104,599	91,479	13,120
Court	428,311	428,311	376,591	51,720
Public Safety				
Police	2,437,521	2,437,521	2,255,347	182,174
Dispatch	744,322	744,322	556,625	187,697
Fire	843,927	854,427	762,016	92,411
Public Works				
Public works administration	193,248	193,248	185,893	7,355
Code enforcement	287,611	287,611	243,996	43,615
Streets	488,567	488,567	455,672	32,895
Buildings and grounds	196,642	304,642	219,748	84,894
Sanitation	309,000	309,000	801,148	(492,148)
Fleet services	353,262	353,262	342,772	10,490
Parks and recreation				
Parks and recreation	588,607	588,607	510,991	77,616
Total Expenditures	<u>8,178,259</u>	<u>8,309,286</u>	<u>7,931,284</u>	<u>378,002</u>
Excess (deficiency) of revenues over expenditures	<u>(316,862)</u>	<u>(447,889)</u>	<u>1,816,923</u>	<u>2,264,812</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases				
Transfers in	315,000	315,000	315,000	
Transfers out	(132,352)	(132,352)		132,352
Total other financing sources and uses	<u>182,648</u>	<u>182,648</u>	<u>315,000</u>	<u>132,352</u>
Net change in fund balances	(134,214)	(265,241)	2,131,923	2,397,164
Fund balances - beginning	<u>5,136,695</u>	<u>5,136,695</u>	<u>5,136,695</u>	
Fund balances - ending	<u>\$ 5,002,481</u>	<u>\$ 4,871,454</u>	<u>\$ 7,268,618</u>	<u>\$ 2,397,164</u>

CITY OF JERSEY VILLAGE

NOTES TO REQUIRED SUPPLEMENTARY BUDGET INFORMATION (UNAUDITED)

For the Year Ended September 30, 2007

Annual budgets are adopted for the General, Special Revenue, and Debt Service funds on a basis consistent with generally accepted accounting principles (GAAP), except for the Capital Projects Fund, which adopts a project length budget, and the Enterprise Funds, which adopts a financial plan. City Council approves the annual budget for the component units included in the City's financial reporting entity

The original budget is adopted by the City Council prior to the beginning of the fiscal year. The legal level of control is the total approved budget for each department. Management may transfer funds between one function or activity to another function or activity within the same department without Council approval. Council must approve all requests which would require an increase in total budgeted appropriations through a formal budget amendment. The final amended budget is used in this report. Appropriations lapse at the end of the year.

During the year ended September 30, 2008, the City of Jersey Village has complied with all budgetary requirements with the exception of the public works department in which expenditures exceeded appropriations by \$561,363. This exorbitant amount was related to Hurricane Ike debris removal costs.

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year-end) are completed. Such encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities. No material encumbrances were outstanding at September 30, 2008.

CITY OF JERSEY VILLAGE**REQUIRED PENSION SYSTEM SUPPLEMENTARY INFORMATION (unaudited)****September 30, 2008**

Actuarial Valuation Date Dec. 31	2005	2006	2007
Actuarial Value of Assets	5,143,409	6,050,963	6,587,473
Actuarial Accrued Liability	7,262,165	8,298,971	8,735,365
Percentage Funded	71%	73%	75%
Unfunded Actuarial Accrued Liability (UAAL)	2,118,756	2,248,008	2,147,892
Annual Covered Payroll	3,485,423	3,679,397	3,701,318
(UAAL) as a Percentage of Covered Payroll	61%	61%	58%

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

This group of funds is used to account for specific revenue sources that are required to finance specified activities.

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

Court Security/Technology Fees – This fund accounts for activities related to collection of security and technology fees collected in the court department.

Red Light Camera – This fund accounts for the fines collected from red light traffic signal cameras.

Asset and Forfeiture – This fund accounts for Assets forfeited or seized by the Police department.

CAPITAL PROJECTS FUNDS

Jones Road Extension - This fund is used to account for financial resources to be used for the construction of the Jones Road extension, which are principally contributions from other governments.

