

GONZALES COUNTY, TEXAS

*ANNUAL FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT*

FOR THE YEAR ENDED SEPTEMBER 30, 2013

GONZALES COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Gonzales County, Texas
Annual Financial Report
For The Year Ended September 30, 2013

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Financial Section

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FLOYD AND GINDLER, PC
CERTIFIED PUBLIC ACCOUNTANTS
421 ST. JAMES-PO BOX 638
Gonzales, TX 78629

Independent Auditor's Report

To the Commissioners' Court
Gonzales County, Texas
414 St. Joseph
Gonzales, Texas 78629

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gonzales County, Texas (the County) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, 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, 2013, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note A to the financial statements, in 2013, Gonzales County, Texas adopted new accounting guidance, Government Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred*

Outflows of Resources, Deferred Inflows of Resources, and Net Position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

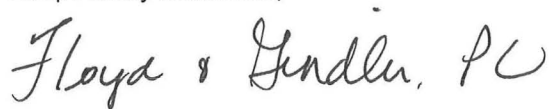
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and schedule of funding progress for OPEB benefits identified as Required Supplementary Information in the table of contents be presented to 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gonzales County, Texas's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully submitted,



Floyd & Gindler, PC

Gonzales, Texas
May 30, 2014

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, 2013. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

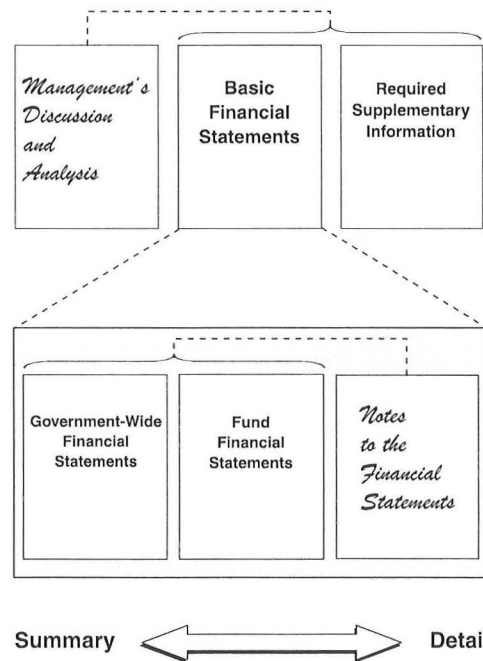
- The County's total combined net assets were \$21,123,514 at September 30, 2013.
- During the year, the County's expenses were \$3,258,959 less than the \$15,251,022 generated in taxes and other revenues for governmental activities.
- The total cost of the County's programs increased \$1,553,030 or 2.3% compared to last year. No programs were either added or terminated during the year.
- The general fund reported a fund balance this year of \$5,507,168.

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:

- 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-term* 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.

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



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. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

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 position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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>	Government-wide	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<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 business; ambulance service	Instances in which the County is the trustee or agent for someone else's resources
<i>Required financial statement</i>	Statement of net position	Balance sheet	Statement of net position	State of fiduciary net assets
	Statement of activities	Statement of revenues, expenditures and change in fund balance	Statement of revenues, expense and changes in net position	Statement of changes in fiduciary net assets
		Statement of cash flows		
<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>Types of assets/liability information</i>	All assets, net outflows of resources, liabilities, and net deferred inflows of resources, both financial and capital, short-term and long-term	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included or long-term debt.	All assets, net outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	All assets, net outflows of resources, liabilities, and net deferred inflows of resources, both financial and capital, short-term and long-term; the County's funds do not currently contain capital assets, although they can
<i>Types of inflows/outflows information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues from 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 the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

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

- Over time, increases or decreases in the County's net position is 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.
- *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 position. The County's combined net position was \$21,123,514 at September 30, 2013. (See Table A-1).

Table A-1
Gonzales County-Net Position

	Governmental Activities		Year to Year Change	Total Percentage Change 2013-2012
	2013	2012		
Assets				
Current assets:				
Cash and equivalents	\$ 10,761,541	7,613,152	3,148,389	41%
Receivables, net of allowance				
Taxes	511,736	526,883	(15,147)	-3%
Court fees and fines	2,358,340	2,225,133	133,207	6%
Notes	376,771	688,221	(311,450)	-45%
Due from others	558	1,510	(952)	-63%
Restricted cash and cash equivalents	121,425	135,617	(14,192)	-10%
Total current assets	14,130,371	11,190,516	2,939,855	26%
Noncurrent assets:				
Capital assets, net of accumulated depreciation	10,006,320	2,541,622	7,464,698	294%
Total assets	24,136,691	13,732,138	10,404,553	76%
Liabilities				
Current liabilities:				
Accounts payable	459,858	520,494	(60,636)	-12%
Accrued wages	254,420	184,682	69,738	38%
Compensated absences	137,047	134,976	2,071	2%
Due to others	1,967	17,632	(15,665)	-89%
Contractor security bonds	19,086	-	19,086	n/a
Unearned revenues	6,440	28,989	(22,549)	-78%
Current portion capital leases, notes, and bonds payable	319,034	318,867	167	0%
Total current liabilities	1,197,852	1,205,640	(7,788)	-1%
Long-term liabilities:				
Capital leases payable	414,719	188,510	226,209	120%
Bonds and notes payable	1,295,000	2,345,000	(1,050,000)	-45%
Post employee benefits payable	105,606	40,474	65,132	161%
Total long-term liabilities	1,815,325	2,573,984	(758,659)	-29%
Total liabilities	3,013,177	3,779,624	(766,447)	-20%
Net position				
Investment in capital assets	7,977,567	290,598	7,686,969	2645%
Restricted-debt service	121,425	135,617	(14,192)	-10%
Restricted-economic development	428,521	179,621	248,900	139%
Unrestricted	12,596,001	9,926,492	2,669,509	27%
Total net position	\$ 21,123,514	10,532,328	10,591,186	101%

The County's restricted net assets represent proceeds, when spent, are restricted for repayment of tax supported debt and economic development through the revolving loan fund. The \$12,596,001 of unrestricted net position represents resources available to fund the programs of the County next year.

Changes in net assets. The County's total revenues were \$15,251,022 (Table A-2.) A significant portion, 51.7% of the County's revenue, comes from property taxes, 5.6% percent comes from charges for services, 24.5% from sales taxes, 4.8% from motor vehicle licenses, 8.4% from court fines, .4% from investment income, 1.7% from operating grants and 2.9% from all other sources.

The total cost of all County programs and services was \$11,992,063. 32.2% of these costs were for public safety, 29.0% were for public transportation, 14.8% for general government, 6.2% for financial administration, 11.7% for judicial, and 6.1% for all others.

Governmental Activities

The tax rate for the 2012-2013 budget year decreased from \$0.6268 to \$0.3554 or 43.3%

Table A-2
Changes in Gonzales County Net Position

	Governmental Activities		Year to Year Change	Total Percentage Change 2013-2012
	2013	2012		
Revenues				
Program revenues:				
Charges for services	\$ 858,362	815,477	42,885	5%
Capital grants	257,367	374,514	(117,147)	-31%
General revenues:				
Property taxes	7,891,870	6,863,471	1,028,399	15%
Sales taxes	3,729,614	3,015,364	714,250	24%
Motor vehicle license fees	731,948	694,384	37,564	5%
Bus. licenses & permits	12,038	7,050	4,988	71%
Investment income	57,926	62,244	(4,318)	-7%
Court fees and fines	1,283,054	1,392,417	(109,363)	-8%
Other income	428,843	157,421	271,422	172%
Total revenues	<u>15,251,022</u>	<u>13,382,342</u>	<u>1,868,680</u>	14%
Expenses				
General government	1,776,952	1,687,027	89,925	5%
Financial administration	741,482	637,204	104,278	16%
Public safety	3,863,829	3,450,153	413,676	12%
Health & welfare	142,051	85,772	56,279	66%
Judicial	1,401,768	1,168,683	233,085	20%
Public facilities	422,521	279,519	143,002	51%
Public transportation	3,477,587	2,974,739	502,848	17%
Conservation	102,602	75,618	26,984	36%
Interest and fiscal charges	63,271	80,318	(17,047)	-21%
Total expenses	<u>11,992,063</u>	<u>10,439,033</u>	<u>1,553,030</u>	15%
Change in net assets	<u>3,258,959</u>	<u>2,943,309</u>	<u>315,650</u>	11%
Net position - beginning	10,532,328	5,623,319	4,909,009	87%
Prior period adjustment	7,332,227	1,965,700	5,366,527	273%
Net position - ending	<u>\$ 21,123,514</u>	<u>10,532,328</u>	<u>10,591,186</u>	101%

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 \$11,992,063.
- The amount that taxpayers paid for these activities through property taxes was \$7,891,871.
- Some of the costs were paid by those who directly benefited from the programs, \$858,362, and others by operating grants of \$257,367.

