

GONZALES COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2012



Gonzales County, Texas
Annual Financial Report
For The Year Ended September 30, 2012

TABLE OF CONTENTS

	Page	Exhibit
FINANCIAL SECTION		
Independent Auditors' Report.....	1	
Management's Discussion and Analysis (Required Supplementary Information).....	3	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	10	A-1
Statement of Activities.....	11	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	12	A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	14	A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	15	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	17	A-6
Statement of Fiduciary Net Assets - Fiduciary Funds.....	18	A-7
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds.....	19	A-8
Notes to the Financial Statements	20	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	34	B-1
Road and Bridge Fund Pct. #1.....	36	B-2
Road and Bridge Fund Pct. #2.....	37	B-3
Road and Bridge Fund Pct. #3.....	38	B-4
Road and Bridge Fund Pct. #4.....	39	B-5
Revolving Loan Fund.....	40	B-6
Schedule of Funding Progress - Pension Plan.....	41	
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	42	C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	43	C-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	44	C-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	50	C-4
Budgetary Comparison Schedules:		

Gonzales County, Texas
 Annual Financial Report
 For The Year Ended September 30, 2012

TABLE OF CONTENTS

	Page	Exhibit
Texas Wildfire Grant.....	56	C-5
Records Management-County Clerk Fund.....	57	C-6
County & District Records Management.....	58	C-7
Court Reporter Service.....	59	C-8
Probate Court Fund.....	60	C-9
Courthouse Security Fund.....	61	C-10
Homeland Security Fund.....	62	C-11
District Clerk Records Management Fund.....	63	C-12
County Judge Excess State Supplement Fund.....	64	C-13
Family Protection Fee Fund.....	65	C-14
HAVA Fund.....	66	C-15
Vital Statistics Fee Fund.....	67	C-16
 Debt Service Funds:		
Budgetary Comparison Schedule:		
Debt Service Fund.....	68	C-17

Financial Section

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

Independent Auditors' Report on Financial Statements

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

Members of the Commissioners' Court:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gonzales County, Texas as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Gonzales County, Texas's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Gonzales County has not fully accounted for all capital assets owned, net of accumulated depreciation, and depreciation expense on those assets. Capital assets reported in the financial statements represent those assets acquired since October 1, 2005. Accounting principles generally accepted in the United States of America require that all capital assets owned by the County, net of accumulated depreciation, be reported in the government-wide financial statements. The amounts by which this departure would affect assets and net assets/fund balance of the government-wide and fund financial statements is not determinable.

In our opinion, except as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government-wide statements of Gonzales County, Texas as of September 30, 2012, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.


In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the major funds and the aggregate remaining fund information of Gonzales County, Texas as of September 30, 2012, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Respectfully submitted,


Floyd & Gindler, PC

August 13, 2013

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, 2012. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

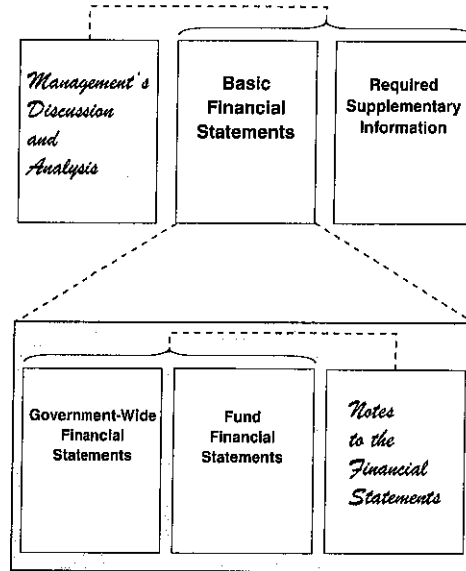
- The County's total combined net assets were \$10,532,328 at September 30, 2012.
- During the year, the County's expenses were \$2,943,309 less than the \$13,382,342 generated in taxes and other revenues for governmental activities.
- The County's expenses increased \$722,308 from last year or 7.4%.
- The general fund reported a fund balance this year of \$3,684,080.
- The County issued no bonds during fiscal year September 30, 2012, but they paid off the 2002 Series Refunding Bonds two years early.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Summary ↔ Detail

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

Government-wide Statements

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

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

<i>Type of Statements</i>	Fund Statements			
	Government-wide	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 businesses: self insurance	Instances in which the County is the trustee or agent for someone else's resources
<i>Required financial statements</i>	♦ Statement of net assets	♦ Balance sheet	♦ Statement of net assets	♦ Statement of fiduciary net assets
	♦ Statement of activities	♦ Statement of revenues, expenditures & changes in fund balances	♦ Statement of revenues, expenses and changes in fund net assets ♦ Statement of cash flows	♦ Statement of changes in fiduciary net assets
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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

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

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

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

Fund Financial Statements

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

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

The County has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets. The County's combined net assets were \$10,532,328 at September 30, 2012. (See Table A-1).

Table A-1
Gonzales County-Net Assets

	Governmental Activities		Year to Year Change	Total Percentage Change 2012-2011
	2012	2011		
Assets				
Current assets:				
Cash and equivalents	\$ 7,613,152	\$ 5,582,880	\$ 2,030,272	36%
Receivables, net of allowance				
Taxes	526,883	525,356	1,527	0%
Court fee and fines	2,225,133	-	2,225,133	n/a
Notes	688,221	669,705	18,516	3%
Due from others	1,510	-	1,510	n/a
Restricted cash and cash equivalents	135,617	130,523	5,094	4%
Total current assets	11,190,516	6,908,464	4,282,052	62%
Noncurrent assets:				
Capital assets, net of accumulated depreciation	2,541,622	2,140,371	401,251	19%
Total assets	13,732,138	9,048,835	4,683,303	52%
Liabilities				
Current liabilities:				
Accounts payable	520,494	500,206	20,288	4%
Accrued wages	184,682	168,509	16,173	10%
Compensated absences	134,976	129,113	5,863	5%
Due to others	17,632	-	17,632	n/a
Deferred revenues	28,989	-	28,989	n/a
Current portion capital leases and bonds payable	318,867	491,567	(172,700)	-35%
Total current liabilities	1,205,640	1,289,395	(83,755)	-7%
Long-term liabilities:				
Capital leases payable	452,157	73,935	378,222	512%
Bonds and notes payable	1,480,000	1,975,000	(495,000)	-25%
Other post employment benefits	62,013	87,186	(25,173)	-29%
Total long-term liabilities	1,994,170	2,136,121	(141,951)	-7%
Total liabilities	3,199,810	3,425,516	(225,706)	-7%
Net assets				
Investment in capital assets	290,598	(400,131)	690,729	-173%
Restricted-debt service	135,617	130,523	5,094	4%
Restricted-economic development.	179,621	190,488	(10,867)	-6%
Unrestricted	9,926,492	5,702,439	4,224,053	74%
Total net assets	\$ 10,532,328	\$ 5,623,319	\$ 4,909,009	87%

The County's restricted net assets represent proceeds that when spent, are restricted for payment of tax supported debt and economic development through the revolving loan fund. The \$9,926,492 of unrestricted net assets represents resources available to fund the programs of the County next year.

Changes in net assets. The County's total revenues were \$13,382,342 (Table A-2.). A significant portion, 51.3% of the County's revenue comes from property taxes, 6.0% comes from charges for services, 23.0% from sales taxes, 5.2% from motor vehicle licenses, 10.4% from court fines, 0.5% from investment income, 2.8% from operating grants and .8% from all other sources.

The total cost of all governmental programs and services was \$10,439,033; 33.5% of these costs were for public safety; 28.5% were for public transportation; 16.2% for general government; 6.1% for financial administration; 11.2% for judicial; and 4.5% for all others.