CITY OF JERSEY VILLAGE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2008

	Special Revenue Funds			
	Hotel Occupancy Tax	Court Security and Tech Fees	Red Light Camera Fund	Asset and Forfeiture Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 624,941	\$ 87,917	\$ 116,887	\$ 7,618
Due from other funds	4,545	168,173		
Total Assets	\$ 629,486	\$ 256,090	\$ 116,887	\$ 7,618
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$	\$ 1,667	86,778	
Due to other funds		7,269	10,763	
Total Liabilities		8,936	150,603	
Fund balances:				
Reserved for:				
Capital Projects				
Tourism	629,486			
Public safety		247,154	(33,716)	7,618
Total Fund Balances	629,486	247,154	(33,716)	7,618
 Total Liabilities and Fund Balances	 \$ 629,486	 \$ 256,090	 \$ 116,887	 \$ 7,618

**Capital
Projects Fund**

Jones Road Extension	Total Nonmajor Governmental Funds
\$	\$
5,877	837,363
	178,595
<u>\$ 5,877</u>	<u>\$ 1,015,958</u>

\$ 705	\$ 89,150
	18,032
<u>705</u>	<u>160,244</u>

5,172	5,172
	629,486
	221,056
<u>5,172</u>	<u>855,714</u>

<u>\$ 5,877</u>	<u>\$ 1,015,958</u>
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CITY OF JERSEY VILLAGE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2008

	Special Revenue Funds			
	Hotel Occupancy Tax	Court Security and Tech Fees	Red Light Camera Fund	Asset and Forfeiture Fund
REVENUES				
Hotel occupancy tax	\$ 96,062	\$	\$	\$
Fines and forfeitures		55,968	63,825	2,002
Investment earnings	18,340			189
Total Revenues	<u>114,402</u>	<u>55,968</u>	<u>63,825</u>	<u>2,191</u>
EXPENDITURES				
Current:				
General government	53,556		97,541	
Public safety		9,834		2,844
Capital Outlay				
Total Expenditures	<u>53,556</u>	<u>9,834</u>	<u>97,541</u>	<u>2,844</u>
Changes in fund balance	60,846	46,134	(33,716)	(653)
Fund balances - beginning	<u>568,640</u>	<u>201,020</u>		<u>8,271</u>
Fund balances - End of Year	<u><u>\$ 629,486</u></u>	<u><u>\$ 247,154</u></u>	<u><u>\$ (33,716)</u></u>	<u><u>\$ 7,618</u></u>

**Capital
Projects Fund**

Jones Road Extension	Total Nonmajor Governmental Funds
\$	\$ 96,062
	121,795
	18,529
	<u>236,386</u>
	151,097
	12,678
<u>46,687</u>	<u>46,687</u>
<u>46,687</u>	<u>210,462</u>
(46,687)	25,924
<u>51,859</u>	<u>829,790</u>
<u>\$ 5,172</u>	<u>\$ 855,714</u>

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BUDGETARY COMPARISON SCHEDULES

CITY OF JERSEY VILLAGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -DEBT SERVICE FUND
For the Year Ended September 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes:			
Property taxes	\$ 2,111,000	\$ 2,259,611	\$ 148,611
Investment earnings	40,000	30,623	(9,377)
Total Revenues	<u>2,151,000</u>	<u>2,290,234</u>	<u>139,234</u>
EXPENDITURES			
Debt Service:			
Principal	920,054	920,054	
Interest and other charges	1,621,086	1,617,322	3,764
Total Expenditures	<u>2,541,140</u>	<u>2,537,376</u>	<u>3,764</u>
Changes in Fund Balance	(390,140)	(247,142)	142,998
Fund balances - beginning of year	<u>792,566</u>	<u>792,566</u>	
Fund balances - end of year	<u>\$ 402,426</u>	<u>\$ 545,424</u>	<u>\$ 142,998</u>

UNAUDITED STATISTICAL SECTION

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

Contents	Page
Financial Trends	61
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	68
<i>These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax and sales tax.</i>	
Debt Capacity	73
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	76
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	78
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF JERSEY VILLAGE, TEXAS

NET ASSETS BY COMPONENT

*Last Four Fiscal Years**

(Accrual Basis of Accounting)

	Fiscal Year			
	2005	2006	2007	2008
Governmental Activities				
Invested in capital assets, net of related debt	\$ 11,990,213	\$ 12,656,907	\$ 13,471,717	\$ 14,251,751
Restricted	1,413,814	1,352,105	1,481,067	1,359,131
Unrestricted	3,192,703	3,949,120	6,131,312	8,235,121
Total Governmental Activities				
Net Assets	<u>\$ 16,596,730</u>	<u>\$ 17,958,132</u>	<u>\$ 21,084,096</u>	<u>\$ 23,846,003</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 16,647,872	\$ 16,673,112	\$ 16,785,000	\$ 17,233,210
Restricted	632,164	803,354	693,817	742,993
Unrestricted	2,260,402	2,710,449	3,149,014	3,314,011
Total Business-type Activities				
Net Assets	<u>\$ 19,540,438</u>	<u>\$ 20,186,915</u>	<u>\$ 20,627,831</u>	<u>\$ 21,290,214</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 28,638,085	\$ 29,330,019	\$ 30,256,717	\$ 31,484,961
Restricted	2,045,978	2,155,459	2,174,884	2,102,124
Unrestricted	5,453,105	6,659,569	9,280,326	11,549,132
Total Primary Government Net Assets	<u>\$ 36,137,168</u>	<u>\$ 38,145,047</u>	<u>\$ 41,711,927</u>	<u>\$ 45,136,217</u>

* Only four years of information is currently available. In future years as new information becomes available, this schedule will expand to include ten years of data.