Table A-3
Net Cost of Selected Gonzales County Functions

	Total cost of Services			Net cost of Services		
	2013	2012	% Change	2013	2012	% Change
General government	1,776,952	1,687,027	5%	1,312,607	1,195,642	10%
Public safety	3,863,829	3,450,153	12%	3,762,931	3,312,039	14%
Judicial	1,401,768	1,168,683	20%	1,374,353	1,143,095	20%
Public transportation	3,477,587	2,974,739	17%	3,269,005	2,701,121	21%

Business-type Activities

The County has no business-type activities.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$15,139,679 an increase of \$2,034,621 or 15.525%. For Fiscal Year ending September 30, 2013 sales tax increased \$694,574 or 23.5%. This is in addition to the previous year's increase of 95%. Sales taxes for all entities were up due to the oil activity in the County. Property taxes increased \$587,728 or 8.762%.

The road and bridge funds received donated road base material from various oil companies valued at \$266,901. These donated materials were recorded both as a revenue and an expense for that amount.

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget. Even with these adjustments, actual revenues were \$1,513,536 higher than budgeted and the actual expenditures were \$917,792 lower than budgeted. The Revolving Loan Fund did not fund any new loans.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the County had invested \$10,006,320 in a broad range of capital assets, including land, construction in progress, equipment and buildings. (See Table A-4.)

Gonzales County Capital Assets

	Governmental Activites		Year to Year Change	Total Percentage Change 2013-2012
	2013	2012		
Buildings and improvements	\$ 10,208,499	50,236	10,158,263	20221%
Equipment	4,334,660	3,623,239	711,421	20%
Assets under capital leases	780,499	854,191	(73,692)	-9%
Infrastructure	92,302	-	92,302	n/a
Construction in progress	52,334	-	52,334	n/a
Total capital assets	15,468,294	4,527,666	10,940,628	242%
Accumulated depreciation	(5,461,974)	(1,986,044)	(3,475,930)	175%
Net capital assets	\$ 10,006,320	2,541,622	7,464,698	294%

In prior years, the County had not fully reported all capital assets owned on the government-wide financial statement in accordance with GASB Statement #34. During the year the County added buildings and improvements to their capital assets. The net effect of this was to increase capital assets as of the beginning of 2013 by \$7,332,227 (estimated cost of \$10,158,263 less accumulated depreciation of \$2,826,036). This is reported in the financial statements as a prior period adjustment increasing net position by \$7,332,227.

Long Term Debt

At year-end the County had \$2,134,359 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 Activites		Year to Year Change	Total Percentage Change 2013-2012
	2013	2012		
Bonds payable	1,480,000	1,660,000	(180,000)	-11%
Capital leases	548,753	591,024	(42,271)	-7%
Post employment benefits payable	105,606	62,013	43,593	70%
Total long term debt	<u>2,134,359</u>	<u>2,313,037</u>	<u>(178,678)</u>	-8%

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 \$1,954,239,030, which was \$869 million more than the previous year, an 80% increase. This is the result of increased property value and growth.

These indicators were taken into account when adopting the general fund budget for 2014. The property tax rate for the budget was set at \$0.3554 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.

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 POSITION

SEPTEMBER 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 10,761,541
Receivables (net of allowances for uncollectibles):	
Taxes	511,736
Court fees and fines	2,358,340
Notes	376,771
Due from others	558
Restricted assets:	
Cash and cash equivalents	121,425
Capital assets not subject to depreciation	52,334
Capital assets (net of depreciaton)	9,953,986
Total assets	<u>24,136,691</u>
LIABILITIES	
Accounts payable	459,858
Accrued wages payable	254,420
Compensated absences payable	137,047
Due to others	1,967
Contractor security bonds	19,086
Unearned revenues	6,440
Non current liabilities:	
Due within one year	319,034
Due in more than one year	1,815,325
Total liabilities	<u>3,013,177</u>
NET POSITION	
Net investment in capital assets	7,977,567
Restricted for:	
Debt service	121,425
Economic development	428,521
Unrestricted	12,596,001
Total net position	<u>\$ 21,123,514</u>

The accompanying notes are an integral part of this statement.

GONZALES COUNTY, TEXAS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government				
Governmental activities				
General government	\$ 1,776,952	\$ 420,938	\$ 43,407	\$ (1,312,607)
Financial administration	741,482	314,489	--	(426,993)
Public safety	3,863,829	26,920	73,978	(3,762,931)
Health and welfare	142,051	--	--	(142,051)
Judicial	1,401,768	27,415	--	(1,374,353)
Public facilities	422,521	--	--	(422,521)
Public transportation	3,477,587	68,600	139,982	(3,269,005)
Conservation	102,602	--	--	(102,602)
Interest and fiscal charges	63,271	--	--	(63,271)
Total governmental activities	<u>11,992,063</u>	<u>858,362</u>	<u>257,367</u>	<u>(10,876,334)</u>
Total Primary Government	<u>\$ 11,992,063</u>	<u>\$ 858,362</u>	<u>\$ 257,367</u>	<u>(10,876,334)</u>
General revenues:				
Property taxes				7,891,870
Sales taxes				3,729,614
Licenses and permits				12,038
Motor vehicle licenses				731,948
Court fines				1,283,054
Other revenues				428,843
Investment earnings				57,926
Total general revenues				<u>14,135,293</u>
Change in net assets				3,258,959
Net assets - beginning				10,532,328
Prior period adjustment				7,332,227
Net assets - ending				<u>\$ 21,123,514</u>

The accompanying notes are an integral part of this statement.

GONZALES COUNTY, TEXAS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2013

	General Fund	Road and Bridge Fund Pct. #1	Road and Bridge Fund Pct. #2
ASSETS			
Cash and cash equivalents	\$ 6,053,554	\$ 1,029,482	\$ 839,323
Receivables (net of allowances for uncollectibles):			
Taxes	511,736	--	--
Court fees and fines	2,358,340	--	--
Notes	8,130	--	--
Due from others	--	--	558
Restricted assets:			
Cash and cash equivalents	--	--	--
Total assets	<u>8,931,760</u>	<u>1,029,482</u>	<u>839,881</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 336,916	\$ 20,642	\$ 23,390
Accrued wages payable	203,690	14,126	11,660
Due to others	1,694	--	--
Unearned revenues	--	--	--
Contractor security bond	4,086	7,500	7,500
Total liabilities	<u>546,386</u>	<u>42,268</u>	<u>42,550</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources-other	2,366,469	--	--
Deferred inflows of resources-taxes	511,737	--	--
Total deferred inflows of resources-other	<u>2,878,206</u>	<u>--</u>	<u>--</u>
EQUITY			
Restricted fund balance			
Debt service	--	--	--
Special revenue funds	--	--	--
Committed fund balance	--	987,214	797,331
Unassigned fund balance	5,507,168	--	--
Total equity	<u>5,507,168</u>	<u>987,214</u>	<u>797,331</u>
 Total liabilities, deferred inflows of resources, and equity	 <u>\$ 8,931,760</u>	 <u>\$ 1,029,482</u>	 <u>\$ 839,881</u>

The accompanying notes are an integral part of this statement.

Road and Bridge Fund Pct. #3	Road and Bridge Fund Pct. #4	Other Governmental Funds	Total Governmental Funds
\$ 1,161,216	\$ 820,970	\$ 856,996	\$ 10,761,541
--	--	--	511,736
--	--	--	2,358,340
--	--	368,641	376,771
--	--	--	558
<u>--</u>	<u>--</u>	<u>121,425</u>	<u>121,425</u>
<u>1,161,216</u>	<u>820,970</u>	<u>1,347,062</u>	<u>14,130,371</u>
\$ 31,889	\$ 43,551	\$ 3,470	\$ 459,858
11,832	13,112	--	254,420
273	--	--	1,967
--	--	6,440	6,440
--	--	--	19,086
<u>43,994</u>	<u>56,663</u>	<u>9,910</u>	<u>741,771</u>
--	--	368,641	2,735,110
--	--	--	511,737
<u>--</u>	<u>--</u>	<u>368,641</u>	<u>3,246,847</u>
--	--	121,425	121,425
--	--	847,086	847,086
1,117,222	764,307	--	3,666,074
--	--	--	5,507,168
<u>1,117,222</u>	<u>764,307</u>	<u>968,511</u>	<u>10,141,753</u>
<u>\$ 1,161,216</u>	<u>\$ 820,970</u>	<u>\$ 1,347,062</u>	<u>\$ 14,130,371</u>