Governmental Activities

The tax rate for the 2011-2012 budget year decreased to \$0.6268 from \$0.6450 in the prior year or 2.8%

Table A-2
Changes in Gonzales County Net Assets

	Governmental Activities		Year to Year Change	Total Percentage Change 2012-2011
	2012	2011		
Revenues				
Program revenues:				
Charges for services	\$ 815,477	\$ 1,106,920	\$ (291,443)	-26%
Operating grants	374,514	363,983	10,531	3%
General revenues:				
Property taxes	6,863,471	6,427,450	436,021	7%
Sales taxes	3,015,364	1,545,519	1,469,845	95%
Motor vehicle license fees	694,384	648,344	46,040	7%
Bus. licenses & permits	7,050	2,299	4,751	207%
Investment income	62,244	57,229	5,015	9%
Court fees and fines	1,392,417	1,022,467	369,950	36%
Other income	157,421	420,295	(262,874)	-63%
Total revenues	13,382,342	11,594,506	1,787,836	15%
Expenses				
General government	1,687,027	1,436,597	250,430	17%
Financial administration	637,204	614,958	22,246	4%
Public safety	3,450,153	3,447,255	2,898	0%
Health & welfare	85,772	34,782	50,990	147%
Judicial	1,168,683	1,148,062	20,621	2%
Public facilities	279,519	299,479	(19,960)	-7%
Public transportation	2,974,739	2,559,122	415,617	16%
Conservation	75,618	76,378	(760)	-1%
Interest and fiscal charges	80,318	100,092	(19,774)	-20%
Total expenses	10,439,033	9,716,725	722,308	7%
Increase in net assets	2,943,309	1,877,781	1,065,528	57%
Net assets - beginning	5,623,319	3,745,538	1,877,781	50%
Prior period adjustment	1,965,700	-	1,965,700	n/a
Net assets - ending	\$ 10,532,328	\$ 5,623,319	\$ 4,909,009	87%

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 \$10,439,033.
- The amount that taxpayers paid for these activities through property taxes was \$6,863,471.
- Some of the costs were paid by those who directly benefited from the programs, \$815,477, and others by operating grants of \$374,514.

Table A-3
Net Cost of Selected Gonzales County Functions

	Total Cost of Services			Net Cost of Services		
	2012	2011	% Change	2012	2011	% Change
General government	1,687,027	1,436,597	17%	1,195,642	871,060	37%
Public safety	3,450,153	3,447,255	0%	3,312,039	3,182,224	4%
Judicial	1,168,683	1,148,062	2%	1,143,095	944,226	21%
Public transportation	2,974,739	2,559,122	16%	2,701,121	2,559,122	6%

Business-type Activities

The County has no business-type activities.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$13,105,058 an increase of \$1,513,362 or 13.1%. The most significant changes took place in sales taxes with an increase of \$1,469,845 or 95%. Sales taxes for all entities were up due to the oil activity in the County. Property taxes increased \$436,021 or 6.7%. This was a result of a 9.7% increase in property values coupled with a 2.8% decrease in the tax rates. Grant revenues were down as a result of stimulus grants in 2011 that were not available for 2012.

During the year, the County paid off the 2002 Series Refunding Bonds two years early. The additional debt service payments of \$319,279 were made from non-departmental in the General Fund. The road and bridge funds received donated road base material from various oil companies valued at \$181,374. 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 \$431,008 higher than budgeted and the actual expenditures were \$278,811 lower than budgeted. The recording of the expenditure related to the receipt of donated road material caused Road and Bridge Precincts #1 and #4 to exceed their budgeted expenditures by \$60,311 and \$37,524, respectively. The Revolving Loan Fund exceed their expenditure budget. The County had budgeted to make \$150,000 of loans from that fund but they actually ended up loaning \$160,000 to the Holiday Inn Express.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the County had not fully reported all capital assets owned on the government-wide financial statements. Only those assets acquired within the last seven years are reported. The County had invested \$2,541,622 in capital assets, net of accumulated depreciation. (See Table A-4.)

Table A-4
Gonzales County Capital Assets

	Governmental Activites		Year to Year Change	Total Percentage Change 2012-2011
	2012	2011		
Buildings and improvements	\$ 50,236	\$ 50,236	\$ -	n/a
Equipment	3,623,239	2,492,748	1,130,491	45.4%
Assets under capital leases	854,191	1,093,399	(239,208)	-21.9%
Total capital assets	4,527,666	3,636,383	891,283	24.5%
Accumulated depreciation	(1,986,044)	(1,496,012)	(490,032)	32.8%
Net capital assets	\$ <u>2,541,622</u>	\$ <u>2,140,371</u>	\$ <u>401,251</u>	18.8%

Long Term Debt

At year-end the County had \$2,313,036 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 2012-2011
	2012	2011		
Bonds payable	\$ 1,660,000	\$ 2,295,000	\$ (635,000)	-28%
Capital leases	591,024	245,502	345,522	141%
Other post employment payable	62,013	87,186	(25,173)	-29%
Total long term debt	\$ <u>2,313,037</u>	\$ <u>2,627,688</u>	\$ <u>(314,651)</u>	-12%

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 \$1,085,267,770, which was \$82 million more than the previous year, an 8.25% increase. This is the result of increased property value and growth.

These indicators were taken into account when adopting the general fund budget for 2013. The property tax rate for the budget was set at \$0.6268 per hundred dollar valuation.

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

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

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Basic Financial Statements

GONZALES COUNTY, TEXAS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2012

	Governmental Activities
ASSETS	
<i>Cash and cash equivalents</i>	\$ 7,613,152
Receivables (net of allowances for uncollectibles):	
<i>Taxes</i>	526,883
<i>Court fees and fines</i>	2,225,133
<i>Notes</i>	688,221
<i>Due from others</i>	1,510
Restricted assets:	
<i>Cash and cash equivalents</i>	135,617
<i>Fixed assets (net of depreciaton)</i>	2,541,622
Total assets	<u>13,732,138</u>
LIABILITIES	
<i>Accounts payable</i>	520,494
<i>Accrued wages payable</i>	184,682
<i>Compensated absences payable</i>	134,976
<i>Due to others</i>	17,632
<i>Deferred revenue</i>	28,989
<i>Non current liabilities:</i>	
<i>Due within one year</i>	318,867
<i>Due in more than one year</i>	1,994,170
Total liabilities	<u>3,199,810</u>
NET ASSETS	
Invested in capital assets, net of related debt	290,598
Restricted for:	
Debt service	135,617
Economic development	179,621
Unrestricted	9,926,492
Total net assets	<u>\$ 10,532,328</u>

The accompanying notes are an integral part of this statement.

GONZALES COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Primary Government				
Governmental activities				
General government	\$ 1,687,027	\$ 439,128	\$ 52,257	\$ (1,195,642)
Financial administration	637,204	261,286	--	(375,918)
Public safety	3,450,153	26,075	112,039	(3,312,039)
Health and welfare	85,772	--	--	(85,772)
Judicial	1,168,683	25,588	--	(1,143,095)
Public facilities	279,519	--	--	(279,519)
Public transportation	2,974,739	63,400	210,218	(2,701,121)
Conservation	75,618	--	--	(75,618)
Interest and fiscal charges	80,318	--	--	(80,318)
Total government activities	<u>10,439,033</u>	<u>815,477</u>	<u>374,514</u>	<u>(9,249,042)</u>
Total primary government	<u>\$ 10,439,033</u>	<u>\$ 815,477</u>	<u>\$ 374,514</u>	<u>(9,249,042)</u>
General revenues:				
Property taxes				6,863,471
Sales taxes				3,015,364
Licenses and permits				7,050
Motor vehicle licenses				694,384
Court fines				1,392,417
Other revenues				157,421
Investment earnings				62,244
Transfers				--
Total general revenues				<u>12,192,351</u>
Change in net assets				2,943,309
Net assets - beginning				5,623,319
Prior period adjustment				1,965,700
Net assets - ending				<u>\$ 10,532,328</u>

The accompanying notes are an integral part of this statement.