CITY OF JERSEY VILLAGE, TEXAS

CHANGES IN NET ASSETS

*Last Four Fiscal Years**

(Accrual Basis of Accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses				
Governmental Activities:				
General Government	\$ 1,481,038	\$ 1,477,941	\$ 1,465,168	\$ 1,864,463
Public Safety	3,194,005	3,138,036	3,336,615	3,691,280
Public Works	1,221,349	1,929,475	2,138,804	2,653,961
Parks and Recreation	448,331	504,496	424,043	541,244
Interest on Long-term debt	1,084,399	1,069,897	1,068,800	1,344,921
Total Expenses	<u>7,429,122</u>	<u>8,119,845</u>	<u>8,433,430</u>	<u>10,095,869</u>
Business-type activities:				
Utility	1,817,192	1,898,491	1,650,015	1,952,219
Golf Course	1,351,738	1,325,256	1,432,630	1,558,274
Total business type activities expenses	<u>3,168,930</u>	<u>3,223,747</u>	<u>3,082,645</u>	<u>3,510,493</u>
Total Primary Government Expenses	<u><u>\$ 10,598,052</u></u>	<u><u>\$ 11,343,592</u></u>	<u><u>\$ 11,516,075</u></u>	<u><u>\$ 13,606,362</u></u>
 Program Revenue				
Governmental Activities:				
Charges for Services:				
Public Safety	\$ 849,213	\$ 970,346	\$ 1,591,587	\$ 1,287,420
Public Works	474,590	387,003	305,375	477,912
Parks and Recreation	19,631	12,008	12,818	11,954
Operating grants and contributions				
Public Safety	628,155	796,947	537,281	1,299,724
Total governmental activities program revenues	<u>1,971,589</u>	<u>2,166,304</u>	<u>2,447,061</u>	<u>3,080,311</u>
Business-type activities:				
Charges for services:				
Utility	2,775,172	2,840,707	2,476,398	2,956,434
Golf Course	1,023,564	1,217,798	1,213,498	1,477,667
Capital grants and contributions				
Utility	17,750			
Total business-type activities program revenues	<u>3,816,486</u>	<u>4,058,505</u>	<u>3,689,896</u>	<u>4,457,058</u>
Total Primary Government Program Revenues	<u><u>\$ 5,788,075</u></u>	<u><u>\$ 6,224,809</u></u>	<u><u>\$ 6,136,957</u></u>	<u><u>\$ 7,537,369</u></u>
 Net (Expense)/Revenue				
Governmental activities	\$ (5,457,533)	\$ (5,953,541)	\$ (5,986,369)	\$ (7,015,558)
Business-type activities	<u>647,556</u>	<u>834,758</u>	<u>607,251</u>	<u>946,565</u>
Total Primary Government Net Expense	<u><u>\$ (4,809,977)</u></u>	<u><u>\$ (5,118,783)</u></u>	<u><u>\$ (5,379,118)</u></u>	<u><u>\$ (6,068,993)</u></u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property taxes	\$ 4,009,942	\$ 4,091,728	\$ 4,991,356	\$ 5,677,399
Sales and use taxes	1,654,267	1,877,182	2,601,786	2,449,404
Franchise taxes	546,626	569,016	553,692	589,850
Investment earnings	210,047	377,156	575,549	597,233
Miscellaneous	240,822	99,861	74,950	83,664
Transfers	300,000	300,000	315,000	379,913
Total Governmental Activities	<u>6,961,704</u>	<u>7,314,943</u>	<u>9,112,333</u>	<u>9,777,463</u>
Business-type Activities:				
Investment earnings	41,335	111,719	148,664	95,730
Transfers	(300,000)	(300,000)	(315,000)	(379,913)
Total business-type activities	<u>(258,665)</u>	<u>(188,281)</u>	<u>(166,336)</u>	<u>(284,183)</u>
Total Primary Government	<u>\$ 6,703,039</u>	<u>\$ 7,126,662</u>	<u>\$ 8,945,997</u>	<u>\$ 9,493,280</u>
Change in Net Assets				
Governmental activities	\$ 1,504,171	\$ 1,361,402	\$ 3,125,964	\$ 2,761,905
Business-type activities	388,891	646,477	440,915	662,382
Total Primary Government	<u>\$ 1,893,062</u>	<u>\$ 2,007,879</u>	<u>\$ 3,566,879</u>	<u>\$ 3,424,287</u>

* Only four years of information is currently available. In future years as new information becomes available, this schedule will expand to include ten years of data.