GONZALES COUNTY, TEXASRECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

Total fund balances - governmental funds balance sheet	\$ 10,141,753
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	10,006,320
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	511,736
Payables for bond principal which are not due in the current period are not reported in the funds.	(1,480,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(548,753)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(137,047)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	(105,606)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	376,771
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	<u>2,358,340</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 21,123,514</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, 2013

	General Fund	Road and Bridge Fund Pct. #1	Road and Bridge Fund Pct. #2
Revenues:			
Taxes	\$ 7,688,498	\$ 929,921	\$ 929,920
Licenses and permits	12,038	215,887	193,487
Intergovernmental	43,407	7,333	7,333
Charges for services	735,479	--	--
Fines	1,011,452	--	--
Interest	24,868	6,808	3,520
Miscellaneous	279,233	74,250	36,478
Grants	--	--	--
Total revenues	<u>9,794,975</u>	<u>1,234,199</u>	<u>1,170,738</u>
Expenditures:			
Current:			
General government	1,666,058	--	--
Financial administration	734,082	--	--
Public safety	3,692,066	--	--
Health and welfare	97,306	--	--
Judicial	1,308,013	--	--
Public facilities	375,728	--	--
Public transportation	--	1,142,347	861,110
Conservation	102,038	--	--
Debt service:			
Principal	--	--	--
Interest and fiscal charges	--	--	--
Total expenditures	<u>7,975,291</u>	<u>1,142,347</u>	<u>861,110</u>
Excess (deficiency) of revenues (under) expenditures	1,819,684	91,852	309,628
Other financing sources (uses):			
Operating transfers in	3,404	--	--
Operating transfers out	--	--	--
Principal received on loans	--	--	--
Proceeds from capital leases	--	149,850	--
Total other financing sources (uses)	<u>3,404</u>	<u>149,850</u>	<u>--</u>
Net change in fund balance	1,823,088	241,702	309,628
Fund balances/equity, October 1	3,684,080	745,512	487,703
Fund balances/equity, September 30	<u>\$ 5,507,168</u>	<u>\$ 987,214</u>	<u>\$ 797,331</u>

The accompanying notes are an integral part of this statement.

Road and Bridge Fund Pct. #3	Road and Bridge Fund Pct. #4	Other Governmental Funds	Total Governmental Funds
\$ 929,920	\$ 929,919	\$ 228,453	\$ 11,636,631
182,987	208,187	--	812,586
7,333	7,333	--	72,739
--	--	84,350	819,829
--	--	138,394	1,149,846
8,007	5,500	9,223	57,926
--	156,251	--	546,212
--	--	43,911	43,911
<u>1,128,247</u>	<u>1,307,190</u>	<u>504,331</u>	<u>15,139,680</u>
--	--	20,614	1,686,672
--	--	--	734,082
--	--	88,067	3,780,133
--	--	--	97,306
--	--	92,223	1,400,236
--	--	29,376	405,104
870,939	1,066,100	--	3,940,496
--	--	--	102,038
--	--	180,000	180,000
--	--	63,271	63,271
<u>870,939</u>	<u>1,066,100</u>	<u>473,551</u>	<u>12,389,338</u>
257,308	241,090	30,780	2,750,342
--	--	--	3,404
--	--	(3,404)	(3,404)
--	--	243,078	243,078
--	--	--	149,850
<u>--</u>	<u>--</u>	<u>239,674</u>	<u>392,928</u>
257,308	241,090	270,454	3,143,270
859,914	523,217	698,057	6,998,483
<u>\$ 1,117,222</u>	<u>\$ 764,307</u>	<u>\$ 968,511</u>	<u>\$ 10,141,753</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, 2013

Net change in fund balances - total governmental funds \$ 3,143,270

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

Capital outlays are not reported as expenses in the SOA.	875,958
The depreciation of capital assets used in governmental activities is not reported in the funds.	(736,767)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(6,720)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(15,147)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	133,207
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	180,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	192,121
(Increase) decrease in allowance for uncollectible loans is reported in the SOA but not the funds.	(68,372)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(2,071)
Other post-employment benefits are reported as accrued in the SOA, but are not reported in the funds.	(43,593)
Repayment of principal on revolving loans is recognized as an other revenue in the funds, but is not a revenue in the SOA.	(243,077)
Proceeds of long-term debt is recognized as other financial resources in the funds but not revenue in the SOA.	<u>(149,850)</u>

Change in net position of governmental activities - Statement of Activities \$ 3,258,959

The accompanying notes are an integral part of this statement.

GONZALES COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2013

	Private-purpose Trust Fund
	Permanent School Fund
ASSETS	
Restricted assets:	
Cash and cash equivalents	\$ 197,480
Total assets	<u>197,480</u>
LIABILITIES	
Total liabilities	<u>--</u>
EQUITY	
Restricted fund balance	
Permanent school funds	\$ 197,480
Total equity	<u>197,480</u>
Total liabilities, deferred inflows of resources, and equity	<u>\$ 197,480</u>

The accompanying notes are an integral part of this statement.

GONZALES COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Private-purpose Trust Fund
	<u>Permanent School Fund</u>
Additions:	
Investment income	\$ 188
Total additions	<u>188</u>
Deductions:	
Distributions to school districts	<u>668</u>
Total deductions	<u>668</u>
Change in Net Position	(480)
Net position-beginning of the year	197,960
Net position-end of the year	<u>\$ 197,480</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, 2013

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 position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have 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, 2013

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 which are responsible for maintaining the roads located within their assigned areas.

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 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.

GONZALES COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Analysis of property tax receivable at year end:

Gross property taxes receivable	\$ 1,023,473
Less: Allowance for uncollectible taxes	(511,737)
Property taxes receivable, net of allowance for uncollectible	<u>\$ 511,736</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>
Infrastructure	10
Buildings	15-50
Building Improvements	20
Vehicles	3-5
Equipment	3-15

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. Compensated Absences

The County's policy permits employees to accumulated earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the government funds only if the liability has matured as a result of employee resignation or retirement.

f. 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

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 position.

g. 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 conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

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.

h. Estimates

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

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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>
Expenditure budgets were exceeded in Road and Bridge Precincts No. 1 and 4.	Donated gravel was not recorded during the year. When the revenue and expenditures related to these transactions were reported, budgeted expenditures in Precincts No. 1 and 4 were exceeded. The transactions related to donated gravel will be reported in the future and the budget amended as necessary.

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

Following are funds having deficit fund balances or fund net position 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, 2013, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,921,620 and the bank balance was \$4,730,598. The County's cash deposits at September 30, 2013 and during the year ended September 30, 2013, 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

GONZALES COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

funds.

The County's investment at September 30, 2013 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Texpool-governmental funds	N/A	\$ 5,961,344
Texpool-private purpose trust funds	N/A	197,480
Total Investments		<u>\$ 6,158,824</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:

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, 2013, 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	AAA	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 custodial 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

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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.

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, 2013, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balances</u>
<u>Governmental activities:</u>					
Capital assets not being depreciated:					
Construction in progress	\$ --	\$ 52,334	\$ --	\$ --	\$ 52,334
Total capital assets not being depreciated	<u>--</u>	<u>52,334</u>	<u>--</u>	<u>--</u>	<u>52,334</u>
Capital assets being depreciated:					
Buildings and improvements	50,236	--	--	10,158,263	10,208,499
Equipment	3,623,238	581,472	93,593	223,543	4,334,660
Assets under capital lease	854,192	149,850	--	(223,543)	780,499
Infrastructure	--	92,302	--	--	92,302
Total capital assets being depreciated	<u>4,527,666</u>	<u>823,624</u>	<u>93,593</u>	<u>10,158,263</u>	<u>15,415,960</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,024)	(197,961)	--	(2,826,036)	(3,029,021)
Equipment	(1,894,642)	(501,338)	(86,873)	(65,689)	(2,374,796)
Assets under capital lease	(86,378)	(32,853)	--	65,689	(53,542)
Infrastructure	--	(4,615)	--	--	(4,615)
Total accumulated depreciation	<u>(1,986,044)</u>	<u>(736,767)</u>	<u>(86,873)</u>	<u>(2,826,036)</u>	<u>(5,461,974)</u>
Total capital assets being depreciated, net	<u>2,541,622</u>	<u>86,857</u>	<u>6,720</u>	<u>7,332,227</u>	<u>9,953,986</u>
Governmental activities capital assets, net	<u>\$ 2,541,622</u>	<u>\$ 139,191</u>	<u>\$ 6,720</u>	<u>\$ 7,332,227</u>	<u>\$ 10,006,320</u>

The adjustment column contains: (1) The addition of buildings owned by the County that had not previously been included in capital assets. The estimated cost less accumulated depreciation of \$7,332,227 is recorded as an increase to net positions as a prior period adjustment. (2) Assets under capital lease that have been paid off are moved from that category to the equipment category. This adjustment has no effect on net position.