GONZALES COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	<u>General Fund</u>	<u>Road and Bridge Fund Pct. #1</u>	<u>Road and Bridge Fund Pct. #2</u>
ASSETS			
<i>Cash and cash equivalents</i>	\$ 4,281,092	\$ 773,085	\$ 534,910
Receivables (net of allowances for uncollectibles):			
<i>Taxes</i>	526,883	--	--
<i>Court fees and fines</i>	2,225,133	--	--
<i>Notes</i>	8,130	--	--
<i>Due from other funds</i>	--	--	--
<i>Due from others</i>	--	--	--
Restricted assets:			
<i>Cash and cash equivalents</i>	--	--	--
 Total assets	 <u>\$ 7,041,238</u>	 <u>\$ 773,085</u>	 <u>\$ 534,910</u>
LIABILITIES AND EQUITY			
Liabilities:			
<i>Accounts payable</i>	\$ 410,330	\$ 15,686	\$ 38,016
<i>Accrued wages payable</i>	142,700	11,887	9,191
<i>Due to other funds</i>	518	--	--
<i>Due to others</i>	17,632	--	--
<i>Deferred revenue</i>	2,785,978	--	--
Total liabilities	<u>3,357,158</u>	<u>27,573</u>	<u>47,207</u>
Equity:			
Restricted fund balance			
<i>Debt service</i>	--	--	--
<i>Special revenue funds</i>	--	--	--
Committed fund balance	--	745,512	487,703
Unassigned fund balance	3,684,080	--	--
Total equity	<u>3,684,080</u>	<u>745,512</u>	<u>487,703</u>
 Total liabilities and equity	 <u>\$ 7,041,238</u>	 <u>\$ 773,085</u>	 <u>\$ 534,910</u>

The accompanying notes are an integral part of this statement.

Road and Bridge Fund Pct. #3	Road and Bridge Fund Pct. #4	Revolving Loan Fund	Other Governmental Funds	Total Governmental Funds
\$ 883,590	\$ 572,457	\$ 179,621	\$ 388,397	\$ 7,613,152
--	--	--	--	526,883
--	--	--	--	2,225,133
--	--	680,091	--	688,221
--	563	--	--	563
--	--	--	1,510	1,510
--	--	--	135,617	135,617
<u>\$ 883,590</u>	<u>\$ 573,020</u>	<u>\$ 859,712</u>	<u>\$ 525,524</u>	<u>\$ 11,191,079</u>
\$ 14,154	\$ 39,016	\$ --	\$ 3,292	\$ 520,494
9,522	10,787	--	595	184,682
--	--	--	45	563
--	--	--	--	17,632
--	--	680,091	3,156	3,469,225
<u>23,676</u>	<u>49,803</u>	<u>680,091</u>	<u>7,088</u>	<u>4,192,596</u>
--	--	--	135,617	135,617
--	--	179,621	382,819	562,440
859,914	523,217	--	--	2,616,346
--	--	--	--	3,684,080
<u>859,914</u>	<u>523,217</u>	<u>179,621</u>	<u>518,436</u>	<u>6,998,483</u>
<u>\$ 883,590</u>	<u>\$ 573,020</u>	<u>\$ 859,712</u>	<u>\$ 525,524</u>	<u>\$ 11,191,079</u>

GONZALES COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2012

Total fund balances - governmental funds balance sheet	\$ 6,998,483
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	2,541,622
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	526,883
Payables for bond principal which are not due in the current period are not reported in the funds.	(1,660,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(591,024)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(134,976)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	(62,013)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	688,221
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	<u>2,225,132</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 10,532,328</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, 2012

	General Fund	Road and Bridge Fund Pct. #1	Road and Bridge Fund Pct. #2
Revenues:			
<i>Taxes</i>	\$ 6,225,388	\$ 811,872	\$ 811,872
<i>Licenses and permits</i>	7,050	202,896	185,446
<i>Intergovernmental</i>	45,147	7,211	7,211
<i>Charges for services</i>	689,782	--	--
<i>Fines</i>	967,822	--	--
<i>Interest</i>	25,435	6,000	4,109
<i>Miscellaneous</i>	142,711	72,750	38,392
<i>Grants</i>	21,236	--	--
Total revenues	<u>8,124,571</u>	<u>1,100,729</u>	<u>1,047,030</u>
Expenditures:			
Current:			
<i>General government</i>	1,880,679	--	--
<i>Financial administration</i>	640,485	--	--
<i>Public safety</i>	3,401,825	--	--
<i>Health and welfare</i>	84,445	--	--
<i>Judicial</i>	1,055,921	--	--
<i>Public facilities</i>	243,038	--	--
<i>Public transportation</i>	--	841,522	928,213
<i>Conservation</i>	75,549	--	--
Debt service:			
<i>Principal</i>	--	--	--
<i>Interest and fiscal charges</i>	--	--	--
Total expenditures	<u>7,381,942</u>	<u>841,522</u>	<u>928,213</u>
Excess (deficiency) of revenues (under) expenditures	742,629	259,207	118,817
Other financing sources (uses):			
<i>Operating transfers in</i>	--	--	--
<i>Operating transfers out</i>	--	(20,000)	--
<i>Principal received on loans</i>	--	--	--
<i>Loans disbursed from the revolving loan fund</i>	--	--	--
<i>Proceeds from capital leases</i>	--	--	214,661
Total other financing sources (uses)	<u>--</u>	<u>(20,000)</u>	<u>214,661</u>
Net change in fund balance	742,629	239,207	333,478
Fund balances/equity, October 1	2,941,451	506,305	154,225
Fund balances/equity, September 30	<u>\$ 3,684,080</u>	<u>\$ 745,512</u>	<u>\$ 487,703</u>

The accompanying notes are an integral part of this statement.

Road and Bridge Fund Pct. #3	Road and Bridge Fund Pct. #4	Revolving Loan Fund	Other Governmental Funds	Total Governmental Funds
\$ 811,871	\$ 811,872	\$ --	\$ 404,434	\$ 9,877,309
174,846	194,596	--	--	764,834
7,211	7,211	--	874	74,865
--	--	--	62,295	752,077
--	--	--	148,837	1,116,659
6,165	3,705	15,834	996	62,244
218	84,724	--	--	338,795
--	--	--	97,039	118,275
<u>1,000,311</u>	<u>1,102,108</u>	<u>15,834</u>	<u>714,475</u>	<u>13,105,058</u>
--	--	8,185	10,901	1,899,765
--	--	--	--	640,485
--	--	--	97,039	3,498,864
--	--	--	--	84,445
--	--	--	109,473	1,165,394
--	--	--	33,127	276,165
801,276	1,060,957	--	--	3,631,968
--	--	--	--	75,549
--	--	--	320,000	320,000
--	--	--	80,318	80,318
<u>801,276</u>	<u>1,060,957</u>	<u>8,185</u>	<u>650,858</u>	<u>11,672,953</u>
199,035	41,151	7,649	63,617	1,432,105
20,000	--	--	--	20,000
--	--	--	--	(20,000)
--	--	141,484	--	141,484
--	--	(160,000)	--	(160,000)
140,000	185,546	--	--	540,207
<u>160,000</u>	<u>185,546</u>	<u>(18,516)</u>	<u>--</u>	<u>521,691</u>
359,035	226,697	(10,867)	63,617	1,953,796
500,879	296,519	190,488	454,819	5,044,687
<u>\$ 859,914</u>	<u>\$ 523,217</u>	<u>\$ 179,621</u>	<u>\$ 518,436</u>	<u>\$ 6,998,483</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, 2012

Net change in fund balances - total governmental funds	\$ 1,953,798
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	891,283
The depreciation of capital assets used in governmental activities is not reported in the funds.	(490,032)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	1,526
Certain court fee and fine revenues are deferred in the funds. This is the change in these amounts this year.	275,758
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	635,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	178,359
Loans from the revolving loan fund are reported as other uses of resources in the funds, but are not reported in the SOA.	160,000
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(5,863)
Other post employment benefits are reported as accrued in the SOA, but are not reported in the funds.	25,173
Repayment of principal on revolving loans is recognized as other revenues in the funds, but not revenues in the SOA.	(141,484)
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(540,207)</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ 2,943,311</u>

The accompanying notes are an integral part of this statement.