CITY OF JERSEY VILLAGE, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	1999	2000	2001	2002
General fund				
Reserved	\$	\$	\$	\$
Unreserved	2,122,327	2,922,921	3,256,300	2,439,991
Total Governmental Activities Net Assets	<u><u>\$ 2,122,327</u></u>	<u><u>\$ 2,922,921</u></u>	<u><u>\$ 3,256,300</u></u>	<u><u>\$ 2,439,991</u></u>
All other governmental funds				
Reserved for:				
Capital projects funds	\$ 2,139,333	\$ 1,765,028	\$ 2,111,055	\$ 3,594,474
Debt service funds	2,649,218	1,083,233	1,039,866	1,066,580
Special revenue funds	476,958	157,339	234,333	315,801
Total Other Governmental Activities Net Assets	<u><u>\$ 5,265,510</u></u>	<u><u>\$ 3,005,601</u></u>	<u><u>\$ 3,385,254</u></u>	<u><u>\$ 4,976,855</u></u>

Fiscal Year					
2003	2004	2005	2006	2007	2008
\$	\$ 12,331	\$ 12,331	\$ 12,331	\$ 12,331	\$ 12,331
2,140,243	2,631,207	2,970,740	3,407,207	5,132,634	7,256,287
<u>\$ 2,140,243</u>	<u>\$ 2,643,538</u>	<u>\$ 2,983,071</u>	<u>\$ 3,419,538</u>	<u>\$ 5,144,965</u>	<u>\$ 7,268,618</u>
\$ 5,727,644	\$ 1,144,292	\$ 2,009,328	\$ 1,982,613	\$ 10,290,458	\$ 6,499,379
1,281,908	1,300,302	721,258	658,646	727,653	545,424
484,036	556,097	604,274	718,219	769,660	850,542
<u>\$ 7,493,588</u>	<u>\$ 3,000,691</u>	<u>\$ 3,334,860</u>	<u>\$ 3,359,478</u>	<u>\$ 11,787,771</u>	<u>\$ 7,895,345</u>

CITY OF JERSEY VILLAGE, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	1999	2000	2001	2002
Revenues				
Taxes:				
Property taxes	\$ 2,620,888	\$ 2,974,775	\$ 3,934,213	\$ 5,055,432
Sales and use taxes	1,364,501	2,123,942	2,827,228	2,855,939
Franchise taxes	370,615	432,499	539,322	587,643
Licenses and permits	87,731	123,410	110,332	123,202
Charges for services	165,902	165,102	156,252	94,653
Fines and forfeitures	365,854	472,585	468,848	409,250
Investment earnings	257,625	386,234	393,051	198,752
Intergovernmental	51,021	101,079	63,959	25,578
Other	186,891	120,225	91,942	316,269
Total Revenues	<u>5,471,028</u>	<u>6,899,851</u>	<u>8,585,147</u>	<u>9,666,718</u>
Expenditures				
General government	794,586	950,181	976,486	1,039,668
Public safety	1,795,737	1,991,631	2,351,412	2,986,696
Public works	981,523	1,412,506	1,577,219	1,587,215
Parks and recreation	241,396	256,004	258,745	313,056
Capital outlay	1,970,872	435,820	984,526	2,821,769
Debt service:				
Principal	1,965,000	750,000	910,000	582,476
Interest and other charges	343,393	515,144	857,003	1,317,997
Total Expenditures	<u>8,092,507</u>	<u>6,311,286</u>	<u>7,915,391</u>	<u>10,648,877</u>
Excess of revenues over (under) expenditures	(2,621,479)	588,566	669,756	(982,159)
Other Financing Sources (Uses)				
Transfers in	1,345,429	1,196,494	2,435,431	2,494,774
Transfers out	(637,570)	(200,000)	(892,454)	(2,391,448)
Bonds issued				
Premium on bonds issued				
Total other financing sources (uses)	<u>(406,538)</u>	<u>996,494</u>	<u>1,542,977</u>	<u>103,326</u>
Net Change in Fund Balances	<u>\$ (3,028,017)</u>	<u>\$ 1,585,059</u>	<u>\$ 2,212,734</u>	<u>\$ (878,833)</u>
Debt service as a percentage of noncapital expenditures	37.7%	21.5%	25.5%	24.3%