GONZALES COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Depreciation was charged to functions as follows:

General government	\$	84,175
Financial administration		1,317
Public safety		242,989
Judicial		18,719
Public facilities		123,894
Public transportation		265,673
	\$	<u>736,767</u>

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2013, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
None		\$ --	
	Total	\$ <u>--</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2013, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
Other Governmental Funds	General fund	\$ 3,404	Transfer funds to close out account.
	Total	\$ <u>3,404</u>	

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, 2013, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities:</u>					
General obligation bonds	\$ 1,660,000	\$ --	\$ 180,000	\$ 1,480,000	185,000
Capital leases	591,024	149,850	192,121	548,753	134,034
Compensated absences *	134,976	2,071	--	137,047	137,047
Other post employment benefits	62,013	43,593	--	105,606	--
Total governmental activities	\$ <u>2,448,013</u>	\$ <u>195,514</u>	\$ <u>372,121</u>	\$ <u>2,271,406</u>	\$ <u>456,081</u>

* Other long-term liabilities

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

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Compensated absences	Governmental	General Fund and Special Revenue-Road and Bridge Precinct Funds

GONZALES COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Analysis of general obligation bonds

	Interest Rates	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>					
General Obligation Bonds					
Series 2006 Refunding	3.55-4.15%	\$ 1,660,000	\$ --	\$ 180,000	1,480,000
Total		<u>\$ 1,660,000</u>	<u>\$ --</u>	<u>\$ 180,000</u>	<u>\$ 1,480,000</u>

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2013, are as follows:

	Governmental Activities		
	Principal	Interest	Total
2014	\$ 185,000	\$ 56,199	\$ 241,199
2015	195,000	48,740	243,740
2016	205,000	40,789	245,789
2017	210,000	32,446	242,446
2018	220,000	23,716	243,716
2019-2023	465,000	19,367	484,367
Totals	<u>\$ 1,480,000</u>	<u>\$ 221,257</u>	<u>\$ 1,701,257</u>

3. Capital Leases

Analysis of capital leases for the year is as follows:

	Interest Rates	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>					
R&B Precinct #1					
Used motorgrader	6.75%	\$ 13,978	\$ --	\$ 13,978	--
JD 624 K Loader	3.55-4.15%	--	149,850	16,170	133,680
R&B Precinct #2					
2008 motorgrader	5.50%	59,957	--	59,957	--
2010 Freightliner	2.933%	72,187	--	15,853	56,334
2012 Volvo motorgrader	3.00%	132,161	--	24,872	107,289
R&B Precinct #3					
2012 JD motorgrader	3.90%	127,195	--	26,372	100,823
R&B Precinct #4					
2012 Volvo motorgrader	3.00%	185,546	--	34,919	150,627
Total capital leases		<u>\$ 591,024</u>	<u>\$ 149,850</u>	<u>\$ 192,121</u>	<u>\$ 548,753</u>

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2013, as follows:

Year Ending September 30:	Governmental Activities		
	Principal	Interest	Total
2014	\$ 134,034	\$ 11,778	\$ 145,812
2015	138,741	12,258	150,999
2016	143,618	7,381	150,999
2017	121,170	2,555	123,725
2018	11,190	137	11,327
Total	<u>\$ 548,753</u>	<u>\$ 34,109</u>	<u>\$ 582,862</u>

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 2013, 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 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 12.14% for 2012 and 14.69% for 2013.

The deposit rate payable by the employee members for the fiscal year ending in 2013 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

GONZALES COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

actuarial valuations as of December 31, 2011 and 2012, the basis for determining the contribution rates for 2012 and 2013.

Actuarial Valuation Information:

Actuarial valuation date	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>
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	20.0	20.0	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	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustment	0.0%	0.0%	0.0%

4. Funded Status and Funding Progress

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2010	\$ 362,864	100%	\$ --
September 30, 2011	\$ 380,815	100%	\$ --
September 30, 2012	\$ 470,990	100%	\$ --

I. Health Care Coverage

During the year ended September 30, 2013, employees of the County were covered by a health insurance plan (the Plan). The County paid premiums of \$643 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 Employee Benefit Pool are available and have been 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.

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

2. Litigation

No reportable litigation was pending against the County at September 30, 2013.

K. Notes Receivable-Revolution Loan Fund

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

	Beginning Balance	Increases	Decreases	Ending Balance
Fehner & Sons Grain	\$ 65,518	\$ --	\$ 22,230	\$ 43,288
Lynn Theater	69,618	--	1,246	68,372
Adams Extract #1	8,760	--	8,760	--
Adams Extract #2	16,551	--	16,551	--
Adams Extract #3	154,559	--	154,559	--
Tropical Fusions	213,879	--	24,505	189,374
Gonzales Nursing & Rehabilitations	87,079	--	--	87,079
Holiday Inn Express	151,206	--	15,226	135,980
Total loans receivable	\$ 767,170	\$ --	\$ 243,077	\$ 524,093
Allowance for doubtful accounts	(87,079)	(68,372)	--	(155,451)
Net loans receivable	\$ 680,091	\$ (68,372)	\$ 243,077	\$ 368,642

Maturity analysis is as follows:

Year Ending September 30,	Principal	Interest	Total
2014	\$ 164,691	\$ 5,228	\$ 169,919
2015	68,967	3,724	72,691
2016	49,673	2,819	52,492
2017	50,492	2,300	52,792
2018	51,327	1,775	53,102
2019-2022	138,943	2,198	141,141
Totals	\$ 524,093	\$ 18,044	\$ 542,137

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 \$342,219 as of December 31, 2011.

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

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 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	Initial rate of 8.5% declining to an ultimate rate of 4.5% after 8 years
Method for determining the actuarial value of assets	Market value of assets
Amortization method	30 years, open amortization

GONZALES COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

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>
Net estimated employer contributions	--
Net OPEB obligations, beginning of year	<u>62,013</u>
Net OPEB, end of year	<u><u>\$ 105,606</u></u>

Fiscal Year ending:	Annual OPEB Cost	Employer Amount Contributed	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%	\$ 87,186
9/30/11	\$ 41,488	66,661	160.7%	62,013

Trend data:

	12/01/09	12/01/11
Actuarial valuation date	--	--
Actuarial value of assets	\$ 401,927	\$ 342,219
Actuarial Accrued Liability (AAL)	\$ 401,927	\$ 342,219
Unfunded AAL (UAAL)	0.00%	0.00%
Fund ratio	0.00%	0.00%
Covered wages	\$ 3,968,526	\$ 4,125,333
UAAL as a percent of covered payroll	10.13%	8.29%

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 6,499,003	\$ 6,499,003	\$ 7,688,498	\$ 1,189,495
Licenses and permits	6,000	6,000	12,038	6,038
Intergovernmental	39,333	39,333	43,407	4,074
Charges for services	672,190	672,190	735,479	63,289
Fines	963,850	963,850	1,011,452	47,602
Interest	22,000	22,000	24,868	2,868
Miscellaneous	79,063	79,063	279,233	200,170
Total revenues	<u>8,281,439</u>	<u>8,281,439</u>	<u>9,794,975</u>	<u>1,513,536</u>
Expenditures:				
Current:				
General government				
Personnel	584,348	591,494	549,802	41,692
Supplies	37,514	41,779	31,671	10,108
Other services and charges	936,273	1,122,067	1,031,921	90,146
Capital outlays	450,610	353,164	52,664	300,500
Total general government	<u>2,008,745</u>	<u>2,108,504</u>	<u>1,666,058</u>	<u>442,446</u>
Financial administration				
Personnel	628,386	638,864	610,942	27,922
Supplies	53,460	57,505	56,848	657
Other services and charges	58,114	57,285	49,405	7,880
Capital outlays	14,844	22,190	16,887	5,303
Total financial administration	<u>754,804</u>	<u>775,844</u>	<u>734,082</u>	<u>41,762</u>
Public safety				
Personnel	2,979,112	2,996,259	2,819,987	176,272
Supplies	390,230	446,670	406,669	40,001
Other services and charges	429,732	409,623	275,919	133,704
Capital outlays	199,885	205,809	189,491	16,318
Total public safety	<u>3,998,959</u>	<u>4,058,361</u>	<u>3,692,066</u>	<u>366,295</u>
Health and welfare				
Personnel	57,000	54,779	54,340	439
Supplies	3,550	4,292	3,952	340
Other services and charges	14,300	14,883	9,056	5,827
Capital outlays	26,500	29,959	29,958	1
Total health and welfare	<u>101,350</u>	<u>103,913</u>	<u>97,306</u>	<u>6,607</u>
Judicial				
Personnel	833,122	855,433	852,110	3,323
Supplies	29,700	39,345	34,802	4,543
Other services and charges	298,435	378,861	367,676	11,185
Capital outlays	2,500	53,425	53,425	--
Total judicial	<u>1,163,757</u>	<u>1,327,064</u>	<u>1,308,013</u>	<u>19,051</u>
Public facilities				
Personnel	108,865	131,772	128,806	2,966
Supplies	13,100	13,100	8,783	4,317
Other services and charges	199,800	256,300	221,846	34,454
Capital outlays	--	16,293	16,293	--
Total public facilities	<u>321,765</u>	<u>417,465</u>	<u>375,728</u>	<u>41,737</u>

