

GONZALES COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2011

Gonzales County, Texas  
Annual Financial Report  
For The Year Ended September 30, 2011

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## Financial Section

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**FLOYD AND GINDLER, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
421 ST. JAMES – P.O. BOX 638  
Gonzales, TX 78629  
(830)-672-2824

**Independent Auditor's Report on Financial Statements**

Commissioners Court  
Gonzales County, Texas  
414 St. Joseph  
Gonzales, Texas 78629

Members of the Commissioners Court:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gonzales County, Texas as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Gonzales County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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.

Gonzales County has not fully accounted for all capital assets owned nor the depreciation on those assets. Capital assets reported in the financial statements represent those assets acquired since October 1, 2005. Accounting principles generally accepted in the United States of America require that all assets owned by the County, net of accumulated depreciation, be reported in the government-wide financial statements. The amount by which this departure would affect assets and net assets of the government-wide financial statements is not reasonably determinable.

In our opinion, except for the effect on the financial statements of the omission discussed in the previous paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gonzales County, Texas as of September 30, 2011, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively

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

Respectfully submitted,

*Floyd & Gindler P.C.*  
Floyd & Gindler, PC

March 30, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Gonzales County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended September 30, 2011. Please read it in conjunction with the County's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

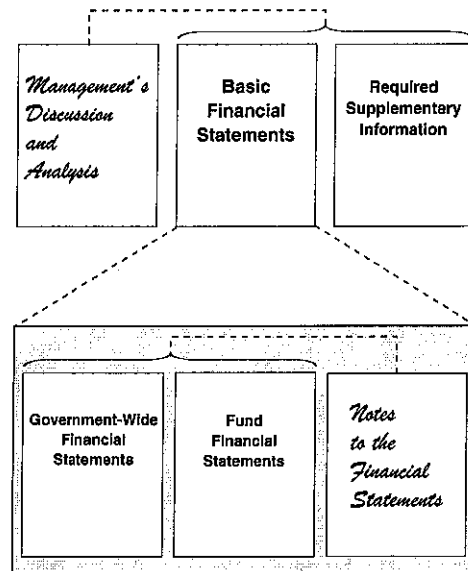
- The County's total combined net assets were \$5,623,319 at September 30, 2011.
- During the year, the County's expenses were \$1,877,781 less than the \$11,594,506 generated in taxes and other revenues for governmental activities.
- The County's expenses were \$306,560 lower than last year.
- The general fund reported a fund balance this year of \$2,941,451.
- The County's issued no bonds during fiscal year September 30, 2011.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

**Figure A-1, Required Components of the County's Annual Financial Report**

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government services* were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Summary ↔ Detail

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.



## Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**Figure A-2. Major Features of the County's Government-wide and Fund Financial Statements**

<i>Type of Statements</i>	<b>Fund Statements</b>			
	<b>Government-wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire County's government (except fiduciary funds)	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses: self insurance	Instances in which the County is the trustee or agent for someone else's resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

The two government-wide statements report the County's net assets and how they have changed. Net assets—the difference between the County's assets and liabilities—is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, financial administration, public safety, health and welfare, judicial

courts, public facilities, public transportation, conservation, and interest on long-term debt. Property taxes, charges for services, court fines and grants finance most of these activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the County's most significant funds—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Commissioners Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Internal service funds* are used to report activities that provide supplies and services for the County's other programs and activities.
- *Fiduciary funds*—The County is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

### **FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

Net assets. The County's combined net assets were \$5,63,319 at September 30, 2011. (See Table A-1).

**Table A-1**  
**Gonzales County-Net Assets**

	Governmental Activities		Year to Year Change	Total Percentage Change 2011-2010
	2011	2010		
<b>Assets</b>				
<b>Current assets:</b>				
Cash and equivalents	\$ 5,582,880	4,049,112	1,533,768	38%
Receivables, net of allowance				
Taxes	525,356	522,547	2,809	1%
Notes	669,705	460,937	208,768	45%
Due from other governments	-	13,680	(13,680)	-100%
Restricted cash and cash equivalents	130,523	132,232	(1,709)	-1%
<b>Total current assets</b>	<u>6,908,464</u>	<u>5,178,508</u>	<u>1,729,956</u>	33%
<b>Noncurrent assets:</b>				
Capital assets, net of accumulated depreciation	2,140,371	2,418,395	(278,024)	-12%
<b>Total assets</b>	<u>9,048,835</u>	<u>7,596,903</u>	<u>1,451,932</u>	19%
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	500,206	464,470	35,736	8%
Accrued wages	168,509	150,152	18,357	12%
Compensated absences	129,113	108,137	20,976	19%
Deferred revenues	-	25,833	(25,833)	n/a
Current portion capital leases and bonds payable	491,567	520,127	(28,560)	-5%
<b>Total current liabilities</b>	<u>1,289,395</u>	<u>1,268,719</u>	<u>20,676</u>	2%
<b>Long-term liabilities:</b>				
Capital leases payable	73,935	244,053	(170,118)	-70%
Bonds and notes payable	1,975,000	2,295,000	(320,000)	-14%
Other post employment benefits	87,186	43,593	43,593	n/a
<b>Total long-term liabilities</b>	<u>2,136,121</u>	<u>2,582,646</u>	<u>(446,525)</u>	-17%
<b>Total liabilities</b>	<u>3,425,516</u>	<u>3,851,365</u>	<u>(425,849)</u>	-11%
<b>Net assets</b>				
Investment in capital assets	(400,131)	(640,785)	240,654	-38%
Restricted-debt service	130,523	132,232	(1,709)	-1%
Restricted-economic development	190,488	306,153	(115,665)	-38%
Unrestricted	5,702,439	3,947,938	1,754,501	44%
<b>Total net assets</b>	<u>5,623,319</u>	<u>3,745,538</u>	<u>1,877,781</u>	50%

The County's restricted net assets represent proceeds that when spent, are restricted for payment of tax supported debt and economic development through the revolving loan fund. The \$5,702,439 of unrestricted net assets represents resources available to fund the programs of the County next year.

**Changes in net assets.** The County's total revenues were \$11,594,506 (Table A-2.). A significant portion, 55.4% of the County's revenue comes from property taxes, 9.5% comes from charges for services, 13.3% from sales taxes, 5.6% from motor vehicle licenses, 8.8% from court fines, 0.5% from investment income, 3.1% from operating grants and 3.8% from all other sources.

The total cost of all governmental programs and services was \$9,716,725; 35.5% of these costs were for public safety; 26.3% were for public transportation; 14.8% for general government; 6.3% for financial administration; 11.8% for judicial; and 5.3% for all others.

## Governmental Activities

The tax rate for the 2010-2011 budget year remained level at \$0.6450.

**Table A-2**  
Changes in Gonzales County Net Assets

	Governmental Activities		Year to Year Change	Total Percentage Change 2011-2010
	2011	2010		
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 1,106,920	823,696	283,224	34%
Operating grants	363,983	316,516	47,467	15%
General revenues:				
Property taxes	6,427,450	6,246,063	181,387	3%
Sales taxes	1,545,519	672,125	873,394	130%
Motor vehicle license fees	648,344	634,936	13,408	2%
Bus. licenses & permits	2,299	1,789	510	29%
Investment income	57,229	52,440	4,789	9%
Court fees and fines	1,022,467	806,192	216,275	27%
Other income	420,295	237,854	182,441	77%
<b>Total revenues</b>	<b>11,594,506</b>	<b>9,791,611</b>	<b>1,802,895</b>	<b>18%</b>
<b>Expenses</b>				
General government	1,436,597	1,743,092	(306,495)	-18%
Financial administration	614,958	584,387	30,571	5%
Public safety	3,447,255	3,156,675	290,580	9%
Health & welfare	34,782	32,980	1,802	5%
Judicial	1,148,062	1,135,545	12,517	1%
Public facilities	299,479	233,616	65,863	28%
Public transportation	2,559,122	2,330,378	228,744	10%
Conservation	76,378	80,686	(4,308)	-5%
Interest and fiscal charges	100,092	112,806	(12,714)	-11%
<b>Total expenses</b>	<b>9,716,725</b>	<b>9,410,165</b>	<b>306,560</b>	<b>3%</b>
<b>Increase in net assets</b>	<b>1,877,781</b>	<b>381,446</b>	<b>1,496,335</b>	<b>392%</b>
Net assets - beginning	3,745,538	3,364,092	381,446	11%
Net assets - ending	5,623,319	3,745,538	1,877,781	50%

Table A-3 presents the cost of each of the County's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$9,716,725.
- The amount that taxpayers paid for these activities through property taxes was \$6,427,450.
- Some of the costs were paid by those who directly benefited from the programs, \$1,106,920, and others by operating grants of \$363,983.