Fiscal Year					
2003	2004	2005	2006	2007	2008
\$ 4,207,729	\$ 3,958,147	\$ 4,028,810	\$ 4,050,597	\$ 4,990,201	\$ 5,718,669
2,113,957	1,844,121	1,626,360	1,877,182	2,601,786	2,449,404
544,676	552,453	574,534	569,016	553,692	589,850
112,958	147,798	350,250	224,160	204,244	271,512
220,056	210,915	299,832	341,956	344,911	438,649
509,726	691,302	686,037	801,103	1,008,085	1,177,649
119,206	89,968	181,962	320,418	505,793	554,243
457,206	1,031,083	621,895	788,292	499,322	1,293,711
115,472	107,337	254,398	110,654	153,192	94,028
<u>8,400,986</u>	<u>8,633,124</u>	<u>8,624,078</u>	<u>9,083,378</u>	<u>10,861,226</u>	<u>12,587,715</u>
1,174,471	1,382,334	1,456,322	1,437,939	1,625,875	1,748,173
3,179,843	2,816,576	3,110,449	3,107,644	3,327,650	3,586,666
1,561,295	1,629,596	1,646,731	1,637,561	1,650,040	2,313,402
334,432	404,845	420,755	473,937	498,124	510,991
3,563,075	3,670,023	753,134	146,249	349,304	4,039,793
780,755	930,224	814,163	840,729	862,094	920,054
1,266,880	1,378,073	1,313,432	1,278,233	1,324,588	1,617,322
<u>11,860,751</u>	<u>12,211,671</u>	<u>9,514,985</u>	<u>8,922,292</u>	<u>9,637,675</u>	<u>14,736,401</u>
(3,459,765)	(3,578,548)	(890,907)	161,086	1,223,551	(2,148,686)
1,060,857	968,824	858,069	300,000	315,000	379,913
(652,025)	(245,529)				
5,000,068				8,500,000	
				127,500	
<u>5,408,899</u>	<u>723,295</u>	<u>858,069</u>	<u>300,000</u>	<u>8,942,500</u>	<u>379,913</u>
<u>\$ 1,949,134</u>	<u>\$ (2,855,252)</u>	<u>\$ (32,838)</u>	<u>\$ 461,086</u>	<u>\$10,166,051</u>	<u>\$ (1,768,773)</u>
24.7%	27.0%	24.3%	24.1%	24.2%	23.7%

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

Fiscal Year	Tax Year	Real Property		Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value
		Residential Property	Commercial Property	Other		
1999	1998	\$ 242,233,610	\$ 35,993,410	\$ 56,363,481	\$ 15,611,010	\$ 318,979,491
2000	1999	250,758,630	68,204,900	135,655,321	25,897,070	428,721,781
2001	2000	269,209,440	62,253,600	271,854,852	18,640,820	584,677,072
2002	2001	297,588,440	79,353,002	395,211,139	21,728,260	750,424,321
2003	2002	308,330,370	95,083,450	256,408,930	40,518,110	619,304,640
2004	2003	331,019,170	98,890,810	199,526,120	50,772,980	578,663,120
2005	2004	340,114,760	98,084,380	198,318,040	51,449,640	585,067,540
2006	2005	345,838,390	104,484,208	280,588,903	130,703,740	600,207,761
2007	2006	429,288,150	144,597,984	223,098,917	134,005,267	662,979,784
2008	2007	470,984,691	194,398,424	236,256,520	141,801,005	759,838,630

All properties are assessed at 100% of actual taxable value. The difference between market value and taxable value is the value of exemptions given for statutory purposes.

Source: Tax department of the City.

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 0.6841	\$ 318,979,491	100.00%
0.6841	428,721,781	100.00%
0.6750	584,677,072	100.00%
0.6750	750,424,321	100.00%
0.6750	619,304,640	100.00%
0.6750	578,663,120	100.00%
0.6750	585,067,540	100.00%
0.6750	600,207,761	100.00%
0.7425	662,979,784	100.00%
0.7425	759,838,630	100.00%

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

<u>City of Jersey Village</u>								
<u>Fiscal Year</u>	<u>Operating Tax Rate</u>	<u>Debt Service Tax Rate</u>	<u>Total Tax Rate</u>	<u>Cypress-Fairbanks ISD</u>	<u>Harris County</u>	<u>Port of Houston Authority</u>	<u>Harris County Flood Control District</u>	<u>Harris County Hospital District</u>
1999	\$ 0.53279	\$ 0.15129	\$ 0.68408	\$ 1.77000	0.41660	\$ 0.02132	\$ 0.08000	\$ 0.12381
2000	0.40535	0.27873	0.68408	1.70900	0.39840	0.02040	0.08000	0.14650
2001	0.41856	0.25644	0.67500	1.70900	0.35902	0.01830	0.06173	0.20268
2002	0.42452	0.25048	0.67500	1.74500	0.38393	0.01826	0.04758	0.19021
2003	0.34673	0.32827	0.67500	1.79000	0.38814	0.01989	0.04174	0.19021
2004	0.33780	0.33720	0.67500	1.79000	0.38803	0.02000	0.04174	0.19021
2005	0.36545	0.30955	0.67500	1.80000	0.39990	0.01474	0.03320	0.19021
2006	0.33943	0.33557	0.67500	1.80000	0.39990	0.01470	0.03320	0.19220
2007	0.43264	0.30986	0.74250	1.65400	0.40239	0.01302	0.03241	0.19216
2008	0.45000	0.29250	0.74250	1.32400	0.39239	0.01437	0.03106	0.19216

Source: Tax department records of various taxing authorities.