GONZALES COUNTY, TEXAS
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Conservation				
Personnel	78,747	78,747	79,031	(284)
Supplies	7,150	6,835	6,835	--
Other services and charges	16,035	16,350	16,172	178
Total conservation	<u>101,932</u>	<u>101,932</u>	<u>102,038</u>	<u>(106)</u>
Total expenditures	<u>8,451,312</u>	<u>8,893,083</u>	<u>7,975,291</u>	<u>917,792</u>
Excess (deficiency) of revenues (under) expenditures	(169,873)	(611,644)	1,819,684	2,431,328
Other financing sources (uses):				
Operating transfers in	--	--	3,404	3,404
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>3,404</u>	<u>3,404</u>
Net change in fund balance	(169,873)	(611,644)	1,823,088	2,434,732
Fund balances/equity, October 1	3,684,080	3,684,080	3,684,080	--
Fund balances/equity, September 30	<u>\$ 3,514,207</u>	<u>\$ 3,072,436</u>	<u>\$ 5,507,168</u>	<u>\$ 2,434,732</u>

GONZALES COUNTY, TEXAS
ROAD AND BRIDGE FUND PCT. #1
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 845,794	\$ 845,794	\$ 929,921	\$ 84,127
Licenses and permits	195,500	195,500	215,887	20,387
Intergovernmental	7,211	7,211	7,333	122
Interest	6,300	6,300	6,808	508
Miscellaneous	--	--	74,250	74,250
Total revenues	<u>1,054,805</u>	<u>1,054,805</u>	<u>1,234,199</u>	<u>179,394</u>
Expenditures:				
Current:				
Public transportation				
Personnel	414,055	414,055	401,251	12,804
Supplies	319,931	285,898	338,647	(52,749)
Other services and charges	113,190	103,464	99,641	3,823
Capital outlays	34,873	299,808	268,175	31,633
Debt service	36,000	36,000	34,633	1,367
Total public transportation	<u>918,049</u>	<u>1,139,225</u>	<u>1,142,347</u>	<u>(3,122)</u>
Total expenditures	<u>918,049</u>	<u>1,139,225</u>	<u>1,142,347</u>	<u>(3,122)</u>
Excess (deficiency) of revenues (under) expenditures	136,756	(84,420)	91,852	176,272
Other financing sources (uses):				
Proceeds from capital leases	--	--	149,850	149,850
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>149,850</u>	<u>149,850</u>
Net change in fund balance	136,756	(84,420)	241,702	326,122
Fund balances/equity, October 1	745,512	745,512	745,512	--
Fund balances/equity, September 30	<u>\$ 882,268</u>	<u>\$ 661,092</u>	<u>\$ 987,214</u>	<u>\$ 326,122</u>

GONZALES COUNTY, TEXAS
ROAD AND BRIDGE FUND PCT. #2
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 845,794	\$ 845,794	\$ 929,920	\$ 84,126
Licenses and permits	172,500	172,500	193,487	20,987
Intergovernmental	7,211	7,211	7,333	122
Interest	2,000	2,000	3,520	1,520
Miscellaneous	--	--	36,477	36,477
Total revenues	<u>1,027,505</u>	<u>1,027,505</u>	<u>1,170,737</u>	<u>143,232</u>
Expenditures:				
Current:				
Public transportation				
Personnel	395,765	395,765	378,537	17,228
Supplies	294,641	278,967	271,801	7,166
Other services and charges	115,320	115,860	47,722	68,138
Capital outlays	44,000	59,134	56,634	2,500
Debt service	77,000	106,631	106,416	215
Total public transportation	<u>926,726</u>	<u>956,357</u>	<u>861,110</u>	<u>95,247</u>
Total expenditures	<u>926,726</u>	<u>956,357</u>	<u>861,110</u>	<u>95,247</u>
Net change in fund balance	100,779	71,148	309,627	238,479
Fund balances/equity, October 1	487,704	487,704	487,704	--
Fund balances/equity, September 30	<u>\$ 588,483</u>	<u>\$ 558,852</u>	<u>\$ 797,331</u>	<u>\$ 238,479</u>

GONZALES COUNTY, TEXAS
ROAD AND BRIDGE FUND PCT. #3
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 845,794	\$ 845,794	\$ 929,920	\$ 84,126
Licenses and permits	165,500	165,500	182,987	17,487
Intergovernmental	7,211	7,211	7,333	122
Interest	6,000	6,000	8,007	2,007
Total revenues	<u>1,024,505</u>	<u>1,024,505</u>	<u>1,128,247</u>	<u>103,742</u>
Expenditures:				
Current:				
Public transportation				
Personnel	363,741	361,772	325,629	36,143
Supplies	282,900	267,702	252,092	15,610
Other services and charges	129,200	160,938	139,472	21,466
Capital outlays	105,000	124,594	122,882	1,712
Debt service	31,000	31,000	30,864	136
Total public transportation	<u>911,841</u>	<u>946,006</u>	<u>870,939</u>	<u>75,067</u>
Total expenditures	<u>911,841</u>	<u>946,006</u>	<u>870,939</u>	<u>75,067</u>
Net change in fund balance	112,664	78,499	257,308	178,809
Fund balances/equity, October 1	859,914	859,914	859,914	--
Fund balances/equity, September 30	<u>\$ 972,578</u>	<u>\$ 938,413</u>	<u>\$ 1,117,222</u>	<u>\$ 178,809</u>

GONZALES COUNTY, TEXAS
ROAD AND BRIDGE FUND PCT. #4
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 845,794	\$ 845,794	\$ 929,919	\$ 84,125
Licenses and permits	185,500	185,500	208,187	22,687
Intergovernmental	7,211	7,211	7,333	122
Interest	3,000	3,000	5,500	2,500
Miscellaneous	--	--	156,251	156,251
Total revenues	<u>1,041,505</u>	<u>1,041,505</u>	<u>1,307,190</u>	<u>265,685</u>
Expenditures:				
Current:				
Public transportation				
Personnel	385,609	385,875	386,223	(348)
Supplies	372,300	350,958	431,771	(80,813)
Other services and charges	178,655	146,450	94,316	52,134
Capital outlays	60,500	113,782	113,782	--
Debt service	40,200	40,200	40,008	192
Total public transportation	<u>1,037,264</u>	<u>1,037,265</u>	<u>1,066,100</u>	<u>(28,835)</u>
Total expenditures	<u>1,037,264</u>	<u>1,037,265</u>	<u>1,066,100</u>	<u>(28,835)</u>
Net change in fund balance	4,241	4,240	241,090	236,850
Fund balances/equity, October 1	523,217	523,217	523,217	--
Fund balances/equity, September 30	<u>\$ 527,458</u>	<u>\$ 527,457</u>	<u>\$ 764,307</u>	<u>\$ 236,850</u>

GONZALES COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

YEAR ENDED SEPTEMBER 30, 2013

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)
12/31/10	\$ 7,031,876	\$ 9,015,621	\$ 1,983,745	78.0%	\$ 3,875,281	51.2%
12/31/11	7,691,847	11,185,202	3,493,355	68.8%	4,024,955	86.8%
12/31/12	8,446,107	11,952,024	3,505,917	70.7%	4,237,857	82.7%

OTHER POST EMPLOYMENT BENEFITS-MEDICAL INSURANCE FOR RETIREES

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (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	--	\$ 3,773,107	10.7%
12/31/11	--	342,219	342,219	--	4,024,955	8.5%

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, 2013

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and cash equivalents	\$ 856,996	\$ --	\$ 856,996
Receivables (net of allowances for uncollectibles):			
Notes	368,641	--	368,641
Restricted assets:			
Cash and cash equivalents	--	121,425	121,425
Total assets	<u>1,225,637</u>	<u>121,425</u>	<u>1,347,062</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 3,470	\$ --	\$ 3,470
Unearned revenues	6,440	--	6,440
Total liabilities	<u>9,910</u>	<u>--</u>	<u>9,910</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources-other	368,641	--	368,641
Total deferred inflows of resources-other	<u>368,641</u>	<u>--</u>	<u>368,641</u>
EQUITY			
Restricted fund balance			
Debt service	--	121,425	121,425
Special revenue funds	847,086	--	847,086
Total equity	<u>847,086</u>	<u>121,425</u>	<u>968,511</u>
 Total liabilities, deferred inflows of resources, and equity	 <u>\$ 1,225,637</u>	 <u>\$ 121,425</u>	 <u>\$ 1,347,062</u>