**Table A-3**  
**Net Cost of Selected Gonzales County Functions**

	Total Cost of Services			Net Cost of Services		
	2011	2010	% Change	2011	2010	% Change
General government	1,436,597	1,743,092	18%	871,060	1,364,523	36%
Public safety	3,447,255	3,156,675	-9%	3,182,224	2,898,407	-10%
Judicial	1,148,062	1,135,545	-1%	944,226	966,139	2%
Public transportation	2,559,122	2,330,378	-10%	2,559,122	2,301,334	-11%

**Business-type Activities**

The County's has no business-type activities.

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

Revenues from governmental fund types totaled \$11,591,696 an increase of \$1,837,301 or 18.8%. The most significant changes took place in sales taxes, a \$873,394 increase, and property taxes, a \$181,387 increase. Governmental grants increased \$71,476.

**General Fund Budgetary Highlights**

Over the course of the year, the County revised its budget. Even with these adjustments, actual revenues were \$1,829,256 higher than budgeted and the actual expenditures were \$206,733 lower than budgeted.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2011, the County had not fully reported all capital assets owned on the government-wide financial statements. Only those assets acquired within the last six years are reported. The County had invested \$2,140,371 in capital assets, net of accumulated depreciation. (See Table A-4.)

**Table A-4**  
**Gonzales County Capital Assets**

	Governmental Activities		Year to Year Change	Total Percentage Change 2011-2010
	2011	2010		
Buildings and improvements	50,236	50,236	-	n/a
Equipment	2,492,748	2,301,460	191,288	8.3%
Assets under capital leases	1,093,399	1,093,399	-	0.0%
Total capital assets	3,636,383	3,445,095	191,288	5.6%
Accumulated depreciation	(1,496,012)	(1,026,700)	(469,312)	45.7%
Net capital assets	2,140,371	2,418,395	(278,024)	-11.5%

**Long Term Debt**

At year-end the County had \$2,627,687 in outstanding long term debt as shown in Table A-5. More detailed information about the County's debt is presented in the notes to the financial statements.

**Table A-5**  
Gonzales County Long-Term Debt

	Governmental Activities		Year to Year Change	Total Percentage Change 2011-2010
	2011	2010		
Bonds payable	2,295,000	2,605,000	(310,000)	-12%
Capital leases	245,502	454,179	(208,677)	-46%
Other post employment payable	87,186	43,593	43,593	100%
Total long term debt	<u>2,627,688</u>	<u>3,102,772</u>	<u>(475,084)</u>	-15%

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The annual budget is developed to provide efficient, effective, and economic uses of the County's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the Commissioners Court sets the direction of the county, allocates its resources, and establishes its priorities.

In calculating the taxes for the fiscal year budget Gonzales County had a net taxable appraised value of \$998 million, which was \$29 million more than the previous year, a 3.02% increase. This is the result of increased property value and growth.

These indicators were taken into account when adopting the general fund budget for 2011. The property tax rate for the budget was set at the previous year's tax rate of \$0.6450 per hundred dollar valuation.

Before the adjustment for newly added property, the effective tax rate adjusts to only allow the county to receive the same tax levy as the previous year. Therefore, additional property tax revenue is generated from new property and tax rate increases in accordance with the State of Texas' Truth-In Taxation laws.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office at:

County of Gonzales, Texas  
Office of County Auditor  
Gonzales County Courthouse  
414 North Saint Joseph, Suite 203  
Gonzales, Texas 78629  
(830) 672-6397

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## Basic Financial Statements



**GONZALES COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2011**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,582,880
Receivables (net of allowances for uncollectibles):	
Taxes	525,356
Notes	669,705
Restricted assets:	
Cash and cash equivalents	130,523
Fixed assets (net of depreciaton)	<u>2,140,371</u>
Total assets	<u>9,048,835</u>
<b>LIABILITIES</b>	
Accounts payable	500,206
Accrued wages payable	168,509
Compensated absences payable	129,113
Non current liabilities:	
Due within one year	491,567
Due in more than one year	<u>2,136,121</u>
Total liabilities	<u>3,425,516</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	(400,131)
Restricted for:	
Debt service	130,523
Economic development	190,488
Unrestricted	<u>5,702,439</u>
Total net assets	<u>\$ 5,623,319</u>

The accompanying notes are an integral part of this statement.

**GONZALES COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
<b>Primary Government</b>				<b>Governmental Activities</b>
Governmental activities				
General government	1,436,597	486,111	79,426	(871,060)
Financial administration	614,958	381,954	--	(233,004)
Public safety	3,447,255	35,019	230,012	(3,182,224)
Health and welfare	34,782	--	--	(34,782)
Judicial	1,148,062	203,836	--	(944,226)
Public facilities	299,479	--	54,545	(244,934)
Public transportation	2,559,122	--	--	(2,559,122)
Conservation	76,378	--	--	(76,378)
Interest and fiscal charges	100,092	--	--	(100,092)
Total government activities	<u>9,716,725</u>	<u>1,106,920</u>	<u>363,983</u>	<u>(8,245,822)</u>
Total Primary Government	<u>\$ 9,716,725</u>	<u>\$ 1,106,920</u>	<u>\$ 363,983</u>	<u>(8,245,822)</u>
General revenues:				
Property taxes				6,427,450
Sales taxes				1,545,519
Licenses and permits				2,299
Motor vehicle licenses				648,344
Court fines				1,022,467
Other revenues				420,295
Investment earnings				57,229
Transfers				--
Total general revenues				<u>10,123,603</u>
Change in net assets				<u>1,877,781</u>
Net assets - beginning				<u>3,745,538</u>
Net assets - ending				<u>\$ 5,623,319</u>

The accompanying notes are an integral part of this statement.

**GONZALES COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2011**

	General Fund	Road and Bridge Fund Pct. #1	Road and Bridge Fund Pct. #2
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,451,598	\$ 542,072	\$ 193,366
Receivables (net of allowances for uncollectibles):			
Taxes	525,356	--	--
Notes	8,130	--	--
Restricted assets:			
Cash and cash equivalents	--	--	--
<b>Total assets</b>	<b><u>\$ 3,985,084</u></b>	<b><u>\$ 542,072</u></b>	<b><u>\$ 193,366</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 383,622	\$ 25,250	\$ 27,935
Accrued wages payable	126,524	10,517	11,206
Deferred revenue	533,487	--	--
<b>Total liabilities</b>	<b><u>1,043,633</u></b>	<b><u>35,767</u></b>	<b><u>39,141</u></b>
<b>Equity:</b>			
Restricted fund balance			
Debt service	--	--	--
Special revenue funds	--	--	--
Committed fund balance	--	506,305	154,225
Unassigned fund balance	2,941,451	--	--
<b>Total equity</b>	<b><u>2,941,451</u></b>	<b><u>506,305</u></b>	<b><u>154,225</u></b>
<b>Total liabilities and equity</b>	<b><u>\$ 3,985,084</u></b>	<b><u>\$ 542,072</u></b>	<b><u>\$ 193,366</u></b>

The accompanying notes are an integral part of this statement.

Road and Bridge Fund Pct. #3	Road and Bridge Fund Pct. #4	Revolving Loan Fund	Other Governmental Funds	Total Governmental Funds
\$ 527,630	\$ 335,585	\$ 190,488	\$ 337,914	\$ 5,578,653
--	--	--	--	525,356
--	--	661,575	--	669,705
--	--	--	130,523	130,523
<u>\$ 527,630</u>	<u>\$ 335,585</u>	<u>\$ 852,063</u>	<u>\$ 468,437</u>	<u>\$ 6,904,237</u>
\$ 16,605	\$ 30,325	\$ --	\$ 12,242	\$ 495,979
10,146	8,740	--	1,376	168,509
--	--	661,575	--	1,195,062
<u>26,751</u>	<u>39,065</u>	<u>661,575</u>	<u>13,618</u>	<u>1,859,550</u>
--	--	--	130,523	130,523
--	--	190,488	324,296	514,784
500,879	296,520	--	--	1,457,929
--	--	--	--	2,941,451
<u>500,879</u>	<u>296,520</u>	<u>190,488</u>	<u>454,819</u>	<u>5,044,687</u>
<u>\$ 527,630</u>	<u>\$ 335,585</u>	<u>\$ 852,063</u>	<u>\$ 468,437</u>	<u>\$ 6,904,237</u>

**GONZALES COUNTY, TEXAS**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2011**

Total fund balances - governmental funds balance sheet	\$ 5,044,687
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	2,140,371
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	5,253,576
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,295,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(245,502)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(129,113)
Post employment benefits which are not due and payable in the current period are not reported in the funds.	(87,186)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	<u>669,705</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 5,623,319</u>

The accompanying notes are an integral part of this statement.