Note: Tax rate per \$100 assessed valuation.

* Overlapping rates are those of local and county governments that apply to property owners within the City of Jersey Village.

CITY OF JERSEY VILLAGE, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
*Current Year and Four Years Ago**

Taxpayer	Fiscal Year 2008			Fiscal Year 2004		
	Taxable Assessed Value	Rank	% of Total Assessed Valuation	Taxable Assessed Value	Rank	% of Total Assessed Valuation
Goodman Manufacturing	\$ 61,906,640	1	8.1%	\$ 14,783,680	3	2.6%
Joe Myers Dealership*	44,590,900	2	5.9%			0.0%
PCM Steplechase LP	39,037,330	3	5.1%			0.0%
Prologis Dev SVCS	29,049,314	4	3.8%	15,234,680	2	2.6%
Beeler Sanders V LTD**	19,600,000	5	2.6%	60,105,260	1	10.4%
Trails Rock Holdings LP	16,120,620	6	2.1%			
Baceline Value Fund I	13,811,458	7	1.8%	13,133,000	4	2.3%
Carson LMC LP	13,778,297	8	1.8%	11,540,280	6	2.0%
Sonic-LS Chevrolet LP	12,436,917	9	1.6%			
National Oilwell Inc	8,601,630	10	1.1%			
Sam's/Walmart			0.0%	12,863,160	5	2.2%
Joe Myers Ford II LP			0.0%	11,204,890	7	1.9%
FMC Corp-Wellhead EQ			0.0%	9,834,690	8	1.7%
Enterprise Leasing			0.0%	8,296,450	9	1.4%
Joe Myers Toyota, Inc.			0.0%	8,174,240	10	1.4%
	<u>258,933,106</u>		<u>34.1%</u>	<u>165,170,330</u>		<u>24.0%</u>
Other taxpayers	<u>500,905,524</u>		<u>65.9%</u>	<u>413,492,790</u>		<u>76.0%</u>
Total Assessed Valuation	<u><u>\$ 759,838,630</u></u>		<u><u>100.0%</u></u>	<u><u>\$ 578,663,120</u></u>		<u><u>100.0%</u></u>

Only the last four years of data are available.

Source: Tax department records of the City.

* Joe Myers Dealership value includes Joe Myers Ford and Toyota.

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

CITY OF JERSEY VILLAGE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Tax Year	Tax Rate (A)	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy	Amount	Amount	Percentage of Levy
1999	1998	\$ 0.68408	\$ 2,653,532	\$ 2,620,888	98.8%	\$ 29,612	\$ 2,650,500	99.9%
2000	1999	0.68408	3,015,542	2,974,775	98.6%	38,423	3,013,198	99.9%
2001	2000	0.67500	3,965,845	3,891,013	98.1%	45,941	3,936,954	99.3%
2002	2001	0.67500	5,065,541	4,969,959	98.1%	42,198	5,012,157	98.9%
2003	2002	0.67500	4,150,683	4,107,030	98.9%	24,990	4,132,020	99.6%
2004	2003	0.67500	3,948,860	3,907,330	98.9%	32,600	3,939,930	99.8%
2005	2004	0.67500	3,959,202	3,921,515	99.0%	28,295	3,949,810	99.8%
2006	2005	0.67500	4,056,968	3,992,477	98.4%	52,216	4,044,693	99.7%
2007	2006	0.74250	4,922,625	4,865,891	98.8%	36,776	4,902,667	99.6%
2008	2007	0.74250	5,621,390	5,573,598	99.1%		5,573,598	99.1%

Source: Tax department records of the City.

Note (A): The basis for property tax rates is per \$100 of the assessed valuation.