GONZALES COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2012

Private-purpose
 Trust
 Fund

 Permanent
 School
 Fund

ASSETS

Assets:

Cash and cash equivalents
 Total assets

\$ 197,960

 \$ 197,960

LIABILITIES AND EQUITY

Liabilities:

Total liabilities

 --

Equity:

Restricted fund balance
Permanent school funds
 Total equity

\$ 197,960
 197,960

 197,960

Total liabilities and equity

\$ 197,960

The accompanying notes are an integral part of this statement.

GONZALES COUNTY, TEXAS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Private-purpose Trust Fund
	Permanent School Fund
Additions:	
Investment income	\$ 225
Total additions	<u>225</u>
Deductions:	
Total deductions	<u>--</u>
Change in net assets	225
Net assets-beginning of the year	197,735
Net assets-end of the year	<u>\$ 197,960</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, 2012

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

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.

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.

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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

In addition, the County reports the following fund types:

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

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

b. Measurement Focus, Basis of Accounting

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

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

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

3. Financial Statement Amounts

a. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on 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, 2012

Analysis of property tax receivable at year end:

Gross property taxes receivable	\$ 1,053,766
Less: Allowance for uncollectible taxes	(526,883)
Property taxes receivable, net of allowance for uncollectible	<u>\$ 526,883</u>

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

b. Inventories

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

c. Capital Assets

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

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

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

On retirement or death of certain employees, the County pays any accrued vacation leave in a lump case payment to such employee or his/her estate.

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 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.

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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 convey that the intended use of those amounts are 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. The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

<u>Violation</u>	<u>Action Taken</u>
Expenditure budget exceeded in Road and Bridge Precinct #1 Road and Bridge Precinct #4	The County has been made aware of the need to report donated base material as an expenditure when received and the expenditure budget needs to be adjusted to reflect this amount.
Other uses budget exceed in the Revolving Loan Fund	The County will monitor the budget and will make adjustments when loans made exceed those budgeted.

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

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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, 2012, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,476,883 and the bank balance was \$4,177,760. The County's cash deposits at September 30, 2012 and during the year ended September 30, 2012, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

Investments:

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

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

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

The County's investment at September 30, 2012 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Texpool-governmental funds	N/A	\$ 3,269,891
Texpool-private purpose trust funds	N/A	197,960
Total Investments		<u>\$ 3,467,851</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

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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, 2012, the County's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

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

b. Custodial Credit Risk

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

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

At year end, the County was not exposed to 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 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

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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, 2012, was as follows:

	Beginning Balances	Increases	Decreases	Transfer	Ending Balances
Governmental activities:					
<i>Capital assets being depreciated:</i>					
Buildings and improvements	50,236	--	--	--	50,236
Equipment	2,492,747	270,634	--	859,857	3,623,238
Assets under capitalized leases	1,093,400	620,649	--	(859,857)	854,192
Total capital assets being depreciated	3,636,383	891,283	--	--	4,527,666
Less accumulated depreciation for:					
Buildings and improvements	(3,768)	(1,256)	--	--	(5,024)
Equipment	(1,222,128)	(452,518)	--	(219,996)	(1,894,642)
Assets under capitalized leases	(270,116)	(36,258)	--	219,996	(86,378)
Total accumulated depreciation	(1,496,012)	(490,032)	--	--	(1,986,044)
Total capital assets being depreciated, net	2,140,371	401,251	--	--	2,541,622
Governmental activities capital assets, net	\$ 2,140,371	\$ 401,251	\$ --	\$ --	\$ 2,541,622

Depreciation was charged to functions as follows:

General government	\$ 100,409
Public safety	150,534
Judicial	13,610
Public facilities	1,256
Public transportation	224,223
	<u>\$ 490,032</u>

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2012, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Major fund-R & B Precinct #4	\$ 563	Over transfer of payroll taxes to payroll clearing account
Other Governmental Funds	General Fund	(45)	Shortage in transfer of payroll taxes to payroll clearing account.
	Total	<u>\$ 518</u>	

All amounts due are scheduled to be repaid within one year. The above schedule does not take into account \$45 of transfers between two non-major special revenue funds.

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

2. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2012, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
Major fund-R & B Precinct #1	Major fund-R & B Precinct #3	\$ 20,000	Reallocation of resources from one precinct to another
	Total	\$ 20,000	

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, 2012, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 2,295,000	\$ --	\$ 635,000	\$ 1,660,000	180,000
Capital leases	245,501	540,207	194,684	591,024	138,867
Compensated absences *	129,113	5,863	--	134,976	134,976
Other post employment benefits	87,186	--	25,173	62,013	--
Total governmental activities	\$ 2,756,800	\$ 546,070	\$ 854,857	\$ 2,448,013	\$ 453,843

* 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 Road and Bridge Funds
Other post employment benefits	Governmental	General Fund and Road and Bridge Funds

Analysis of general obligation bonds

<u>Governmental activities</u>	<u>Interest Rates</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
General Obligation Bonds Series 2000	5.0-6.25%	\$ 160,000	\$ --	\$ 160,000	--
General Obligation Bonds Series 2002 Refunding	2.0-3.9%	460,000	--	460,000	--
General Obligation Bonds Series 2006 Refunding	3.55-4.15%	1,675,000	--	15,000	1,660,000
Total general obligation bonds		\$ 2,295,000	\$ --	\$ 635,000	\$ 1,660,000

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2012, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2013	\$ 180,000	\$ 63,371	\$ 243,371
2014	185,000	56,198	241,198
2015	195,000	48,740	243,740
2016	205,000	40,789	245,789
2017	210,000	32,446	242,446
2018-2020	685,000	43,083	728,083
Totals	\$ 1,660,000	\$ 284,627	\$ 1,944,627

3. Capital Leases

Analysis of capital leases for the year is as follows:

Governmental activities	Interest Rates	Beginning Balance	Increases	Decreases	Ending Balance
R & B Precinct #1					
Used motorgrader	6.75%	\$ 47,498	\$ --	\$ 33,520	13,978
R & B Precinct #2					
2008 Peterbilt	5.68%	16,326	--	16,326	--
2007 motorgrader	4.85%	35,571	--	35,571	--
2008 motorgrader	5.50%	86,390	--	26,433	59,957
2010 Freightliner	2.93%	--	82,500	10,313	72,187
2012 Volvo motorgrader	3.0%	--	132,161	--	132,161
R & B Precinct #3					
Motorgrader	4.53%	5,934	--	5,934	--
2012 JD Motorgrader	3.90%	--	140,000	12,805	127,195
R & B Precinct #3					
Motorgrader	5.25%	53,782	--	53,782	--
2012 Volvo motorgrader	3.0%	--	185,546	--	185,546
Total capital leases		\$ 245,501	\$ 540,207	\$ 194,684	\$ 591,024

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2012, as follows:

Year Ending September 30:	Governmental Activities		
	Principal	Interest	Total
2013	\$ 138,868	\$ 17,288	\$ 156,156
2014	134,700	12,957	147,657
2015	111,177	8,499	119,676
2016	112,204	4,928	117,132
2017	88,381	1,478	89,859
2018-2022	5,694	50	5,744
Total Minimum Rentals	\$ 591,024	\$ 45,200	\$ 636,224

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 2012, 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

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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 9.53% for 2011 and 12.14% for 2012.

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

3. Annual Pension Cost

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

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Actuarial Valuation Information:

Actuarial valuation date	12/31/09	12/31/10	12/31/11
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percent	level percent	level percent
	of payroll	of payroll	of payroll
Amortization period in years	17.8	20.0	20.0
Asset valuation method	SAF: 10-yr	SAF: 10-yr	SAF: 10-yr
	smoothed value	smoothed value	smoothed value
	ESF: Fund value	ESF: Fund 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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
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, 2012, employees of the County were covered by a health insurance plan (the Plan). The County paid premiums of \$588 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 Texas Association of Counties Employee Benefit Pool 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 Employees Benefit Pool are available for the year ended , 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.

2. Litigation

No reportable litigation was pending against the County at September 30, 2012.