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**GONZALES COUNTY, TEXAS**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	General Fund	Road and Bridge Fund Pct. #1	Road and Bridge Fund Pct. #2
<b>Revenues:</b>			
Taxes	\$ 5,667,890	\$ 473,920	\$ 473,918
Licenses and permits	2,299	162,086	162,086
Intergovernmental	45,467	--	--
Charges for services	1,060,436	--	--
Fines	843,175	--	--
Interest	22,298	6,231	1,743
Miscellaneous	257,649	47,186	35,514
Grants	--	--	--
Total revenues	<u>7,899,214</u>	<u>689,423</u>	<u>673,261</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	1,380,258	--	--
Financial administration	605,953	--	--
Public safety	3,137,504	--	--
Health and welfare	25,181	--	--
Judicial	1,031,305	--	--
Public facilities	225,880	--	--
Public transportation	--	659,467	668,374
Conservation	75,872	--	--
<b>Debt service:</b>			
Principal	--	--	--
Interest and fiscal charges	--	--	--
Total expenditures	<u>6,481,953</u>	<u>659,467</u>	<u>668,374</u>
Excess (deficiency) of revenues (under) expenditures	1,417,261	29,956	4,887
<b>Other financing sources (uses):</b>			
Principal received on loans	--	--	--
Loans disbursed from the revolving loan funds	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balance	1,417,261	29,956	4,887
Fund balances/equity, October 1	1,524,190	476,349	149,338
Fund balances/equity, September 30	<u>\$ 2,941,451</u>	<u>\$ 506,305</u>	<u>\$ 154,225</u>

The accompanying notes are an integral part of this statement.

Road and Bridge Fund Pct. #3	Road and Bridge Fund Pct. #4	Revolving Loan Fund	Other Governmental Funds	Total Governmental Funds
\$ 473,918	\$ 473,919	\$ --	\$ 406,594	\$ 7,970,159
162,086	162,086	--	--	650,643
--	--	--	2,464	47,931
--	--	--	46,484	1,106,920
--	--	--	179,292	1,022,467
6,213	3,282	15,652	1,809	57,228
8,244	71,203	--	500	420,296
--	--	--	316,052	316,052
<u>650,461</u>	<u>710,490</u>	<u>15,652</u>	<u>953,195</u>	<u>11,591,696</u>
--	--	4,236	10,899	1,395,393
--	--	--	--	605,953
--	--	--	230,012	3,367,516
--	--	--	2,000	27,181
--	--	--	106,487	1,137,792
--	--	--	70,855	296,735
667,394	662,728	--	--	2,657,963
--	--	--	--	75,872
--	--	--	310,000	310,000
--	--	--	100,092	100,092
<u>667,394</u>	<u>662,728</u>	<u>4,236</u>	<u>830,345</u>	<u>9,974,497</u>
(16,933)	47,762	11,416	122,850	1,617,199
--	--	122,919	--	122,919
--	--	(250,000)	--	(250,000)
--	--	(127,081)	--	(127,081)
(16,933)	47,762	(115,665)	122,850	1,490,118
517,812	248,758	306,153	331,969	3,554,569
<u>\$ 500,879</u>	<u>\$ 296,520</u>	<u>\$ 190,488</u>	<u>\$ 454,819</u>	<u>\$ 5,044,687</u>



**GONZALES COUNTY, 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, 2011

Net change in fund balances - total governmental funds	\$ 1,490,118
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	191,288
The depreciation of capital assets used in governmental activities is not reported in the funds.	(469,312)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	2,810
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	310,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	208,678
Funds disbursed out the revolving loan fund are not reported as expenditures in the SOA, but are reported in the funds.	250,000
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(20,976)
Expenses for post employment benefits are not reported in the funds.	(43,593)
Certain revolving loan receivables are deferred in the funds. This is the change in these amounts this year.	(41,232)
Change in net assets of governmental activities - Statement of Activities	<u>\$ 1,877,781</u>

The accompanying notes are an integral part of this statement.

**GONZALES COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2011**

Private-purpose  
Trust  
Fund

---

Permanent  
School  
Fund

---

**ASSETS**

**Assets:**

Cash and cash equivalents

\$ 197,735

Restricted assets:

Total assets

\$ 197,735

**LIABILITIES AND EQUITY**

**Liabilities:**

Total liabilities

—

**Equity:**

Retained earnings:

Restricted fund balance

\$ 197,735

Permanent school funds

197,735

Total equity

197,735

Total liabilities and equity

\$ 197,735

The accompanying notes are an integral part of this statement.

**GONZALES COUNTY, TEXAS**

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

## FIDUCIARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Private- Purpose Trusts
	Permanent School Fund
<b>Additions:</b>	
Investment income	\$ 253
Total additions	<u>253</u>
<b>Deductions:</b>	
Administrative expenses	375
Total deductions	<u>375</u>
<b>Change in net assets</b>	(122)
Net assets-beginning of the year	197,857
Net assets-end of the year	<u>\$ 197,735</u>

The accompanying notes are an integral part of this statement.

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**A. Summary of Significant Accounting Policies**

The combined financial statements of Gonzales County, Texas (the County) have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**1. Reporting Entity**

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; and 2) The County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

**2. Basis of Presentation, Basis of Accounting**

**a. Basis of Presentation**

**Government-wide Statements:** The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

The County reports the following major governmental funds:

**General Fund.** This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

**Road and Bridge Precinct Funds:** These funds account for all resources of the County that are used to maintain all County roads. The County is divided into four precincts, with each precinct responsible for the roads located within their assigned areas.

**Revolving Loan Fund:** This fund is used to account for all loans and collections in the County's economic development fund. Low interest loans are made to local businesses to encourage economic development. Loan repayments come back into the fund to be loaned out again.

In addition, the County reports the following fund types:

**Private-Purpose Trust Funds:** These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

b. **Measurement Focus, Basis of Accounting**

**Government-wide and Fiduciary Fund Financial Statements:** These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

3. **Financial Statement Amounts**

a. **Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Analysis of property tax receivable at year end:

Gross property taxes receivable	\$ 1,050,713
Less: Allowance for uncollectible taxes	(525,357)
Property taxes receivable, net of allowance for uncollectible	<u>\$ 525,356</u>

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

b. Inventories

The County records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	15-40
Vehicles	3-5
Equipment	5-13

d. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

e. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets

**GONZALES COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

f. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

**Nonspendable Fund Balance** - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

**Restricted Fund Balance** - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

**Committed Fund Balance** - represents amounts that can only be used for a specific purpose because of a formal action by the County's Commissioners Court. Committed amounts cannot be used for any other purpose unless the Commissioners Court removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Commissioners Court. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**Assigned Fund Balance** - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners Court or by an official or body to which the Commissioners Court delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County.

**Unassigned Fund Balance** - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Cash Deposits:

At September 30, 2011, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,037,567 and the bank balance was \$3,917,343. The County's cash deposits at September 30, 2011 and during the year ended September 30, 2011, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act (Act) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The County's investments at September 30, 2011 are shown below:

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Texpool-governmental funds	N/A	\$ 1,646,216
Texpool-private purpose trust funds	N/A	197,735
Total		<u>\$ 1,843,951</u>

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:



**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

At September 30, 2011, the County's investments, other than those which are obligations of or guaranteed by the U.S. Government, are rated as to credit quality as follows:

<u>Investment or Investment Type</u>	<u>Rating</u>	<u>Rating Service</u>
Texpool	AAAm	Standard and Poors

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name. At year end, the County was not exposed to credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

The County's investments in pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

**D. Capital Assets**

Capital asset activity for the year ended September 30, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Buildings and improvements	\$ 50,236	\$ --	\$ --	\$ 50,236
Equipment	2,301,459	191,288	--	2,492,747
Assets under capitalized leases	1,093,400	--	--	1,093,400
Total capital assets being depreciated	<u>3,445,095</u>	<u>191,288</u>	<u>--</u>	<u>3,636,383</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,512)	(1,256)	--	(3,768)
Equipment	(831,270)	(390,858)	--	(1,222,128)
Assets under capitalized leases	(192,918)	(77,198)	--	(270,116)
Total accumulated depreciation	<u>(1,026,700)</u>	<u>(469,312)</u>	<u>--</u>	<u>(1,496,012)</u>
Total capital assets being depreciated, net	2,418,395	(278,024)	--	2,140,371
Governmental activities capital assets, net	<u>\$ 2,418,395</u>	<u>\$ (278,024)</u>	<u>\$ --</u>	<u>\$ 2,140,371</u>