CITY OF JERSEY VILLAGE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Actual Taxable value of Property	Percent of Personal Income*	Per Capita *
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Revenue Bonds				
1999	\$ 8,348,869	\$		\$	\$ 8,348,869	2.6%	4.3%	\$ 1,400
2000	16,455,405			1,600,000	18,055,405	4.2%	8.3%	2,970
2001	15,764,019			1,500,000	17,264,019	3.0%	6.5%	2,426
2002	17,225,849		352,445	1,400,000	18,978,294	2.5%	7.4%	2,677
2003	10,746,760	8,195,000	252,539	1,300,000	20,494,299	3.3%	7.7%	2,871
2004	10,251,536	7,760,000	193,561	1,200,000	19,405,097	3.4%	6.9%	2,708
2005	9,757,373	7,440,000	131,893	1,100,000	18,429,266	3.1%	6.6%	2,577
2006	9,246,644	7,110,000	67,416	1,000,000	17,424,060	2.9%	6.2%	2,439
2007	18,257,373	6,770,000	66,696	900,000	25,994,069	3.9%	8.3%	3,583
2008	16,684,496	6,390,000	53,153	800,000	23,927,649	3.1%	6.5%	3,278

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

* See the Schedule of Demographic and Economic Statistics for personal income and population data.

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

Fiscal Year	General Bonded Debt	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Percent of Personal Income*	Per Capita*
1999	\$ 8,348,869	\$ 1,083,233	\$ 7,265,636	2.3%	3.7%	\$ 1,218
2000	16,455,405	1,039,866	15,415,539	3.6%	7.1%	2,535
2001	15,764,019	1,066,580	14,697,439	2.5%	5.5%	2,066
2002	17,225,849	1,281,907	15,943,942	2.1%	6.2%	2,249
2003	18,941,760	1,300,301	17,641,459	2.8%	6.7%	2,471
2004	18,011,536	982,984	17,028,552	2.9%	6.1%	2,377
2005	17,197,373	720,100	16,477,273	2.8%	5.9%	2,304
2006	16,356,644	658,646	15,697,998	2.6%	5.6%	2,198
2007	25,027,373	727,653	24,299,720	3.7%	7.8%	3,350
2008	23,074,496	545,424	22,529,072	3.0%	6.2%	3,086

General bonded debt includes general obligation bonds and certificates of obligation.

* See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF JERSEY VILLAGE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT
As of September 30, 2008

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Estimated Debt Applicable to City</u>
Cypress-Fairbanks ISD	\$1,380,529,178	2.09%	\$ 28,853,060
Harris County	1,958,093,643	0.30%	5,874,281
Port of Houston Authority	563,015,000	0.30%	1,689,045
Harris County Flood Control District	111,929,698	0.30%	335,789
North Harris Mng CCD	298,820,000	0.76%	2,271,032
Total Net Overlapping Debt			<u>39,023,207</u>
City of Jersey Village			<u>22,529,072</u>
Total Direct and Overlapping Net Debt			<u><u>\$ 61,552,279</u></u>
Ratio of total direct and overlapping net debt to 2007 assessed valuation			<u><u>8.10%</u></u>
Direct and overlapping net debt per capita			<u><u>\$ 8,432</u></u>

Source - Texas Municipal Advisory Council

CITY OF JERSEY VILLAGE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income ¹	Median Age ²	Education Level in Years of Formal Schooling ³	School Enrollment ⁴	Unemployment Rate ⁵
1999	5,963	\$ 194,590,579	32,633	*	*	*	4.6%
2000	6,080	216,484,480	35,606	37.8	*	*	4.4%
2001	7,115	265,780,825	37,355	37.8	*	5,548	4.8%
2002	7,090	256,941,600	36,240	37.8	*	5,538	6.2%
2003	7,139	265,178,155	37,145	37.8	*	5,407	7.1%
2004	7,165	279,879,230	39,062	32.5	14	3,841	5.9%
2005	7,151	279,332,362	39,062	37.8	14	4,001	4.0%
2006	7,143	279,019,866	39,062	37.8	*	4,091	4.0%
2007	7,254	312,241,176	43,044	39.0	*	4,087	4.2%
2008	7,300	365,365,000	50,050	39.0	*	4,100	5.1%

Data Sources:

- 1-Texas Population Estimates Program and United States Census Bureau, 2000
- 2 - Bureau of Economic Analysis, Regional Information Department (Data for Harris County)
- 3 - United States Census Bureau, 2000 Census (Information unavailable prior to 2000)
- 4- CY-Fair Independent School District
- 5 - Texas Workforce Commission

Note: Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

* Information was unavailable

CITY OF JERSEY VILLAGE, TEXAS**PRINCIPAL EMPLOYERS***Current Year and Three Years Ago*

Employer	2008		2005	
	Employees	Rank	Employees	Rank
JV High School	270	1	309	1
Joe Myers Toyota	203	2	200	4
Sonic-LS Chevrolet	192	3	180	5
Sam's East Inc.	174	4	200	3
City of Jersey Village	146	5	116	7
Joe Myers Ford	143	6	220	2
Jersey Village Baptist Church	135	7	15	10
Foundry Methodist	124	8	135	6
Post Elementary School	92	9	108	8
Joe Myers Mazda	65	10	62	9
Total	<u>1,544</u>		<u>1,545</u>	

Source: Personnel department of each employer above.
Information only available for the past three years.