GONZALES COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:			
Taxes	\$ --	\$ 228,453	\$ 228,453
Charges for services	84,350	--	84,350
Fines	138,394	--	138,394
Interest	8,597	626	9,223
Grants	43,911	--	43,911
Total revenues	<u>275,252</u>	<u>229,079</u>	<u>504,331</u>
Expenditures:			
Current:			
General government	20,614	--	20,614
Public safety	88,067	--	88,067
Judicial	92,223	--	92,223
Public facilities	29,376	--	29,376
Debt service:			
Principal	--	180,000	180,000
Interest and fiscal charges	--	63,271	63,271
Total expenditures	<u>230,280</u>	<u>243,271</u>	<u>473,551</u>
Excess (deficiency) of revenues (under) expenditures	44,972	(14,192)	30,780
Other financing sources (uses):			
Operating transfers out	(3,404)	--	(3,404)
Principal received on loans	243,078	--	243,078
Total other financing sources (uses)	<u>239,674</u>	<u>--</u>	<u>239,674</u>
Net change in fund balance	284,646	(14,192)	270,454
Fund balances/equity, October 1	562,440	135,617	698,057
Fund balances/equity, September 30	<u>\$ 847,086</u>	<u>\$ 121,425</u>	<u>\$ 968,511</u>

GONZALES COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2013

	Texas Wildfire Grant	Law Library Fund	Voter Registration Fund	Crime Stoppers Fund
ASSETS				
Cash and cash equivalents	\$ 7,633	\$ 48,820	\$ --	\$ --
Receivables (net of allowances for uncollectibles):				
Notes	--	--	--	--
Total assets	<u>7,633</u>	<u>48,820</u>	<u>--</u>	<u>--</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 1,193	\$ 510	\$ --	\$ --
Unearned revenues	6,440	--	--	--
Total liabilities	<u>7,633</u>	<u>510</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources-other	--	--	--	--
Total deferred inflows of resources-other	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EQUITY				
Restricted fund balance				
Special revenue funds	--	48,310	--	--
Total equity	<u>--</u>	<u>48,310</u>	<u>--</u>	<u>--</u>
 Total liabilities, deferred inflows of resources, and equity	 <u>\$ 7,633</u>	 <u>\$ 48,820</u>	 <u>\$ --</u>	 <u>\$ --</u>

Records Mgmt. County Clerk	County & District Records Management Fund	Court Reporter Service	Probate Court Fund	Courthouse Security Fund
\$ 120,145	\$ 32,521	\$ 1,056	\$ 225	\$ 27,245
--	--	--	--	--
<u>120,145</u>	<u>32,521</u>	<u>1,056</u>	<u>225</u>	<u>27,245</u>
\$ --	\$ --	\$ 55	\$ --	\$ --
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>55</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
120,145	32,521	1,001	225	27,245
<u>120,145</u>	<u>32,521</u>	<u>1,001</u>	<u>225</u>	<u>27,245</u>
\$ <u>120,145</u>	\$ <u>32,521</u>	\$ <u>1,056</u>	\$ <u>225</u>	\$ <u>27,245</u>

GONZALES COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2013

	Indigent Health Fund	Justice Court Technology	Appellate Judicial Fund	Local Border Security Grant
ASSETS				
Cash and cash equivalents	\$ 16,106	\$ 53,830	\$ 1,185	\$ 67
Receivables (net of allowances for uncollectibles):				
Notes	--	--	--	--
Total assets	<u>16,106</u>	<u>53,830</u>	<u>1,185</u>	<u>67</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ --	\$ (1,455)	\$ --	\$ --
Unearned revenues	--	--	--	--
Total liabilities	<u>--</u>	<u>(1,455)</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources-other	--	--	--	--
Total deferred inflows of resources-other	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EQUITY				
Restricted fund balance				
Special revenue funds	16,106	55,285	1,185	67
Total equity	<u>16,106</u>	<u>55,285</u>	<u>1,185</u>	<u>67</u>
 Total liabilities, deferred inflows of resources, and equity	 <u>\$ 16,106</u>	 <u>\$ 53,830</u>	 <u>\$ 1,185</u>	 <u>\$ 67</u>

Homeland Security Fund	Dist. Clk. Records Management	County Judge Excess State Supplement	Justice Court Building Security Fund	Family Protection Fee Fund
\$ (156)	\$ 3,790	\$ 3,399	\$ 29,312	\$ 1,185
<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
<u> (156)</u>	<u> 3,790</u>	<u> 3,399</u>	<u> 29,312</u>	<u> 1,185</u>
\$ --	\$ --	\$ 88	\$ --	\$ --
<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
<u> --</u>	<u> --</u>	<u> 88</u>	<u> --</u>	<u> --</u>
<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
<u> (156)</u>	<u> 3,790</u>	<u> 3,311</u>	<u> 29,312</u>	<u> 1,185</u>
<u> (156)</u>	<u> 3,790</u>	<u> 3,311</u>	<u> 29,312</u>	<u> 1,185</u>
<u>\$ (156)</u>	<u>\$ 3,790</u>	<u>\$ 3,399</u>	<u>\$ 29,312</u>	<u>\$ 1,185</u>

GONZALES COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2013

	Child Abuse Prevention Fund	Records Mgmt. and Protection Fund	HAVA Fund
ASSETS			
Cash and cash equivalents	\$ 809	\$ 4,281	\$ 13,764
Receivables (net of allowances for uncollectibles):			
Notes	--	--	--
Total assets	<u>809</u>	<u>4,281</u>	<u>13,764</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ --	\$ --	\$ --
Unearned revenues	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources-other			
Total deferred inflows of resources-other	<u>--</u>	<u>--</u>	<u>--</u>
EQUITY			
Restricted fund balance			
Special revenue funds	<u>809</u>	<u>4,281</u>	<u>13,764</u>
Total equity	<u>809</u>	<u>4,281</u>	<u>13,764</u>
 Total liabilities, deferred inflows of resources, and equity	 <u>\$ 809</u>	 <u>\$ 4,281</u>	 <u>\$ 13,764</u>

Mediation Fee Fund	Supplemental Guardianship Fee Fund	Vital Statistics Fee Fund	MVNA Fund	Digital Records Preservation
\$ 27,745	\$ 7,780	\$ 8,471	\$ 4,770	\$ 11,980
--	--	--	--	--
<u>27,745</u>	<u>7,780</u>	<u>8,471</u>	<u>4,770</u>	<u>11,980</u>
\$ --	\$ --	\$ --	\$ 3,079	\$ --
--	--	--	--	--
--	--	--	<u>3,079</u>	--
--	--	--	--	--
--	--	--	--	--
<u>27,745</u>	<u>7,780</u>	<u>8,471</u>	<u>1,691</u>	<u>11,980</u>
<u>27,745</u>	<u>7,780</u>	<u>8,471</u>	<u>1,691</u>	<u>11,980</u>
\$ <u>27,745</u>	\$ <u>7,780</u>	\$ <u>8,471</u>	\$ <u>4,770</u>	\$ <u>11,980</u>

GONZALES COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2013

	County & District Court Technology	Revolving Loan Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS			
Cash and cash equivalents	\$ 2,512	\$ 428,521	\$ 856,996
Receivables (net of allowances for uncollectibles):			
Notes	--	368,641	368,641
Total assets	<u>2,512</u>	<u>797,162</u>	<u>1,225,637</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ --	\$ --	\$ 3,470
Unearned revenues	<u>--</u>	<u>--</u>	<u>6,440</u>
Total liabilities	<u>--</u>	<u>--</u>	<u>9,910</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources-other	<u>--</u>	<u>368,641</u>	<u>368,641</u>
Total deferred inflows of resources-other	<u>--</u>	<u>368,641</u>	<u>368,641</u>
EQUITY			
Restricted fund balance			
Special revenue funds	<u>2,512</u>	<u>428,521</u>	<u>847,086</u>
Total equity	<u>2,512</u>	<u>428,521</u>	<u>847,086</u>
Total liabilities, deferred inflows of resources, and equity	<u>\$ 2,512</u>	<u>\$ 797,162</u>	<u>\$ 1,225,637</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, 2013