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

K. Notes Receivable-Revolving Loan Fund

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

	Beginning Balance	Increases	Decreases	Ending Balance
Fehner & Sons Grain	\$ 86,825	\$ --	\$ 21,307	\$ 65,518
Lynn Theater	76,943	--	7,325	69,618
Adams Extract #1	36,221	--	27,461	8,760
Adams Extract #2	45,984	--	29,433	16,551
Adams Extract #3	177,522	--	22,963	154,559
Tropical Fusions	238,080	--	24,201	213,879
Gonzales Nursing & Rehabilitations	87,079	--	--	87,079
Holiday Inn Express	--	160,000	8,794	151,206
Total loans receivable	\$ 748,654	\$ 160,000	\$ 141,484	\$ 767,170
Allowance for doubtful accounts	(87,079)	--	--	(87,079)
Net loans receivable	\$ 661,575	\$ 160,000	\$ 141,484	\$ 680,091

Maturity analysis is as follows:

Year Ending September 30,	Principal	Interest	Total
2013	\$ 205,506	\$ 13,036	\$ 231,172
2014	95,419	10,286	116,763
2015	93,715	7,892	88,675
2016	75,048	6,071	84,578
2017	76,508	4,612	64,091
2018-2022	220,974	6,092	216,425
Totals	\$ 767,170	\$ 47,989	\$ 801,704

L. Other Post Employment Benefits

1. Plan Description

General

Beginning in fiscal year 2010, the County implemented GASB Statement No.45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (OPEB) to prospectively account for the Gonzales County Retiree Health Care Plan (a single employer plan). In connection with such implementation, the County has commissioned an actuarial study from an outside consultant to quantify the amount of the County's OPEB obligations. This study indicates an unfunded actuarial accrued liability of \$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 the last month before the employee is eligible for and covered by Medicare coverage under federal law

GONZALES COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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, 2012

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	3,923
Adjustment to annual required contributions	(6,028)
Annual OPEB cost (expense)	<u>\$ 41,488</u>
Net estimated employer contributions	(66,661)
Net OPEB obligations, beginning of year	87,186
Net OPEB, end of year	<u>\$ 62,013</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	\$ --	\$ --
Actuarial Accrued Liability (AAL)	401,927	342,219
Unfunded AAL (UAAL)	\$ 401,927	\$ 342,219
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%

M. Prior Period Adjustments

The County recorded two prior period adjustment that had the effect of increasing net assets by \$1,965,700.

The early payoff of a capital lease in Precinct #2 at the end of fiscal year September 30, 2011 for \$16,326 was recorded as an expenditure in the government-wide statements, whereas it should have been recorded as a reductions of the applicable debt. This had the effect of understating net assets and overstating liabilities by \$16,326.

For fiscal year ended September 30, 2012, the County reported receivables for court fees and fines for the first time. The increase to net assets at the beginning of the year was \$1,949,374, which was the amount of such receivables, net of allowance for uncollectable amounts, at the end of September 30, 2011.

Prior year financial statement were not required to be restated.

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 4,652,280	\$ 5,782,280	\$ 6,225,388	\$ 443,108
<i>Licenses and permits</i>	2,800	2,800	7,050	4,250
<i>Intergovernmental</i>	38,833	38,833	45,147	6,314
<i>Charges for services</i>	689,835	689,835	689,782	(53)
<i>Fines</i>	1,080,050	1,080,050	967,822	(112,228)
<i>Interest</i>	20,000	20,000	25,435	5,435
<i>Miscellaneous</i>	79,765	79,765	142,711	62,946
<i>Grants</i>	--	--	21,236	21,236
Total revenues	6,563,563	7,693,563	8,124,571	431,008
Expenditures:				
Current:				
<i>General government</i>				
<i>Personnel</i>	571,469	561,344	531,418	29,926
<i>Supplies</i>	44,922	47,308	38,429	8,879
<i>Other services and charges</i>	933,283	1,341,375	1,307,536	33,839
<i>Capital outlays</i>	2,500	3,654	3,296	358
Total general government	1,552,174	1,953,681	1,880,679	73,002
<i>Financial administration</i>				
<i>Personnel</i>	571,655	571,655	567,844	3,811
<i>Supplies</i>	37,260	37,188	29,595	7,593
<i>Other services and charges</i>	41,944	43,863	38,893	4,970
<i>Capital outlays</i>	3,450	4,153	4,153	--
Total financial administration	654,309	656,859	640,485	16,374
<i>Public safety</i>				
<i>Personnel</i>	2,519,440	2,485,074	2,407,755	77,319
<i>Supplies</i>	338,393	361,071	353,646	7,425
<i>Other services and charges</i>	373,080	444,377	491,607	(47,230)
<i>Capital outlays</i>	164,547	198,713	148,817	49,896
Total public safety	3,395,460	3,489,235	3,401,825	87,410
<i>Health and welfare</i>				
<i>Personnel</i>	53,357	52,228	46,262	5,966
<i>Supplies</i>	3,050	3,003	2,643	360
<i>Other services and charges</i>	13,300	13,750	8,163	5,587
<i>Capital outlays</i>	--	27,377	27,377	--
Total health and welfare	69,707	96,358	84,445	11,913
<i>Judicial</i>				
<i>Personnel</i>	770,926	774,716	763,401	11,315
<i>Supplies</i>	26,425	26,516	20,000	6,516
<i>Other services and charges</i>	289,540	292,242	270,227	22,015
<i>Capital outlays</i>	2,500	2,369	2,293	76
Total health and welfare	1,089,391	1,095,843	1,055,921	39,922
<i>Public facilities</i>				
<i>Personnel</i>	100,464	100,464	93,377	7,087
<i>Supplies</i>	11,300	11,300	9,918	1,382
<i>Other services and charges</i>	156,800	157,800	133,947	23,853
<i>Capital outlays</i>	--	5,796	5,796	--

GONZALES COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-1
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Total public facilities</i>	268,564	275,360	243,038	32,322
<i>Conservation</i>				
<i>Personnel</i>	70,232	70,232	59,094	11,138
<i>Supplies</i>	7,150	7,753	7,359	394
<i>Other services and charges</i>	16,035	14,559	8,223	6,336
<i>Capital outlays</i>	--	873	873	--
<i>Total conservation</i>	93,417	93,417	75,549	17,868
<i>Total expenditures</i>	7,123,022	7,660,753	7,381,942	278,811
Net change in fund balance	(559,459)	32,810	742,629	709,819
Fund balances/equity, October 1	2,941,451	2,941,451	2,941,451	--
Fund balances/equity, September 30	\$ 2,381,992	\$ 2,974,261	\$ 3,684,080	\$ 709,819

GONZALES COUNTY, TEXAS
ROAD AND BRIDGE FUND PCT. #1
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 778,165	\$ 778,165	\$ 811,872	\$ 33,707
<i>Licenses and permits</i>	161,419	161,419	202,896	41,477
<i>Intergovernmental</i>	7,220	7,220	7,211	(9)
<i>Interest</i>	6,300	6,300	6,000	(300)
<i>Miscellaneous</i>	--	--	72,750	72,750
Total revenues	<u>953,104</u>	<u>953,104</u>	<u>1,100,729</u>	<u>147,625</u>
Expenditures:				
Current:				
<i>Public transportation</i>				
<i>Personnel</i>	359,949	365,323	355,916	9,407
<i>Supplies</i>	362,231	277,842	349,765	(71,923)
<i>Other services and charges</i>	57,828	62,271	60,067	2,204
<i>Capital outlays</i>	86,203	75,775	75,774	1
Total public transportation	<u>866,211</u>	<u>781,211</u>	<u>841,522</u>	<u>(60,311)</u>
Total expenditures	<u>866,211</u>	<u>781,211</u>	<u>841,522</u>	<u>(60,311)</u>
Excess (deficiency) of revenues (under) expenditures	<u>86,893</u>	<u>171,893</u>	<u>259,207</u>	<u>87,314</u>
Other financing sources (uses):				
<i>Operating transfers out</i>	--	--	(20,000)	20,000
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(20,000)</u>	<u>(20,000)</u>
Net change in fund balance	<u>86,893</u>	<u>171,893</u>	<u>239,207</u>	<u>67,314</u>
Fund balances/equity, October 1	<u>506,305</u>	<u>506,305</u>	<u>506,305</u>	<u>--</u>
Fund balances/equity, September 30	<u>\$ 593,198</u>	<u>\$ 678,198</u>	<u>\$ 745,512</u>	<u>\$ 67,314</u>