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

Function	1999	2000	2001	2002
General Government				
City Council*	6	6	6	6
Administrative	1	1	2	1
Information Technology				
Municipal Court	1	2	2	2
City Secretary	1	1	1	1
Finance	4	3	3	6
Public safety				
Police	20	22	24	25
Fire	2	3	3	3
Communications	2	3	3	2
Park and Recreation				
Parks	5	6	6	5
Golf Course	2	2	12	11
Public Works	2	3	3	3
Street	2	2	2	2
Community Development	3	3	3	3
Utilities	3	4	4	4
Fleet Services	1	1	2	2
Total	55	62	76	76

Source: City finance department.

* City Council are not full-time employees

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
6	6	6	6	6	6
3	4	2	3	3	3
1	1	1	1	2	2
2	3	3	4	4	4
1	1	1	1	1	1
5	5	5	4	4	4
25	23	24	26	26	26
3	3	3	3	4	4
4	5	8	7	8	7
5	5	6	8	8	7
10	10	10	11	10	10
3	2	2	2	2	2
2	3	2	2	3	3
3	4	4	4	4	4
4	5	5	5	5	5
2	2	2	2	2	2
<u>79</u>	<u>82</u>	<u>84</u>	<u>89</u>	<u>92</u>	<u>90</u>

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

Function	1999	2000	2001	2002
Police				
Physical arrests	301	312	452	470
Parking violations	34	37	151	82
Traffic violations	9,238	11,146	10,214	9,359
Fire				
Number of calls answered	908	944	958	952
Highways and streets				
Potholes repaired	9	11	-	8
Sanitation				
Number of monthly pickups				
Residential	1,799	1,827	1,857	1,889
Multi-family				
Commercial				
Culture and recreation				
Athletic field permits	36	62	70	133
Community Cntr. Admissions	6	4	1	1
Water				
Service calls	*	*	910	1,046
Water main breaks				
Average daily consumption (thousands of gallons)	*	*	168	124
Sewer				
Average daily sewage treatment (thousands of gallons)	*	*	160	123

Source: Various City departments.

Note: Indicators are not available for the general government function.

* Information not available

2003	2004	2005	2006	2007	2008
428	452	420	475	565	758
167	73	161	246	136	251
16,832	15,632	14,978	16,831	15,504	9,799
906	892	910	915	1,028	1,042
3	4	7	2	9	7
1,919	1,911	1,953	1,994	2,020	2,035
73	53	69	86	50	-
3	3	6	6	69	66
1,080	920	1,142	1,050	1,239	1,575
				3	2
190	115	112	125	125	16
190	147	192	125	157	171

CITY OF JERSEY VILLAGE, TEXAS
CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	1999	2000	2001	2002
Public Safety				
Police				
Stations	1	1	1	1
Patrol units	10	10	11	13
Fire				
Fire stations	1	1	1	1
Volunteers	43	37	33	36
Highways and streets				
Streets (miles)	25.80	25.80	25.80	25.80
Streetlights	9	9	10	10
Traffic signals	1	1	1	1
Parks and Recreation				
Parks acreage	12.1	12.1	12.1	12.1
Parks	4	4	4	4
Water				
Water wells	3	2	4	4
Water mains (miles)	28.32	31.57	31.57	31.57
Fire hydrants	418	418	418	418
Maximum daily capacity (thousands of gallons)	2,050	2,050	2,050	2,050
Sewer				
Sanitary sewers (miles)	27.46	31.87	31.87	31.87
Storm sewers (miles)	16.54	16.54	16.54	16.54
Maximum daily treatment capacity (thousands of gallons)	800	800	800	800

Source: Various City departments.

Note: No capital asset indicators are available for the general government function.

* Information not available

2003	2004	2005	2006	2007	2008
1	1	1	1	1	1
14	14	14	15	15	17
1	1	1	1	1	1
40	34	34	37	29	29
27.30	27.30	28.20	28.84	28.84	28.84
10	10	11	11	11	11
1	1	1	1	2	2
12.1	12.1	12.1	12.1	12.1	12.1
4	4	4	4	4	4
4	4	4	4	4	4
31.57	31.57	34.38	35.85	35.85	35.85
434	434	445	445	455	455
2,050	2,050	2,550	2,550	2,550	2,550
31.87	34.22	34.80	35.21	35.21	35.21
16.54	16.54	18.24	20.19	20.19	20.69
800	800	800	800	800	800

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