	Texas Wildfire Grant	Law Library Fund	Voter Registration Fund	Crime Stoppers Fund
Revenues:				
Charges for services	\$ --	\$ --	\$ --	\$ --
Fines	--	10,010	--	--
Interest	--	--	--	--
Grants	10,393	--	--	--
Total revenues	<u>10,393</u>	<u>10,010</u>	<u>--</u>	<u>--</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public safety	10,393	--	--	14,000
Judicial	--	3,355	--	--
Public facilities	--	--	--	--
Total expenditures	<u>10,393</u>	<u>3,355</u>	<u>--</u>	<u>14,000</u>
Excess (deficiency) of revenues (under) expenditures	--	6,655	--	(14,000)
Other financing sources (uses):				
Operating transfers out	--	--	(3,404)	--
Principal received on loans	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(3,404)</u>	<u>--</u>
Net change in fund balance	--	6,655	(3,404)	(14,000)
Fund balances/equity, October 1	--	41,655	3,404	14,000
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ 48,310</u>	<u>\$ --</u>	<u>\$ --</u>

Records Mgmt. County Clerk	County & District Records Management Fund	Court Reporter Service	Probate Court Fund	Courthouse Security Fund
\$ 38,379	\$ 7,503	\$ --	\$ 171	\$ --
--	--	2,850	--	29,020
--	--	--	--	--
--	--	--	--	--
<u>38,379</u>	<u>7,503</u>	<u>2,850</u>	<u>171</u>	<u>29,020</u>
12,481	4,241	--	--	--
--	--	--	--	--
--	--	1,925	780	--
--	--	--	--	29,376
<u>12,481</u>	<u>4,241</u>	<u>1,925</u>	<u>780</u>	<u>29,376</u>
25,898	3,262	925	(609)	(356)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>25,898</u>	<u>3,262</u>	<u>925</u>	<u>(609)</u>	<u>(356)</u>
94,247	29,259	76	834	27,601
\$ <u>120,145</u>	\$ <u>32,521</u>	\$ <u>1,001</u>	\$ <u>225</u>	\$ <u>27,245</u>

GONZALES COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Indigent Health Fund	Justice Court Technology	Appellate Judicial Fund	Local Border Security Grant
Revenues:				
Charges for services	\$ --	\$ --	\$ --	\$ 30,067
Fines	--	31,939	1,455	--
Interest	16	--	--	--
Grants	--	--	--	--
Total revenues	<u>16</u>	<u>31,939</u>	<u>1,455</u>	<u>30,067</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public safety	--	--	--	30,000
Judicial	--	29,240	2,293	--
Public facilities	--	--	--	--
Total expenditures	<u>--</u>	<u>29,240</u>	<u>2,293</u>	<u>30,000</u>
Excess (deficiency) of revenues (under) expenditures	16	2,699	(838)	67
Other financing sources (uses):				
Operating transfers out	--	--	--	--
Principal received on loans	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balance	16	2,699	(838)	67
Fund balances/equity, October 1	16,090	52,586	2,023	--
Fund balances/equity, September 30	<u>\$ 16,106</u>	<u>\$ 55,285</u>	<u>\$ 1,185</u>	<u>\$ 67</u>

Homeland Security Fund	Dist. Clk. Records Management	County Judge Excess State Supplement	Justice Court Building Security Fund	Family Protection Fee Fund
\$ --	\$ --	\$ --	\$ 5,235	\$ 1,035
--	1,365	--	--	--
--	--	--	--	--
33,518	--	--	--	--
<u>33,518</u>	<u>1,365</u>	<u>--</u>	<u>5,235</u>	<u>1,035</u>
--	--	1,133	--	--
33,674	--	--	--	--
--	2,275	--	--	2,000
--	--	--	--	--
<u>33,674</u>	<u>2,275</u>	<u>1,133</u>	<u>--</u>	<u>2,000</u>
(156)	(911)	(1,133)	5,235	(965)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(156)	(910)	(1,133)	5,235	(965)
--	4,700	4,444	24,077	2,150
\$ <u>(156)</u>	\$ <u>3,790</u>	\$ <u>3,311</u>	\$ <u>29,312</u>	\$ <u>1,185</u>

GONZALES COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Child Abuse Prevention Fund	Records Mgmt. and Protection Fund	HAVA Fund
Revenues:			
Charges for services	\$ --	\$ --	\$ 1,960
Fines	204	619	--
Interest	--	--	--
Grants	--	--	--
Total revenues	<u>204</u>	<u>619</u>	<u>1,960</u>
Expenditures:			
Current:			
General government	--	--	--
Public safety	--	--	--
Judicial	--	--	--
Public facilities	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	204	619	1,960
Other financing sources (uses):			
Operating transfers out	--	--	--
Principal received on loans	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balance	204	619	1,960
Fund balances/equity, October 1	605	3,662	11,804
Fund balances/equity, September 30	<u>\$ 809</u>	<u>\$ 4,281</u>	<u>\$ 13,764</u>

Mediation Fee Fund	Supplemental Guardianship Fee Fund	Vital Statistics Fee Fund	MVNA Fund	Digital Records Preservation
\$ --	\$ --	\$ --	\$ --	\$ --
2,860	1,140	1,138	51,843	3,030
--	--	--	--	--
--	--	--	--	--
<u>2,860</u>	<u>1,140</u>	<u>1,138</u>	<u>51,843</u>	<u>3,030</u>
--	--	--	--	--
--	--	--	--	--
300	--	--	50,055	--
--	--	--	--	--
<u>300</u>	<u>--</u>	<u>--</u>	<u>50,055</u>	<u>--</u>
2,560	1,140	1,138	1,788	3,030
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,560</u>	<u>1,140</u>	<u>1,138</u>	<u>1,788</u>	<u>3,030</u>
25,185	6,640	7,333	(97)	8,950
<u>\$ 27,745</u>	<u>\$ 7,780</u>	<u>\$ 8,471</u>	<u>\$ 1,691</u>	<u>\$ 11,980</u>

GONZALES COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	County & District Court Technology	Revolving Loan Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenues:			
Charges for services	\$ --	\$ --	\$ 84,350
Fines	921	--	138,394
Interest	--	8,581	8,597
Grants	--	--	43,911
Total revenues	<u>921</u>	<u>8,581</u>	<u>275,252</u>
Expenditures:			
Current:			
General government	--	2,759	20,614
Public safety	--	--	88,067
Judicial	--	--	92,223
Public facilities	--	--	29,376
Total expenditures	<u>--</u>	<u>2,759</u>	<u>230,280</u>
Excess (deficiency) of revenues (under) expenditures	921	5,822	44,972
Other financing sources (uses):			
Operating transfers out	--	--	(3,404)
Principal received on loans	--	243,078	243,078
Total other financing sources (uses)	<u>--</u>	<u>243,078</u>	<u>239,674</u>
Net change in fund balance	921	248,900	284,646
Fund balances/equity, October 1	1,591	179,621	562,440
Fund balances/equity, September 30	<u>\$ 2,512</u>	<u>\$ 428,521</u>	<u>\$ 847,086</u>

GONZALES COUNTY, TEXAS
 TEXAS WILDFIRE GRANT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ --	\$ --	\$ 10,393	\$ 10,393
Total revenues	<u>--</u>	<u>--</u>	<u>10,393</u>	<u>10,393</u>
Expenditures:				
Current:				
Public safety				
Other services and charges	3,156	16,834	10,393	6,441
Total expenditures	<u>3,156</u>	<u>16,834</u>	<u>10,393</u>	<u>6,441</u>
Net change in fund balance	(3,156)	(16,834)	--	16,834
Fund balances/equity, October 1	--	--	--	--
Fund balances/equity, September 30	<u><u>\$(3,156)</u></u>	<u><u>\$(16,834)</u></u>	<u><u>\$--</u></u>	<u><u>\$ 16,834</u></u>

GONZALES COUNTY, TEXAS
 RECORDS MANAGEMENT-COUNTY CLERK FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 39,000	\$ 39,000	\$ 38,379	\$ (621)
Total revenues	<u>39,000</u>	<u>39,000</u>	<u>38,379</u>	<u>(621)</u>
Expenditures:				
Current:				
General government				
Capital outlays	20,000	20,000	12,481	7,519
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>12,481</u>	<u>7,519</u>
Net change in fund balance	19,000	19,000	25,898	6,898
Fund balances/equity, October 1	94,247	94,247	94,247	--
Fund balances/equity, September 30	<u>\$ 113,247</u>	<u>\$ 113,247</u>	<u>\$ 120,145</u>	<u>\$ 6,898</u>