GONZALES COUNTY, TEXAS
ROAD AND BRIDGE FUND PCT. #2
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 778,165	\$ 778,165	\$ 811,872	\$ 33,707
<i>Licenses and permits</i>	161,419	170,469	185,446	14,977
<i>Intergovernmental</i>	7,220	7,220	7,211	(9)
<i>Interest</i>	1,750	1,750	4,109	2,359
<i>Miscellaneous</i>	--	--	38,392	38,392
Total revenues	<u>948,554</u>	<u>957,604</u>	<u>1,047,030</u>	<u>89,426</u>
Expenditures:				
Current:				
<i>Public transportation</i>				
<i>Personnel</i>	328,434	328,434	322,442	5,992
<i>Supplies</i>	251,400	254,225	232,037	22,188
<i>Other services and charges</i>	68,403	62,525	60,346	2,179
<i>Capital outlays</i>	112,484	401,345	313,388	87,957
Total public transportation	<u>760,721</u>	<u>1,046,529</u>	<u>928,213</u>	<u>118,316</u>
Total expenditures	<u>760,721</u>	<u>1,046,529</u>	<u>928,213</u>	<u>118,316</u>
Excess (deficiency) of revenues (under) expenditures	187,833	(88,925)	118,817	207,742
Other financing sources (uses):				
<i>Proceeds from capital leases</i>	--	--	214,661	214,661
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>214,661</u>	<u>214,661</u>
Net change in fund balance	187,833	(88,925)	333,478	422,403
Fund balances/equity, October 1	154,225	154,225	154,225	--
Fund balances/equity, September 30	<u>\$ 342,058</u>	<u>\$ 65,300</u>	<u>\$ 487,703</u>	<u>\$ 422,403</u>

GONZALES COUNTY, TEXAS
ROAD AND BRIDGE FUND PCT. #3
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 778,165	\$ 778,165	\$ 811,871	\$ 33,706
<i>Licenses and permits</i>	161,419	161,419	174,846	13,427
<i>Intergovernmental</i>	7,220	7,220	7,211	(9)
<i>Interest</i>	6,400	6,400	6,165	(235)
<i>Miscellaneous</i>	--	--	218	218
Total revenues	<u>953,204</u>	<u>953,204</u>	<u>1,000,311</u>	<u>47,107</u>
Expenditures:				
Current:				
<i>Public transportation</i>				
<i>Personnel</i>	328,434	328,434	287,893	40,541
<i>Supplies</i>	251,400	254,225	198,867	55,358
<i>Other services and charges</i>	68,403	62,525	73,109	(10,584)
<i>Capital outlays</i>	112,484	401,345	241,407	159,938
Total public transportation	<u>760,721</u>	<u>1,046,529</u>	<u>801,276</u>	<u>245,253</u>
Total expenditures	<u>760,721</u>	<u>1,046,529</u>	<u>801,276</u>	<u>245,253</u>
Excess (deficiency) of revenues (under) expenditures	192,483	(93,325)	199,035	292,360
Other financing sources (uses):				
<i>Operating transfers in</i>	--	--	20,000	20,000
<i>Proceeds from capital leases</i>	--	--	140,000	140,000
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>160,000</u>	<u>160,000</u>
Net change in fund balance	192,483	(93,325)	359,035	452,360
Fund balances/equity, October 1	500,879	500,879	500,879	--
Fund balances/equity, September 30	<u>\$ 693,362</u>	<u>\$ 407,554</u>	<u>\$ 859,914</u>	<u>\$ 452,360</u>

GONZALES COUNTY, TEXAS
ROAD AND BRIDGE FUND PCT. #4
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 778,165	\$ 778,165	\$ 811,872	\$ 33,707
<i>Licenses and permits</i>	161,419	176,719	194,596	17,877
<i>Intergovernmental</i>	7,220	7,220	7,211	(9)
<i>Interest</i>	3,000	3,000	3,705	705
<i>Miscellaneous</i>	--	--	84,724	84,724
Total revenues	<u>949,804</u>	<u>965,104</u>	<u>1,102,108</u>	<u>137,004</u>
Expenditures:				
Current:				
<i>Public transportation</i>				
<i>Personnel</i>	351,746	351,746	330,068	21,678
<i>Supplies</i>	297,000	284,401	356,741	(72,340)
<i>Other services and charges</i>	72,485	118,284	117,238	1,046
<i>Capital outlays</i>	86,656	269,002	256,910	12,092
<i>Total public transportation</i>	<u>807,887</u>	<u>1,023,433</u>	<u>1,060,957</u>	<u>(37,524)</u>
Total expenditures	<u>807,887</u>	<u>1,023,433</u>	<u>1,060,957</u>	<u>(37,524)</u>
Excess (deficiency) of revenues (under) expenditures	141,917	(58,329)	41,151	99,480
Other financing sources (uses):				
<i>Proceeds from capital leases</i>	--	--	185,546	185,546
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>185,546</u>	<u>185,546</u>
Net change in fund balance	141,917	(58,329)	226,697	285,026
Fund balances/equity, October 1	296,520	296,520	296,520	--
Fund balances/equity, September 30	<u>\$ 438,437</u>	<u>\$ 238,191</u>	<u>\$ 523,217</u>	<u>\$ 285,026</u>

GONZALES COUNTY, TEXAS
 REVOLVING LOAN FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Interest</i>	\$ 14,598	\$ 14,598	\$ 15,834	\$ 1,236
Total revenues	<u>14,598</u>	<u>14,598</u>	<u>15,834</u>	<u>1,236</u>
Expenditures:				
Current:				
<i>General government</i>				
<i>Other services and charges</i>	--	--	8,185	(8,185)
Total general government	<u>--</u>	<u>--</u>	<u>8,185</u>	<u>(8,185)</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>8,185</u>	<u>(8,185)</u>
Excess (deficiency) of revenues (under) expenditures	14,598	14,598	7,649	(6,949)
Other financing sources (uses):				
<i>Principal received on loans</i>	130,498	130,498	141,484	10,986
<i>Loans disbursed from the revolving loan fund</i>	(150,000)	(150,000)	(160,000)	(10,000)
Total other financing sources (uses)	<u>(19,502)</u>	<u>(19,502)</u>	<u>(18,516)</u>	<u>986</u>
Net change in fund balance	(4,904)	(4,904)	(10,867)	(5,963)
Fund balances/equity, October 1	190,488	190,488	190,488	--
Fund balances/equity, September 30	<u>\$ 185,584</u>	<u>\$ 185,584</u>	<u>\$ 179,621</u>	<u>\$ (5,963)</u>

GONZALES COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 YEAR ENDED SEPTEMBER 30, 2012

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)
12/31/09	\$ 6,409,370	\$ 8,244,678	\$ 1,835,308	77.7%	\$ 3,773,107	48.6%
12/31/10	7,031,876	9,015,621	1,983,745	78.0%	3,875,281	51.2%
12/31/11	7,691,847	11,185,202	3,493,355	68.8%	4,024,955	86.8%

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%

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*Combining Statements and Budget Comparisons
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, 2012

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
<i>Cash and cash equivalents</i>	\$ 388,397	\$ --	\$ 388,397
<i>Due from others</i>	1,510	--	1,510
Restricted assets:			
<i>Cash and cash equivalents</i>	--	135,617	135,617
Total assets	<u>\$ 389,907</u>	<u>\$ 135,617</u>	<u>\$ 525,524</u>
LIABILITIES AND EQUITY			
Liabilities:			
<i>Accounts payable</i>	\$ 3,292	\$ --	\$ 3,292
<i>Accrued wages payable</i>	595	--	595
<i>Due to other funds</i>	45	--	45
<i>Deferred revenue</i>	3,156	--	3,156
Total liabilities	<u>7,088</u>	<u>--</u>	<u>7,088</u>
Equity:			
Restricted fund balance			
<i>Debt service</i>	--	135,617	135,617
<i>Special revenue funds</i>	382,819	--	382,819
Total equity	<u>382,819</u>	<u>135,617</u>	<u>518,436</u>
Total liabilities and equity	<u>\$ 389,907</u>	<u>\$ 135,617</u>	<u>\$ 525,524</u>