Depreciation was charged to functions as follows:

General administration	\$ 129,701
Public safety	144,046
Public facilities	1,256
Public transportation	194,309
	<u>\$ 469,312</u>

**E. Interfund Balances and Activity**

**1. Due To and From Other Funds**

Balances due to and due from other funds at September 30, 2011, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
None		\$ --	

**2. Transfers To and From Other Funds**

Transfers to and from other funds at September 30, 2011, consisted of the following:

Transfers From	Transfers To	Amount	Reason
None		\$ --	

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**F. Long-Term Obligations**

**1. Long-Term Obligation Activity**

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2011, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 2,605,000	\$ --	\$ 310,000	\$ 2,295,000	\$ 320,000
Capital leases	454,180	--	208,678	245,502	171,567
Compensated absences	108,137	20,976	--	129,113	129,113
Other post employment	43,593	43,593	--	87,186	--
<b>Total governmental activities</b>	<b>\$ 3,210,910</b>	<b>\$ 64,569</b>	<b>\$ 518,678</b>	<b>\$ 2,756,801</b>	<b>\$ 620,680</b>

\* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General and Road and Bridge Funds
Other post employment benefits	Governmental	General and Road and Bridge Funds

**Analysis of General Obligation Bonds**

Governmental activities	Interest Rates	Beginning Balance	Increases	Decreases	Ending Balance
General Obligation Bonds Series 2000	5.0-6.25%	\$ 310,000	\$ --	\$ 150,000	\$ 160,000
General Obligation Bonds Series 2002 Refunding	2.0-3.9%	605,000	--	145,000	460,000
General Obligation Bonds Series 2006 Refunding	3.55-4.15%	1,690,000	--	15,000	1,675,000
<b>Total general obligation bonds</b>		<b>\$ 2,605,000</b>	<b>\$ --</b>	<b>\$ 310,000</b>	<b>\$ 2,295,000</b>

**2. Debt Service Requirements - General Obligation Bonds**

Debt service requirements on long-term debt at September 30, 2011, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2012	\$ 320,000	\$ 85,833	\$ 405,833
2013	335,000	72,556	407,556
2014	345,000	59,318	404,318
2015	195,000	48,740	243,740
2016	205,000	40,789	245,789
2017-2021	895,000	75,530	970,530
<b>Totals</b>	<b>\$ 2,295,000</b>	<b>\$ 382,766</b>	<b>\$ 2,677,766</b>

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

3. Capital Leases

Analysis of capital leases for the year is as follows:

<u>Governmental activities</u>	<u>Interest Rates</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
R&B Precinct #1					
Used motorgrader	6.75%	\$ 78,838	\$ --	\$ 31,340	\$ 47,498
R&B Precinct #2					
2008 Peterbilt	5.68%	31,826	--	15,500	16,326
2007 Motorgrader	4.85%	76,404	--	40,833	35,571
2008 Motorgrader	5.50%	111,412	--	25,022	86,390
R&B Precinct #3					
Motorgrader	4.53%	40,401	--	34,467	5,934
R&B Precinct #4					
Motorgrader	5.25%	115,299	--	61,517	53,782
Total capital leases		\$ 454,180	\$ --	\$ 208,679	\$ 245,501

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2011, as follows:

<u>Year Ending September 30:</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 171,567	\$ 8,879	\$ 180,446
2013	41,902	2,830	44,732
2014	29,499	1,026	30,525
2015	2,533	12	2,545
Totals	\$ 245,501	\$ 12,747	\$ 258,248

G. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2011, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Association of Counties Intergovernmental Risk Pool (TAC). TAC is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TAC for its above insurance coverage. The agreement for the formation of TAC provides that TAC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

H. Pension Plan

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer retirement system consisting of nontraditional defined benefit pension plans. The TCDRS, in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 years or

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

more of service, with 20 years of service regardless of age, or when the sum of their age and years of service equal 75 or more. Members are vested after 8 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefits. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposit and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

**2. Funding Policy**

The employer has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.53%.

The deposit rate payable by the employee members for the fiscal year ending in 2011 is 7% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

**3. Annual Pension Cost**

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No.27 parameters based on the actuarial valuations as of December 31, 2010 and 2011, the basis for determining the contribution rates for 2011 and 2012.

**Actuarial Valuation Information:**

Actuarial valuation date	12/31/08	12/31/09	12/31/10
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percent of payroll	level percent of payroll	level percent of payroll
Amortization period in years	18.7	17.8	20.0
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value

**Actuarial assumptions:**

Investment return	8.0%	8.0%	8.0%
Projected salary increase	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustment	0.0%	0.0%	0.0%

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

4. Funded Status and Funding Progress

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2009	\$ 360,156	100% \$	--
September 30, 2010	\$ 362,864	100% \$	--
September 30, 2011	\$ 380,815	100% \$	--

I. Health Care Coverage

During the year ended September 30, 2011, employees of the County were covered by a health insurance plan (the Plan). The County paid premiums of \$555 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the County and the licensed insurer is renewable December 1, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Texas Association of Counties and Employee Benefit Pool are available and filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

J. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the County at September 30, 2011.

K. Notes Receivable - Revolving Loan Fund

Activity in notes receivable in the revolving loan fund is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Fehner & Sons Grain	\$ 107,247	\$ --	\$ 20,422	\$ 86,825
Lynn Theater-Galan Jansky	81,686	--	4,743	76,943
Mr. Taco	10,044	--	10,044	--
Adams Extract #1	63,072	--	26,851	36,221
Adams Extract #2	72,527	--	26,543	45,984
Adams Extract #3	199,918	--	22,396	177,522
Tropical Fusions	--	250,000	11,920	238,080
Gonzales Nursing & Rehabilitations	87,079	--	--	87,079
Total loans receivable	\$ 621,573	\$ 250,000	\$ 122,919	\$ 748,654
Allowance for doubtful accounts	(168,766)	--	81,687	(87,079)
Net loans receivable	\$ 452,807	\$ 250,000	\$ 41,232	\$ 661,575

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Maturity analysis is as follows:

Year Ending September 30,	Principal	Interest	Total
2012	\$ 217,050	\$ 14,122	\$ 231,172
2013	105,438	11,325	116,763
2014	80,001	8,674	88,675
2015	78,104	6,474	84,578
2016	59,241	4,850	64,091
2017-2021	208,820	7,605	216,425
Totals	\$ 748,654	\$ 53,050	\$ 801,704

**L. Other Post Employment Benefits**

**1. Plan Description**

General

Beginning in fiscal year 2010, the County implemented GASB Statement No.45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (OPEB) to prospectively account for the Gonzales County Retiree Health Care Plan ( a single employer plan). In connection with such implementation, the County has commissioned an actuarial study from an outside consultant to quantify the amount of the County's OPEB obligations. This study indicates an unfunded actuarial accrued liability of \$401,927 as of December 1, 2009.

The plan was approved by the Commissioners Court and they may amend the plan. The County will have a valuation study every third year. A copy may be obtained from the County.

OPEB Plan Eligibility

The County provides County funded/paid retiree health care coverage upon meeting the following eligibility requirements:

Eligibility

Eligible retired employees and elected officials of the County shall be entitled to health insurance coverage under the County's group medical coverage policy. The eligible employee or official will be entitled to coverage beginning in the month following the attainment of age set under the following paragraph and continuing until the last month before the employee is eligible for and covered by Medicare coverage under federal law.

Eligibility Requirements

Elected officials or employees utilizing the benefit under the paragraph above must meet the requirements set out in one of the following paragraphs:

- a. Have served at least 25 years with the County and have attained the age of fifty-nine and one-half (59 1/2) years. County service may include any credit for military service allowed by the County retirement system.
- b. Have served at least 30 years with the County and have attained the age of fifty-seven (57) years. County service may include any credit for military service allowed by the County retirement system.

Coverage For Officials With Less Than 25 Years Of Service

Post employment health benefits for elected officials with at least eight years of service but less than 25 years of service, and are vested in the County retirement system, shall be allowed to participate in the health insurance coverage under the County group medical insurance. Participation shall be entirely at the official's own expense and may continue until the employee is eligible for Medicare coverage under federal law. Elected employees utilizing this benefit must have served at least eight years with the County. Failure to comply with any requirement of participation as outlined in section 3.12 of the County's personnel policy or failure to timely pay premiums may result in the loss of coverage.

**2. Funding Policies**

The County has elected to fund the plan on a current pay as you go (PAYGO), i.e., the annual contributions each year are equal to the benefits that are paid on behalf of the retirees. Under this funding policy, GASB 45 requires the

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

use of a discount rate consistent with the investment return on the employer's general assets. In the valuation, the discount rate is 4.5%.