GONZALES COUNTY, TEXAS
 COUNTY & DISTRICT RECORDS MANAGEMENT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 8,200	\$ 8,200	\$ 7,503	\$ (697)
Total revenues	<u>8,200</u>	<u>8,200</u>	<u>7,503</u>	<u>(697)</u>
Expenditures:				
Current:				
General government				
Other services and charges	13,000	13,000	4,241	8,759
Total expenditures	<u>13,000</u>	<u>13,000</u>	<u>4,241</u>	<u>8,759</u>
Net change in fund balance	(4,800)	(4,800)	3,262	8,062
Fund balances/equity, October 1	29,259	29,259	29,259	--
Fund balances/equity, September 30	<u>\$ 24,459</u>	<u>\$ 24,459</u>	<u>\$ 32,521</u>	<u>\$ 8,062</u>

GONZALES COUNTY, TEXAS
 COURT REPORTER SERVICE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines	\$ 3,000	\$ 3,000	\$ 2,850	\$ (150)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>2,850</u>	<u>(150)</u>
Expenditures:				
Current:				
Judicial				
Other services and charges	2,000	2,000	1,925	75
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,925</u>	<u>75</u>
Net change in fund balance	1,000	1,000	925	(75)
Fund balances/equity, October 1	76	76	76	--
Fund balances/equity, September 30	<u>\$ 1,076</u>	<u>\$ 1,076</u>	<u>\$ 1,001</u>	<u>\$ (75)</u>

GONZALES COUNTY, TEXAS
 PROBATE COURT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ --	\$ --	\$ 171	\$ 171
Total revenues	<u>--</u>	<u>--</u>	<u>171</u>	<u>171</u>
Expenditures:				
Current:				
Judicial				
Other services and charges	1,000	1,000	780	220
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>780</u>	<u>220</u>
Net change in fund balance	(1,000)	(1,000)	(609)	391
Fund balances/equity, October 1	834	834	834	--
Fund balances/equity, September 30	<u>\$ (166)</u>	<u>\$ (166)</u>	<u>\$ 225</u>	<u>\$ 391</u>

GONZALES COUNTY, TEXAS
 COURTHOUSE SECURITY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines	\$ 26,050	\$ 26,050	\$ 29,020	\$ 2,970
Total revenues	<u>26,050</u>	<u>26,050</u>	<u>29,020</u>	<u>2,970</u>
Expenditures:				
Current:				
Public facilities				
Personnel	23,475	31,481	29,376	2,105
Total expenditures	<u>23,475</u>	<u>31,481</u>	<u>29,376</u>	<u>2,105</u>
Net change in fund balance	2,575	(5,431)	(356)	5,075
Fund balances/equity, October 1	27,601	27,601	27,601	--
Fund balances/equity, September 30	<u>\$ 30,176</u>	<u>\$ 22,170</u>	<u>\$ 27,245</u>	<u>\$ 5,075</u>

GONZALES COUNTY, TEXAS
 LOCAL BORDER SECURITY GRANT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ --	\$ 80,000	\$ 30,067	\$ (49,933)
Total revenues	<u>--</u>	<u>80,000</u>	<u>30,067</u>	<u>(49,933)</u>
Expenditures:				
Current:				
Public safety				
Other services and charges	--	30,000	30,000	--
Total expenditures	<u>--</u>	<u>30,000</u>	<u>30,000</u>	<u>--</u>
Net change in fund balance	--	50,000	67	(49,933)
Fund balances/equity, October 1	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ 50,000</u>	<u>\$ 67</u>	<u>\$ (49,933)</u>

GONZALES COUNTY, TEXAS
 HOMELAND SECURITY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ 27,695	\$ 27,695	\$ 33,518	\$ 5,823
Total revenues	<u>27,695</u>	<u>27,695</u>	<u>33,518</u>	<u>5,823</u>
Expenditures:				
Current:				
Public safety				
Other services and charges	27,695	33,518	33,674	(156)
Total expenditures	<u>27,695</u>	<u>33,518</u>	<u>33,674</u>	<u>(156)</u>
Net change in fund balance	--	(5,823)	(156)	5,667
Fund balances/equity, October 1	--	--	--	--
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ (5,823)</u>	<u>\$ (156)</u>	<u>\$ 5,667</u>

GONZALES COUNTY, TEXAS
DISTRICT CLERK RECORDS MANAGEMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines	\$ 1,500	\$ 1,500	\$ 1,365	\$ (135)
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,365</u>	<u>(135)</u>
Expenditures:				
Current:				
Judicial				
Capital outlays	3,000	3,000	2,275	725
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>2,275</u>	<u>725</u>
Net change in fund balance	(1,500)	(1,500)	(910)	590
Fund balances/equity, October 1	4,700	4,700	4,700	--
Fund balances/equity, September 30	<u>\$ 3,200</u>	<u>\$ 3,200</u>	<u>\$ 3,790</u>	<u>\$ 590</u>

GONZALES COUNTY, TEXAS
 COUNTY JUDGE EXCESS STATE SUPPLEMENT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	\$ --	\$ --	\$ --	\$ --
Expenditures:				
Current:				
General government				
Other services and charges	--	1,137	1,133	4
Total expenditures	--	1,137	1,133	4
Net change in fund balance	--	(1,137)	(1,133)	4
Fund balances/equity, October 1	4,444	4,444	4,444	--
Fund balances/equity, September 30	\$ 4,444	\$ 3,307	\$ 3,311	\$ 4

GONZALES COUNTY, TEXAS
 FAMILY PROTECTION FEE FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,200	\$ 1,200	\$ 1,035	\$ (165)
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>1,035</u>	<u>(165)</u>
Expenditures:				
Current:				
Judicial				
Other services and charges	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	(800)	(800)	(965)	(165)
Fund balances/equity, October 1	2,150	2,150	2,150	--
Fund balances/equity, September 30	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 1,185</u>	<u>\$ (165)</u>

GONZALES COUNTY, TEXAS

EXHIBIT C-16

HAVA FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ --	\$ --	\$ 1,960	\$ 1,960
Total revenues	<u> --</u>	<u> --</u>	<u> 1,960</u>	<u> 1,960</u>
Expenditures:				
Current:				
General government				
Other services and charges	5,000	5,000	--	5,000
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u> --</u>	<u>5,000</u>
Net change in fund balance	(5,000)	(5,000)	1,960	6,960
Fund balances/equity, October 1	11,804	11,804	11,804	--
Fund balances/equity, September 30	<u>\$ 6,804</u>	<u>\$ 6,804</u>	<u>\$ 13,764</u>	<u>\$ 6,960</u>

GONZALES COUNTY, TEXAS
 VITAL STATISTICS FEE FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-17

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines	\$ --	\$ 1,200	\$ 1,138	\$ (62)
Total revenues	<u> --</u>	<u> 1,200</u>	<u> 1,138</u>	<u> (62)</u>
Expenditures:				
Total expenditures	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Net change in fund balance	--	1,200	1,138	(62)
Fund balances/equity, October 1	--	7,333	7,333	--
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ 8,533</u>	<u>\$ 8,471</u>	<u>\$ (62)</u>

GONZALES COUNTY, TEXAS

EXHIBIT C-18

REVOLVING LOAN FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 6,591	\$ 6,591	\$ 8,581	\$ 1,990
Total revenues	<u>6,591</u>	<u>6,591</u>	<u>8,581</u>	<u>1,990</u>
Expenditures:				
Current:				
General government				
Other services and charges	--	2,759	2,759	--
Total expenditures	<u>--</u>	<u>2,759</u>	<u>2,759</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	6,591	3,832	5,822	1,990
Other financing sources (uses):				
Principal received on loans	125,227	125,227	243,078	117,851
Total other financing sources (uses)	<u>125,227</u>	<u>125,227</u>	<u>243,078</u>	<u>117,851</u>
Net change in fund balance	131,818	129,059	248,900	119,841
Fund balances/equity, October 1	179,621	179,621	179,621	--
Fund balances/equity, September 30	<u>\$ 311,439</u>	<u>\$ 308,680</u>	<u>\$ 428,521</u>	<u>\$ 119,841</u>

GONZALES COUNTY, TEXAS

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-19

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 190,000	\$ 190,000	\$ 228,453	\$ 38,453
Interest	700	700	626	(74)
Total revenues	<u>190,700</u>	<u>190,700</u>	<u>229,079</u>	<u>38,379</u>
Expenditures:				
Debt service:				
Principal	180,000	180,000	180,000	--
Interest and fiscal charges	63,271	63,271	63,271	--
Total expenditures	<u>243,271</u>	<u>243,271</u>	<u>243,271</u>	<u>--</u>
Net change in fund balance	(52,571)	(52,571)	(14,192)	38,379
Fund balances/equity, October 1	135,617	135,617	135,617	--
Fund balances/equity, September 30	<u>\$ 83,046</u>	<u>\$ 83,046</u>	<u>\$ 121,425</u>	<u>\$ 38,379</u>