GONZALES COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:			
<i>Taxes</i>	\$ --	\$ 404,434	\$ 404,434
<i>Intergovernmental</i>	874	--	874
<i>Charges for services</i>	62,295	--	62,295
<i>Fines</i>	148,837	--	148,837
<i>Interest</i>	18	978	996
<i>Grants</i>	97,039	--	97,039
Total revenues	<u>309,063</u>	<u>405,412</u>	<u>714,475</u>
Expenditures:			
Current:			
<i>General government</i>	10,901	--	10,901
<i>Public safety</i>	97,039	--	97,039
<i>Judicial</i>	109,473	--	109,473
<i>Public facilities</i>	33,127	--	33,127
Debt service:			
<i>Principal</i>	--	320,000	320,000
<i>Interest and fiscal charges</i>	--	80,318	80,318
Total expenditures	<u>250,540</u>	<u>400,318</u>	<u>650,858</u>
Net change in fund balance	58,523	5,094	63,617
Fund balances/equity, October 1	324,296	130,523	454,819
Fund balances/equity, September 30	<u>\$ 382,819</u>	<u>\$ 135,617</u>	<u>\$ 518,436</u>

GONZALES COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	<u>Texas Wildfire Grant</u>	<u>Law Library Fund</u>	<u>Voter Registration Fund</u>	<u>Crime Stoppers Fund</u>
ASSETS				
<i>Cash and cash equivalents</i>	\$ 3,156	\$ 41,910	\$ 3,404	\$ 14,000
<i>Due from others</i>	--	--	--	--
Total assets	<u>\$ 3,156</u>	<u>\$ 41,910</u>	<u>\$ 3,404</u>	<u>\$ 14,000</u>
LIABILITIES AND EQUITY				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ 255	\$ --	\$ --
<i>Accrued wages payable</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<i>Deferred revenue</i>	3,156	--	--	--
Total liabilities	<u>3,156</u>	<u>255</u>	<u>--</u>	<u>--</u>
Equity:				
<i>Restricted fund balance</i>				
<i>Special revenue funds</i>	--	41,655	3,404	14,000
Total equity	<u>--</u>	<u>41,655</u>	<u>3,404</u>	<u>14,000</u>
Total liabilities and equity	<u>\$ 3,156</u>	<u>\$ 41,910</u>	<u>\$ 3,404</u>	<u>\$ 14,000</u>

Records Mgmt. County Clerk	County & District Records Management Fund	Court Reporter Service	Probate Court Fund	Courthouse Security Fund
\$ 94,247	\$ 29,259	\$ 76	\$ 834	\$ 28,196
--	--	--	--	--
<u>\$ 94,247</u>	<u>\$ 29,259</u>	<u>\$ 76</u>	<u>\$ 834</u>	<u>\$ 28,196</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	595
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>595</u>
<u>94,247</u>	<u>29,259</u>	<u>76</u>	<u>834</u>	<u>27,601</u>
<u>94,247</u>	<u>29,259</u>	<u>76</u>	<u>834</u>	<u>27,601</u>
<u>\$ 94,247</u>	<u>\$ 29,259</u>	<u>\$ 76</u>	<u>\$ 834</u>	<u>\$ 28,196</u>

GONZALES COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	Indigent Health Fund	Justice Court Technology	Appellate Judicial Fund	Homeland Security Fund
ASSETS				
<i>Cash and cash equivalents</i>	\$ 16,090	\$ 51,121	\$ 2,023	\$ --
<i>Due from others</i>	--	1,510	--	--
Total assets	<u>\$ 16,090</u>	<u>\$ 52,631</u>	<u>\$ 2,023</u>	<u>\$ --</u>
LIABILITIES AND EQUITY				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Accrued wages payable</i>	--	--	--	--
<i>Due to other funds</i>	--	45	--	--
<i>Deferred revenue</i>	--	--	--	--
Total liabilities	<u>--</u>	<u>45</u>	<u>--</u>	<u>--</u>
Equity:				
Restricted fund balance				
<i>Special revenue funds</i>	<u>16,090</u>	<u>52,586</u>	<u>2,023</u>	<u>--</u>
Total equity	<u>16,090</u>	<u>52,586</u>	<u>2,023</u>	<u>--</u>
Total liabilities and equity	<u>\$ 16,090</u>	<u>\$ 52,631</u>	<u>\$ 2,023</u>	<u>\$ --</u>

<u>Dist. Clk. Records Management</u>	<u>County Judge Excess State Supplement</u>	<u>Justice Court Building Security Fund</u>	<u>Family Protection Fee Fund</u>	<u>Child Abuse Prevention Fund</u>
\$ 4,700	\$ 4,544	\$ 24,077	\$ 2,150	\$ 605
--	--	--	--	--
<u>\$ 4,700</u>	<u>\$ 4,544</u>	<u>\$ 24,077</u>	<u>\$ 2,150</u>	<u>\$ 605</u>
\$ --	\$ 100	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>100</u>	<u>--</u>	<u>--</u>	<u>--</u>
4,700	4,444	24,077	2,150	605
<u>4,700</u>	<u>4,444</u>	<u>24,077</u>	<u>2,150</u>	<u>605</u>
<u>\$ 4,700</u>	<u>\$ 4,544</u>	<u>\$ 24,077</u>	<u>\$ 2,150</u>	<u>\$ 605</u>

GONZALES COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2012

	Records Mgmt. and Protection Fund	HAVA Fund	Mediation Fee Fund	Supplemental Guardianship Fee Fund
ASSETS				
<i>Cash and cash equivalents</i>	\$ 3,662	\$ 11,804	\$ 25,185	\$ 6,640
<i>Due from others</i>	--	--	--	--
Total assets	<u>\$ 3,662</u>	<u>\$ 11,804</u>	<u>\$ 25,185</u>	<u>\$ 6,640</u>
LIABILITIES AND EQUITY				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Accrued wages payable</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Equity:				
Restricted fund balance				
<i>Special revenue funds</i>	<u>3,662</u>	<u>11,804</u>	<u>25,185</u>	<u>6,640</u>
Total equity	<u>3,662</u>	<u>11,804</u>	<u>25,185</u>	<u>6,640</u>
Total liabilities and equity	<u>\$ 3,662</u>	<u>\$ 11,804</u>	<u>\$ 25,185</u>	<u>\$ 6,640</u>

Vital Statistics Fee Fund	MVNA Fund	Digital Records Preservation	County & District Court Technology	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 7,333	\$ 2,840	\$ 8,950	\$ 1,591	\$ 388,397
--	--	--	--	1,510
<u>\$ 7,333</u>	<u>\$ 2,840</u>	<u>\$ 8,950</u>	<u>\$ 1,591</u>	<u>\$ 389,907</u>
\$ --	\$ 2,937	\$ --	\$ --	\$ 3,292
--	--	--	--	595
--	--	--	--	45
--	--	--	--	3,156
<u>--</u>	<u>2,937</u>	<u>--</u>	<u>--</u>	<u>7,088</u>
7,333	(97)	8,950	1,591	382,819
<u>7,333</u>	<u>(97)</u>	<u>8,950</u>	<u>1,591</u>	<u>382,819</u>
<u>\$ 7,333</u>	<u>\$ 2,840</u>	<u>\$ 8,950</u>	<u>\$ 1,591</u>	<u>\$ 389,907</u>

GONZALES COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Texas Wildfire Grant	Law Library Fund	Voter Registration Fund	Crime Stoppers Fund
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ --	\$ --
<i>Charges for services</i>	--	--	--	--
<i>Fines</i>	--	10,466	--	--
<i>Interest</i>	--	--	--	--
<i>Grants</i>	11,425	--	--	--
Total revenues	<u>11,425</u>	<u>10,466</u>	<u>--</u>	<u>--</u>
Expenditures:				
Current:				
<i>General government</i>	--	--	--	--
<i>Public safety</i>	11,425	--	--	--
<i>Judicial</i>	--	4,175	--	--
<i>Public facilities</i>	--	--	--	--
Total expenditures	<u>11,425</u>	<u>4,175</u>	<u>--</u>	<u>--</u>
Net change in fund balance	--	6,291	--	--
Fund balances/equity, October 1	--	35,364	3,404	14,000
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ 41,655</u>	<u>\$ 3,404</u>	<u>\$ 14,000</u>