The actuarially determined contribution requirement for the County is computed through an actuarial valuation performed as of December 1, 2009. The actuarial valuation is performed to determine the adequacy of the contribution rate, to describe the current financial condition of the OPEB and to analyze changes to conditions.

Actuarial valuations deal with the cost benefits to be paid in the future. The payments considered will range from one month in the future to decades from the valuation date (for a young, newly hired employee who may retire many years from now and live many years after that). In order to establish a present day cost for these future benefit obligations, the actuary bases the valuation on a number of assumptions about future occurrences. The occurrences that must be considered include employee turnover, pay increases, disablement, retirements, deaths and investment income on anticipated plan assets.

Actuarial calculations reflect a long-term perspective and employs methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

**Significant Actuarial Assumptions:**

Actuarially assumed investment rate	4.5% per annum compounded annually net after investment expenses
Mortality rates for males and females	Retirement Plans 2000 Health Mortality Table
Retirement, disablement and separation rates	Graduated rates based on age (detailed in the actuary's report)
Actuarial cost method	The projected unit credit cost method
General inflation	3.0% per annum
Payroll growth rate	3.0% per annum
Health cost increase	Graduated rates based on age (detailed in the actuary's report)
Method for determining the actuarial value of assets	Market value of assets
Amortization method	Level percent, closed
Remaining amortization	23 years

The following table shows the components of the County's annual OPEB cost for the year:

Annual required contributions	\$ 43,593
Interest on OPEB obligations	--
Adjustment to annual required contributions	--
Annual OPEB cost (expense)	<u>\$ 43,593</u>
Increase (decrease) in net OPEB obligation	--
Net OPEB obligations, beginning of year	43,593
Net OPEB, end of year	<u><u>\$ 87,186</u></u>

Fiscal Year ending:	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/10	\$ 43,593	0.00%	\$ 43,593
9/30/11	\$ 43,593	0.00%	\$ 43,593



**GONZALES COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Trend data:	
	12/01/09
Actuarial valuation date	
Actuarial value of assets	\$ —
Actuarial Accrued Liability (AAL)	401,927
Unfunded AAL (UAAL)	\$ 401,927
Fund ratio	0.00%
Covered wages	\$ 3,968,526
UAAL as a percent of covered payroll	10.13%

## Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**GONZALES COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT B-1**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 4,629,685	\$ 4,629,685	\$ 5,667,890	\$ 1,038,205
Licenses and permits	1,800	1,800	2,299	499
Intergovernmental	44,133	44,133	45,467	1,334
Charges for services	680,967	680,967	1,060,436	379,469
Fines	622,200	622,200	843,175	220,975
Interest	20,000	20,000	22,298	2,298
Miscellaneous	39,500	71,173	257,649	186,476
Total revenues	<u>6,038,285</u>	<u>6,069,958</u>	<u>7,899,214</u>	<u>1,829,256</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,405,434	1,451,159	1,380,258	70,901
Financial administration	609,829	610,539	605,953	4,586
Public safety	3,060,502	3,180,192	3,137,504	42,688
Health and welfare	24,400	26,390	25,181	1,209
Judicial	1,048,639	1,089,341	1,031,305	58,036
Public facilities	240,582	244,058	225,880	18,178
Conservation	87,007	87,007	75,872	11,135
Total expenditures	<u>6,476,393</u>	<u>6,688,686</u>	<u>6,481,953</u>	<u>206,733</u>
Net change in fund balance	(438,108)	(618,728)	1,417,261	2,035,989
Fund balances/equity, October 1	1,524,190	1,524,190	1,524,190	--
Fund balances/equity, September 30	<u>\$ 1,086,082</u>	<u>\$ 905,462</u>	<u>\$ 2,941,451</u>	<u>\$ 2,035,989</u>

**GONZALES COUNTY, TEXAS**  
ROAD AND BRIDGE FUND PCT. #1  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 459,262	\$ 459,262	\$ 473,920	\$ 14,658
Licenses and permits	156,709	156,709	162,086	5,377
Interest	7,000	7,000	6,231	(769)
Miscellaneous	7,260	7,260	47,186	39,926
Total revenues	<u>630,231</u>	<u>630,231</u>	<u>689,423</u>	<u>59,192</u>
Expenditures:				
Current:				
Public transportation	<u>701,340</u>	<u>701,775</u>	<u>659,467</u>	<u>42,308</u>
Total expenditures	<u>701,340</u>	<u>701,775</u>	<u>659,467</u>	<u>42,308</u>
Net change in fund balance	(71,109)	(71,544)	29,956	101,500
Fund balances/equity, October 1	476,349	476,349	476,349	--
Fund balances/equity, September 30	<u>\$ 405,240</u>	<u>\$ 404,805</u>	<u>\$ 506,305</u>	<u>\$ 101,500</u>

**GONZALES COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND PCT. #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT B-3**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 459,262	\$ 459,262	\$ 473,918	\$ 14,656
Licenses and permits	156,709	156,709	162,086	5,377
Interest	675	675	1,743	1,068
Miscellaneous	7,260	7,260	35,514	28,254
Total revenues	<u>623,906</u>	<u>623,906</u>	<u>673,261</u>	<u>49,355</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public transportation	<u>723,327</u>	<u>723,327</u>	<u>668,374</u>	<u>54,953</u>
Total expenditures	<u>723,327</u>	<u>723,327</u>	<u>668,374</u>	<u>54,953</u>
Net change in fund balance	(99,421)	(99,421)	4,887	104,308
Fund balances/equity, October 1	149,338	149,338	149,338	--
Fund balances/equity, September 30	<u>\$ 49,917</u>	<u>\$ 49,917</u>	<u>\$ 154,225</u>	<u>\$ 104,308</u>

**GONZALES COUNTY, TEXAS**  
ROAD AND BRIDGE FUND PCT. #3  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 459,262	\$ 459,262	\$ 473,918	\$ 14,656
Licenses and permits	156,709	156,709	162,086	5,377
Interest	7,000	7,000	6,213	(787)
Miscellaneous	7,260	7,260	8,244	984
Total revenues	<u>630,231</u>	<u>630,231</u>	<u>650,461</u>	<u>20,230</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public transportation	651,319	666,320	667,394	(1,074)
Total expenditures	<u>651,319</u>	<u>666,320</u>	<u>667,394</u>	<u>(1,074)</u>
Net change in fund balance	(21,088)	(36,089)	(16,933)	19,156
Fund balances/equity, October 1	517,812	517,812	517,812	--
Fund balances/equity, September 30	<u>\$ 496,724</u>	<u>\$ 481,723</u>	<u>\$ 500,879</u>	<u>\$ 19,156</u>

**GONZALES COUNTY, TEXAS**  
ROAD AND BRIDGE FUND PCT. #4  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 459,262	\$ 459,262	\$ 473,919	\$ 14,657
Licenses and permits	156,709	156,709	162,086	5,377
Interest	2,625	2,625	3,282	657
Miscellaneous	7,260	7,260	71,203	63,943
Total revenues	<u>625,856</u>	<u>625,856</u>	<u>710,490</u>	<u>84,634</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public transportation	664,302	664,302	662,728	1,574
Total expenditures	<u>664,302</u>	<u>664,302</u>	<u>662,728</u>	<u>1,574</u>
Net change in fund balance	(38,446)	(38,446)	47,762	86,208
Fund balances/equity, October 1	248,758	248,758	248,758	--
Fund balances/equity, September 30	<u>\$ 210,312</u>	<u>\$ 210,312</u>	<u>\$ 296,520</u>	<u>\$ 86,208</u>

**GONZALES COUNTY, TEXAS**  
 REVOLVING LOAN FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest	\$ 17,637	\$ 17,637	\$ 15,652	\$ (1,985)
Total revenues	<u>17,637</u>	<u>17,637</u>	<u>15,652</u>	<u>(1,985)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	--	--	4,236	(4,236)
Total expenditures	<u>--</u>	<u>--</u>	<u>4,236</u>	<u>(4,236)</u>
Excess (deficiency) of revenues (under) expenditures	17,637	17,637	11,416	(6,221)
<b>Other financing sources (uses):</b>				
Principal received on loans	120,213	120,213	122,919	2,706
Loans disbursed out of the revolving loan fund	--	(250,000)	(250,000)	--
Total other financing sources (uses)	<u>120,213</u>	<u>(129,787)</u>	<u>(127,081)</u>	<u>2,706</u>
Net change in fund balance	137,850	(112,150)	(115,665)	(3,515)
Fund balances/equity, October 1	306,153	306,153	306,153	--
Fund balances/equity, September 30	<u>\$ 444,003</u>	<u>\$ 194,003</u>	<u>\$ 190,488</u>	<u>\$ (3,515)</u>



**GONZALES COUNTY, TEXAS**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 YEAR ENDED SEPTEMBER 30, 2011

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$ 5,949,914	\$ 7,869,043	\$ 1,919,129	75.6%	\$ 3,664,200	52.4%
12/31/09	6,409,370	8,244,678	1,835,308	77.7%	3,773,107	48.6%
12/31/10	7,031,876	9,015,621	1,983,745	78.0%	3,875,281	51.2%

OTHER POST EMPLOYMENT BENEFITS-MEDICAL INSURANCE FOR RETIREES

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ --	\$ 401,927	\$ 401,927	--	\$ 3,807,561	10.6%

## **Combining Statements and Budget Comparison Schedules as Supplementary Information**

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

**GONZALES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2011**

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>			
Cash and cash equivalents	\$ 337,914	\$ --	\$ 337,914
Restricted assets:			
Cash and cash equivalents	--	130,523	130,523
<b>Total assets</b>	<b>\$ 337,914</b>	<b>\$ 130,523</b>	<b>\$ 468,437</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 12,242	\$ --	\$ 12,242
Accrued wages payable	1,376	--	1,376
<b>Total liabilities</b>	<b>13,618</b>	<b>--</b>	<b>13,618</b>
<b>Equity:</b>			
Restricted fund balance			
Debt service	--	130,523	130,523
Special revenue funds	324,296	--	324,296
<b>Total equity</b>	<b>324,296</b>	<b>130,523</b>	<b>454,819</b>
<b>Total liabilities and equity</b>	<b>\$ 337,914</b>	<b>\$ 130,523</b>	<b>\$ 468,437</b>

**GONZALES COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:			
Taxes	\$ --	\$ 406,594	\$ 406,594
Intergovernmental	2,464	--	2,464
Charges for services	46,484	--	46,484
Fines	179,292	--	179,292
Interest	20	1,789	1,809
Miscellaneous	500	--	500
Grants	316,052	--	316,052
Total revenues	<u>544,812</u>	<u>408,383</u>	<u>953,195</u>
Expenditures:			
Current:			
General government	10,899	--	10,899
Public safety	230,012	--	230,012
Health and welfare	2,000	--	2,000
Judicial	106,487	--	106,487
Public facilities	70,855	--	70,855
Debt service:			
Principal	--	310,000	310,000
Interest and fiscal charges	--	100,092	100,092
Total expenditures	<u>420,253</u>	<u>410,092</u>	<u>830,345</u>
Net change in fund balance	124,559	(1,709)	122,850
Fund balances/equity, October 1	199,737	132,232	331,969
Fund balances/equity, September 30	<u>\$ 324,296</u>	<u>\$ 130,523</u>	<u>\$ 454,819</u>

**GONZALES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2011**

	Law Library Fund	Voter Registration Fund	Crime Stoppers Fund	Attorney Hot Check Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 35,364	\$ 3,404	\$ 14,000	\$ --
Total assets	<u>\$ 35,364</u>	<u>\$ 3,404</u>	<u>\$ 14,000</u>	<u>\$ --</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Accrued wages payable	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Equity:</b>				
Restricted fund balance				
Special revenue funds	35,364	3,404	14,000	--
Total equity	<u>35,364</u>	<u>3,404</u>	<u>14,000</u>	<u>--</u>
Total liabilities and equity	<u>\$ 35,364</u>	<u>\$ 3,404</u>	<u>\$ 14,000</u>	<u>\$ --</u>

Records Mgmt. County Clerk	Records Management Courthouse	Court Reporter Services	Probate Court Fund	Courthouse Security Fund
\$ 51,578	\$ 28,472	\$ 2,392	\$ 1,674	\$ 36,228
<u>\$ 51,578</u>	<u>\$ 28,472</u>	<u>\$ 2,392</u>	<u>\$ 1,674</u>	<u>\$ 36,228</u>
\$ --	\$ --	\$ --	\$ --	\$ --
216	--	--	--	1,160
<u>216</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,160</u>
51,362	28,472	2,392	1,674	35,068
<u>51,362</u>	<u>28,472</u>	<u>2,392</u>	<u>1,674</u>	<u>35,068</u>
<u>\$ 51,578</u>	<u>\$ 28,472</u>	<u>\$ 2,392</u>	<u>\$ 1,674</u>	<u>\$ 36,228</u>

**GONZALES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2011**

	Indigent Health Fund	Justice Court Technology	Appellate Judicial Fund	Homeland Security Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,072	\$ 56,200	\$ 1,691	\$ --
Total assets	<u>\$ 16,072</u>	<u>\$ 56,200</u>	<u>\$ 1,691</u>	<u>\$ --</u>
<b>LIABILITIES AND EQUITY</b>				
Liabilities:				
Accounts payable	\$ --	\$ 5,494	\$ --	\$ --
Accrued wages payable	--	--	--	--
Total liabilities	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Equity:				
Restricted fund balance				
Special revenue funds	16,072	50,706	1,691	--
Total equity	<u>16,072</u>	<u>50,706</u>	<u>1,691</u>	<u>--</u>
Total liabilities and equity	<u>\$ 16,072</u>	<u>\$ 56,200</u>	<u>\$ 1,691</u>	<u>\$ --</u>

<u>Dist. Clk. Records Management</u>	<u>County Judge Excess State Supplement</u>	<u>Justice Court Building Security Fund</u>	<u>Family Protection Fee Fund</u>	<u>Child Abuse Prevention Fund</u>
\$ 3,687	\$ 7,186	\$ 23,368	\$ 875	\$ 500
<u>\$ 3,687</u>	<u>\$ 7,186</u>	<u>\$ 23,368</u>	<u>\$ 875</u>	<u>\$ 500</u>
\$ --	\$ 1,781	\$ --	\$ --	\$ --
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>1,781</u>			
3,687	5,405	23,368	875	500
<u>3,687</u>	<u>5,405</u>	<u>23,368</u>	<u>875</u>	<u>500</u>
<u>\$ 3,687</u>	<u>\$ 7,186</u>	<u>\$ 23,368</u>	<u>\$ 875</u>	<u>\$ 500</u>



**GONZALES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2011**

	Records Mgmt. and Protection Fund	Help America Vote Act Fund	Mediation Fee Fund	Supplemental Guardianship Fee Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,011	\$ 8,940	\$ 22,195	\$ 5,240
Total assets	<u>\$ 3,011</u>	<u>\$ 8,940</u>	<u>\$ 22,195</u>	<u>\$ 5,240</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Accrued wages payable	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Equity:</b>				
Restricted fund balance				
Special revenue funds	3,011	8,940	22,195	5,240
Total equity	<u>3,011</u>	<u>8,940</u>	<u>22,195</u>	<u>5,240</u>
Total liabilities and equity	<u>\$ 3,011</u>	<u>\$ 8,940</u>	<u>\$ 22,195</u>	<u>\$ 5,240</u>

<u>Vital Statistics Fee Fund</u>	<u>MVNA Fund</u>	<u>Digital Records Preservation</u>	<u>County &amp; District Court Technology</u>	<u>Criminal Justice Department Grant Fund</u>
\$ 6,159	\$ 3,136	\$ 5,810	\$ 732	\$ --
<u>\$ 6,159</u>	<u>\$ 3,136</u>	<u>\$ 5,810</u>	<u>\$ 732</u>	<u>\$ --</u>
\$ --	\$ 4,967	\$ --	\$ --	\$ --
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>4,967</u>	<u>--</u>	<u>--</u>	<u>--</u>
6,159	(1,831)	5,810	732	--
<u>6,159</u>	<u>(1,831)</u>	<u>5,810</u>	<u>732</u>	<u>--</u>
<u>\$ 6,159</u>	<u>\$ 3,136</u>	<u>\$ 5,810</u>	<u>\$ 732</u>	<u>\$ --</u>

**GONZALES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2011**

	<u>Energy Efficiency Block Grant</u>	<u>Community Oriented Policing Services Grant</u>	<u>Local Border Security Grant</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit C-1)</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 337,914
<b>Total assets</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 337,914</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ 12,242
Accrued wages payable	--	--	--	1,376
<b>Total liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>13,618</u>
<b>Equity:</b>				
Restricted fund balance				
Special revenue funds	--	--	--	324,296
<b>Total equity</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>324,296</u>
<b>Total liabilities and equity</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 337,914</u>

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**GONZALES COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Law Library Fund	Voter Registration Fund	Crime Stoppers Fund	Records Mgmt. County Clerk
Revenues:				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Charges for services	--	--	--	38,219
Fines	11,760	--	--	--
Interest	--	--	--	--
Miscellaneous	--	--	--	--
Grants	--	--	--	--
Total revenues	<u>11,760</u>	<u>--</u>	<u>--</u>	<u>38,219</u>
Expenditures:				
Current:				
General government	--	--	--	4,450
Public safety	--	--	--	--
Health and welfare	--	--	--	--
Judicial	2,950	--	--	--
Public facilities	--	--	--	--
Total expenditures	<u>2,950</u>	<u>--</u>	<u>--</u>	<u>4,450</u>
Net change in fund balance	8,810	--	--	33,769
Fund balances/equity, October 1	26,554	3,404	14,000	17,593
Fund balances/equity, September 30	<u>\$ 35,364</u>	<u>\$ 3,404</u>	<u>\$ 14,000</u>	<u>\$ 51,362</u>

Records Management Courthouse	Court Reporter Services	Probate Court Fund	Courthouse Security Fund	Indigent Health Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	234	--	--
8,232	3,255	--	37,914	--
--	--	--	--	20
--	--	--	--	--
<u>8,232</u>	<u>3,255</u>	<u>234</u>	<u>37,914</u>	<u>20</u>
3,260	--	--	--	--
--	--	--	--	--
--	3,338	1,094	--	--
--	--	--	16,310	--
<u>3,260</u>	<u>3,338</u>	<u>1,094</u>	<u>16,310</u>	<u>--</u>
4,972	(83)	(860)	21,604	20
23,500	2,475	2,534	13,464	16,052
<u>\$ 28,472</u>	<u>\$ 2,392</u>	<u>\$ 1,674</u>	<u>\$ 35,068</u>	<u>\$ 16,072</u>

**GONZALES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Justice Court Technology	Appellate Judicial Fund	Homeland Security Fund	Dist. Clk. Records Management
<b>Revenues:</b>				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Charges for services	--	--	--	--
Fines	42,143	1,750	--	1,620
Interest	--	--	--	--
Miscellaneous	--	--	--	--
Grants	--	--	127,850	--
<b>Total revenues</b>	<u>42,143</u>	<u>1,750</u>	<u>127,850</u>	<u>1,620</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	--	--	--	--
Public safety	--	--	127,850	--
Health and welfare	--	--	--	--
Judicial	37,365	1,333	--	--
Public facilities	--	--	--	--
<b>Total expenditures</b>	<u>37,365</u>	<u>1,333</u>	<u>127,850</u>	<u>--</u>
<b>Net change in fund balance</b>	4,778	417	--	1,620
<b>Fund balances/equity, October 1</b>	45,928	1,274	--	2,067
<b>Fund balances/equity, September 30</b>	<u>\$ 50,706</u>	<u>\$ 1,691</u>	<u>\$ --</u>	<u>\$ 3,687</u>

County Judge Excess State Supplement	Justice Court Building Security Fund	Family Protection Fee Fund	Child Abuse Prevention Fund	Records Mgmt. and Protection Fund
\$ 2,464	\$ --	\$ --	\$ --	\$ --
--	6,936	1,095	--	--
--	--	--	100	646
--	--	--	--	--
--	--	--	--	--
<u>2,464</u>	<u>6,936</u>	<u>1,095</u>	<u>100</u>	<u>646</u>
3,189	--	--	--	--
--	--	--	--	--
--	--	2,000	--	--
--	--	--	--	--
<u>3,189</u>	<u>--</u>	<u>2,000</u>	<u>--</u>	<u>--</u>
(725)	6,936	(905)	100	646
6,130	16,432	1,780	400	2,365
<u>\$ 5,405</u>	<u>\$ 23,368</u>	<u>\$ 875</u>	<u>\$ 500</u>	<u>\$ 3,011</u>



**GONZALES COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Help America Vote Act Fund	Mediation Fee Fund	Supplemental Guardianship Fee Fund	Vital Statistics Fee Fund
<b>Revenues:</b>				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Charges for services	--	--	--	--
Fines	--	3,360	1,560	1,219
Interest	--	--	--	--
Miscellaneous	500	--	--	--
Grants	31,495	--	--	--
<b>Total revenues</b>	<u>31,995</u>	<u>3,360</u>	<u>1,560</u>	<u>1,219</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	--	--	--	--
Public safety	--	--	--	--
Health and welfare	--	--	--	--
Judicial	--	--	--	--
Public facilities	--	--	--	--
<b>Total expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net change in fund balance</b>	31,995	3,360	1,560	1,219
Fund balances/equity, October 1	(23,055)	18,835	3,680	4,940
Fund balances/equity, September 30	<u>\$ 8,940</u>	<u>\$ 22,195</u>	<u>\$ 5,240</u>	<u>\$ 6,159</u>

MVNA Fund	Digital Records Preservation	County & District Court Technology	Criminal Justice Department Grant Fund	Energy Efficiency Block Grant
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
61,629	3,460	644	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	10,912	54,545
<u>61,629</u>	<u>3,460</u>	<u>644</u>	<u>10,912</u>	<u>54,545</u>
--	--	--	--	--
--	--	--	10,912	--
--	--	--	--	--
60,407	--	--	--	--
--	--	--	--	54,545
<u>60,407</u>	<u>--</u>	<u>--</u>	<u>10,912</u>	<u>54,545</u>
1,222	3,460	644	--	--
(3,053)	2,350	88	--	--
<u>\$ (1,831)</u>	<u>\$ 5,810</u>	<u>\$ 732</u>	<u>\$ --</u>	<u>\$ --</u>

**GONZALES COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Community Oriented Policing Services Grant	Local Border Security Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
<b>Revenues:</b>			
Intergovernmental	\$ --	\$ --	\$ 2,464
Charges for services	--	--	46,484
Fines	--	--	179,292
Interest	--	--	20
Miscellaneous	--	--	500
Grants	80,000	11,250	316,052
Total revenues	<u>80,000</u>	<u>11,250</u>	<u>544,812</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	--	--	10,899
Public safety	80,000	11,250	230,012
Health and welfare	--	--	2,000
Judicial	--	--	106,487
Public facilities	--	--	70,855
Total expenditures	<u>80,000</u>	<u>11,250</u>	<u>420,253</u>
Net change in fund balance	--	--	124,559
Fund balances/equity, October 1	--	--	199,737
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 324,296</u>

**GONZALES COUNTY, TEXAS**  
**RECORDS MANAGEMENT-COUNTY CLERK FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-5**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 22,000	\$ 22,000	\$ 38,219	\$ 16,219
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>38,219</u>	<u>16,219</u>
Expenditures:				
Current:				
General government	20,662	20,662	4,450	16,212
Total expenditures	<u>20,662</u>	<u>20,662</u>	<u>4,450</u>	<u>16,212</u>
Net change in fund balance	1,338	1,338	33,769	32,431
Fund balances/equity, October 1	17,593	17,593	17,593	--
Fund balances/equity, September 30	<u>\$ 18,931</u>	<u>\$ 18,931</u>	<u>\$ 51,362</u>	<u>\$ 32,431</u>

**GONZALES COUNTY, TEXAS**  
**RECORDS MANAGEMENT COURTHOUSE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-6**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines	\$ 6,500	\$ 6,500	\$ 8,232	\$ 1,732
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>8,232</u>	<u>1,732</u>
Expenditures:				
Current:				
General government	3,200	6,490	3,260	3,230
Total expenditures	<u>3,200</u>	<u>6,490</u>	<u>3,260</u>	<u>3,230</u>
Net change in fund balance	3,300	10	4,972	4,962
Fund balances/equity, October 1	23,500	23,500	23,500	--
Fund balances/equity, September 30	<u>\$ 26,800</u>	<u>\$ 23,510</u>	<u>\$ 28,472</u>	<u>\$ 4,962</u>

**GONZALES COUNTY, TEXAS**  
**COURT REPORTER SERVICES FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-7**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines	\$ 3,000	\$ 3,000	\$ 3,255	\$ 255
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,255</u>	<u>255</u>
Expenditures:				
Current:				
Judicial	3,000	3,500	3,338	162
Total expenditures	<u>3,000</u>	<u>3,500</u>	<u>3,338</u>	<u>162</u>
Net change in fund balance	--	(500)	(83)	417
Fund balances/equity, October 1	2,475	2,475	2,475	--
Fund balances/equity, September 30	<u>\$ 2,475</u>	<u>\$ 1,975</u>	<u>\$ 2,392</u>	<u>\$ 417</u>

**GONZALES COUNTY, TEXAS**  
**PROBATE COURT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ --	\$ --	\$ 234	\$ 234
Total revenues	<u>--</u>	<u>--</u>	<u>234</u>	<u>234</u>
Expenditures:				
Current:				
Judicial	--	2,500	1,094	1,406
Total expenditures	<u>--</u>	<u>2,500</u>	<u>1,094</u>	<u>1,406</u>
Net change in fund balance	--	(2,500)	(860)	1,640
Fund balances/equity, October 1	2,534	2,534	2,534	--
Fund balances/equity, September 30	<u>\$ 2,534</u>	<u>\$ 34</u>	<u>\$ 1,674</u>	<u>\$ 1,640</u>

**GONZALES COUNTY, TEXAS**  
**COURTHOUSE SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines	\$ 24,950	\$ 24,950	\$ 37,914	\$ 12,964
Total revenues	<u>24,950</u>	<u>24,950</u>	<u>37,914</u>	<u>12,964</u>
Expenditures:				
Current:				
Public facilities	17,650	17,650	16,310	1,340
Total expenditures	<u>17,650</u>	<u>17,650</u>	<u>16,310</u>	<u>1,340</u>
Net change in fund balance	7,300	7,300	21,604	14,304
Fund balances/equity, October 1	13,464	13,464	13,464	--
Fund balances/equity, September 30	<u>\$ 20,764</u>	<u>\$ 20,764</u>	<u>\$ 35,068</u>	<u>\$ 14,304</u>



**GONZALES COUNTY, TEXAS**  
**HOMELAND SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-10**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ --	\$ --	\$ 127,850	\$ 127,850
Total revenues	<u>    --</u>	<u>    --</u>	<u>127,850</u>	<u>127,850</u>
Expenditures:				
Current:				
Public safety	--	--	127,850	(127,850)
Total expenditures	<u>    --</u>	<u>    --</u>	<u>127,850</u>	<u>(127,850)</u>
Net change in fund balance	--	--	--	--
Fund balances/equity, October 1	--	--	--	--
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**GONZALES COUNTY, TEXAS**  
DISTRICT CLERK RECORDS MANAGEMENT FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines	\$ 1,500	\$ 1,500	\$ 1,620	\$ 120
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,620</u>	<u>120</u>
Expenditures:				
Current:				
Judicial	2,000	2,000	--	2,000
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>--</u>	<u>2,000</u>
Net change in fund balance	(500)	(500)	1,620	2,120
Fund balances/equity, October 1	2,067	2,067	2,067	--
Fund balances/equity, September 30	<u>\$ 1,567</u>	<u>\$ 1,567</u>	<u>\$ 3,687</u>	<u>\$ 2,120</u>

**GONZALES COUNTY, TEXAS**  
 COUNTY JUDGE EXCESS STATE SUPPLEMENT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ --	\$ --	\$ 2,464	\$ 2,464
Total revenues	<u>--</u>	<u>--</u>	<u>2,464</u>	<u>2,464</u>
Expenditures:				
Current:				
General government	--	3,791	3,189	602
Total expenditures	<u>--</u>	<u>3,791</u>	<u>3,189</u>	<u>602</u>
Net change in fund balance	--	(3,791)	(725)	3,066
Fund balances/equity, October 1	6,130	6,130	6,130	--
Fund balances/equity, September 30	<u>\$ 6,130</u>	<u>\$ 2,339</u>	<u>\$ 5,405</u>	<u>\$ 3,066</u>

**GONZALES COUNTY, TEXAS**  
 FAMILY PROTECTION FEE FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,300	\$ 1,300	\$ 1,095	\$ (205)
Total revenues	<u>1,300</u>	<u>1,300</u>	<u>1,095</u>	<u>(205)</u>
Expenditures:				
Current:				
Health and welfare	2,000	2,000	2,000	--
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>--</u>
Net change in fund balance	(700)	(700)	(905)	(205)
Fund balances/equity, October 1	1,780	1,780	1,780	--
Fund balances/equity, September 30	<u>\$ 1,080</u>	<u>\$ 1,080</u>	<u>\$ 875</u>	<u>\$ (205)</u>

**GONZALES COUNTY, TEXAS**  
 HELP AMERICA VOTE ACT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ --	\$ --	\$ 500	\$ 500
Grants	35,005	35,005	31,495	(3,510)
Total revenues	<u>35,005</u>	<u>35,005</u>	<u>31,995</u>	<u>(3,010)</u>
Expenditures:				
Current:				
General government	35,558	35,558	--	35,558
Total expenditures	<u>35,558</u>	<u>35,558</u>	<u>--</u>	<u>35,558</u>
Excess (deficiency) of revenues (under) expenditures	(553)	(553)	31,995	32,548
Other financing sources (uses):				
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balance	(553)	(553)	31,995	32,548
Fund balances/equity, October 1	(23,055)	(23,055)	(23,055)	--
Fund balances/equity, September 30	<u>\$ (23,608)</u>	<u>\$ (23,608)</u>	<u>\$ 8,940</u>	<u>\$ 32,548</u>

**GONZALES COUNTY, TEXAS**  
**VITAL STATISTICS FEE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-15**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines	\$ 1,250	\$ 1,250	\$ 1,219	\$ (31)
Total revenues	<u>1,250</u>	<u>1,250</u>	<u>1,219</u>	<u>(31)</u>
Expenditures:				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balance	1,250	1,250	1,219	(31)
Fund balances/equity, October 1	4,940	4,940	4,940	--
Fund balances/equity, September 30	<u>\$ 6,190</u>	<u>\$ 6,190</u>	<u>\$ 6,159</u>	<u>\$ (31)</u>

**GONZALES COUNTY, TEXAS**  
 CRIMINAL JUSTICE DEPARTMENT GRANT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-16

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ --	\$ --	\$ 10,912	\$ 10,912
Total revenues	<u>    --</u>	<u>    --</u>	<u>10,912</u>	<u>10,912</u>
Expenditures:				
Current:				
Public safety	--	9,128	10,912	(1,784)
Total expenditures	<u>    --</u>	<u>9,128</u>	<u>10,912</u>	<u>(1,784)</u>
Net change in fund balance	--	(9,128)	--	9,128
Fund balances/equity, October 1	--	--	--	--
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ (9,128)</u>	<u>\$ --</u>	<u>\$ 9,128</u>

**GONZALES COUNTY, TEXAS**  
**ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-17**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ 53,545	\$ 53,545	\$ 54,545	\$ --
Total revenues	<u>53,545</u>	<u>53,545</u>	<u>54,545</u>	<u>--</u>
Expenditures:				
Current:				
Public facilities	53,545	53,545	54,545	--
Total expenditures	<u>53,545</u>	<u>53,545</u>	<u>54,545</u>	<u>(54,545)</u>
Net change in fund balance	--	--	--	--
Fund balances/equity, October 1	--	--	--	--
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>



**GONZALES COUNTY, TEXAS**  
 COMMUNITY ORIENTED POLICING SERVICES GRANT  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-18

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ 80,000	\$ 80,000	\$ 80,000	\$ --
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>--</u>
Expenditures:				
Current:				
Public safety	80,000	80,000	80,000	--
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>--</u>
Net change in fund balance	--	--	--	--
Fund balances/equity, October 1	--	--	--	--
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**GONZALES COUNTY, TEXAS**  
 LOCAL BORDER SECURITY GRANT  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-19

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ 22,545	\$ 22,545	\$ 11,250	\$ (11,295)
Total revenues	<u>22,545</u>	<u>22,545</u>	<u>11,250</u>	<u>(11,295)</u>
Expenditures:				
Current:				
Public safety	22,545	22,545	11,250	11,295
Total expenditures	<u>(22,545)</u>	<u>22,545</u>	<u>11,250</u>	<u>11,295</u>
Net change in fund balance	--	--	--	--
Fund balances/equity, October 1	--	--	--	--
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**GONZALES COUNTY, TEXAS**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT C-20**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 351,293	\$ 351,293	\$ 406,594	\$ 55,301
Interest	700	700	1,789	1,089
Total revenues	<u>351,993</u>	<u>351,993</u>	<u>408,383</u>	<u>56,390</u>
Expenditures:				
Debt service:				
Principal	310,000	310,000	310,000	--
Interest and fiscal charges	100,093	100,093	100,092	1
Total expenditures	<u>410,093</u>	<u>410,093</u>	<u>410,092</u>	<u>1</u>
Net change in fund balance	(58,100)	(58,100)	(1,709)	56,391
Fund balances/equity, October 1	132,232	132,232	132,232	--
Fund balances/equity, September 30	<u>\$ 74,132</u>	<u>\$ 74,132</u>	<u>\$ 130,523</u>	<u>\$ 56,391</u>