Records Mgmt. County Clerk	County & District Records Management Fund	Court Reporter Service	Probate Court Fund	Courthouse Security Fund
\$ --	\$ --	\$ --	\$ --	\$ --
44,465	7,987	--	209	--
--	--	3,015	--	25,660
--	--	--	--	--
--	--	--	--	--
<u>44,465</u>	<u>7,987</u>	<u>3,015</u>	<u>209</u>	<u>25,660</u>
1,580	7,200	--	--	--
--	--	--	--	--
--	--	5,331	1,049	--
--	--	--	--	33,127
<u>1,580</u>	<u>7,200</u>	<u>5,331</u>	<u>1,049</u>	<u>33,127</u>
42,885	787	(2,316)	(840)	(7,467)
51,362	28,472	2,392	1,674	35,068
<u>\$ 94,247</u>	<u>\$ 29,259</u>	<u>\$ 76</u>	<u>\$ 834</u>	<u>\$ 27,601</u>

GONZALES COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Indigent Health Fund	Justice Court Technology	Appellate Judicial Fund	Homeland Security Fund
Revenues:				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Charges for services	--	--	--	--
Fines	--	28,382	1,530	--
Interest	18	--	--	--
Grants	--	--	--	85,614
Total revenues	<u>18</u>	<u>28,382</u>	<u>1,530</u>	<u>85,614</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public safety	--	--	--	85,614
Judicial	--	26,502	1,198	--
Public facilities	--	--	--	--
Total expenditures	<u>--</u>	<u>26,502</u>	<u>1,198</u>	<u>85,614</u>
Net change in fund balance	18	1,880	332	--
Fund balances/equity, October 1	16,072	50,706	1,691	--
Fund balances/equity, September 30	<u>\$ 16,090</u>	<u>\$ 52,586</u>	<u>\$ 2,023</u>	<u>\$ --</u>

Dist. Clk. Records Management	County Judge Excess State Supplement	Justice Court Building Security Fund	Family Protection Fee Fund	Child Abuse Prevention Fund
\$ --	\$ 874	\$ --	\$ --	\$ --
--	--	5,209	1,275	--
1,520	--	--	--	105
--	--	--	--	--
--	--	--	--	--
<u>1,520</u>	<u>874</u>	<u>5,209</u>	<u>1,275</u>	<u>105</u>
--	1,835	--	--	--
--	--	--	--	--
507	--	4,500	--	--
--	--	--	--	--
<u>507</u>	<u>1,835</u>	<u>4,500</u>	<u>--</u>	<u>--</u>
1,013	(961)	709	1,275	105
3,687	5,405	23,368	875	500
<u>\$ 4,700</u>	<u>\$ 4,444</u>	<u>\$ 24,077</u>	<u>\$ 2,150</u>	<u>\$ 605</u>

GONZALES COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Records Mgmt. and Protection Fund	HAVA Fund	Mediation Fee Fund	Supplemental Guardianship Fee Fund
Revenues:				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Charges for services	--	3,150	--	--
Fines	651	--	2,990	1,400
Interest	--	--	--	--
Grants	--	--	--	--
Total revenues	<u>651</u>	<u>3,150</u>	<u>2,990</u>	<u>1,400</u>
Expenditures:				
Current:				
General government	--	286	--	--
Public safety	--	--	--	--
Judicial	--	--	--	--
Public facilities	--	--	--	--
Total expenditures	<u>--</u>	<u>286</u>	<u>--</u>	<u>--</u>
Net change in fund balance	651	2,864	2,990	1,400
Fund balances/equity, October 1	3,011	8,940	22,195	5,240
Fund balances/equity, September 30	<u>\$ 3,662</u>	<u>\$ 11,804</u>	<u>\$ 25,185</u>	<u>\$ 6,640</u>

Vital Statistics Fee Fund	MVNA Fund	Digital Records Preservation	County & District Court Technology	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ --	\$ 874
--	--	--	--	62,295
1,174	67,945	3,140	859	148,837
--	--	--	--	18
--	--	--	--	97,039
<u>1,174</u>	<u>67,945</u>	<u>3,140</u>	<u>859</u>	<u>309,063</u>
--	--	--	--	10,901
--	--	--	--	97,039
--	66,211	--	--	109,473
--	--	--	--	33,127
<u>--</u>	<u>66,211</u>	<u>--</u>	<u>--</u>	<u>250,540</u>
1,174	1,734	3,140	859	58,523
6,159	(1,831)	5,810	732	324,296
<u>\$ 7,333</u>	<u>\$ (97)</u>	<u>\$ 8,950</u>	<u>\$ 1,591</u>	<u>\$ 382,819</u>

GONZALES COUNTY, TEXAS
 TEXAS WILDFIRE GRANT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Grants</i>	\$ --	\$ --	\$ 11,425	\$ 11,425
Total revenues	<u> --</u>	<u> --</u>	<u>11,425</u>	<u>11,425</u>
Expenditures:				
Current:				
<i>Public safety</i>				
<i>Other services and charges</i>	--	--	11,425	(11,425)
Total public safety	<u> --</u>	<u> --</u>	<u>11,425</u>	<u>(11,425)</u>
Total expenditures	<u> --</u>	<u> --</u>	<u>11,425</u>	<u>(11,425)</u>
Net change in fund balance	--	--	--	--
Fund balances/equity, October 1	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

GONZALES COUNTY, TEXAS
 RECORDS MANAGEMENT-COUNTY CLERK FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ 35,000	\$ 35,000	\$ 44,465	\$ 9,465
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>44,465</u>	<u>9,465</u>
Expenditures:				
Current:				
<i>General government</i>				
<i>Capital outlays</i>	20,000	20,000	1,580	18,420
Total general government	<u>20,000</u>	<u>20,000</u>	<u>1,580</u>	<u>18,420</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>1,580</u>	<u>18,420</u>
Net change in fund balance	15,000	15,000	42,885	27,885
Fund balances/equity, October 1	51,578	51,578	51,362	(216)
Fund balances/equity, September 30	<u>\$ 66,578</u>	<u>\$ 66,578</u>	<u>\$ 94,247</u>	<u>\$ 27,669</u>

GONZALES COUNTY, TEXAS
 COUNTY & DISTRICT RECORDS MANAGEMENT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ --	\$ --	\$ 7,987	\$ 7,987
Total revenues	<u> --</u>	<u> --</u>	<u> 7,987</u>	<u> 7,987</u>
Expenditures:				
Current:				
<i>General government</i>				
<i>Other services and charges</i>	7,200	7,200	7,200	--
Total general government	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>--</u>
Total expenditures	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>--</u>
Net change in fund balance	(7,200)	(7,200)	787	7,987
Fund balances/equity, October 1	28,472	28,472	28,472	--
Fund balances/equity, September 30	<u>\$ 21,272</u>	<u>\$ 21,272</u>	<u>\$ 29,259</u>	<u>\$ 7,987</u>

GONZALES COUNTY, TEXAS
COURT REPORTER SERVICE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Fines</i>	\$ 3,000	\$ 3,000	\$ 3,015	\$ 15
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,015</u>	<u>15</u>
Expenditures:				
Current:				
<i>Judicial</i>				
<i>Other services and charges</i>	2,000	2,000	5,331	(3,331)
<i>Total health and welfare</i>	<u>2,000</u>	<u>2,000</u>	<u>5,331</u>	<u>(3,331)</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>5,331</u>	<u>(3,331)</u>
Net change in fund balance	1,000	1,000	(2,316)	(3,316)
Fund balances/equity, October 1	2,392	2,392	2,392	--
Fund balances/equity, September 30	<u>\$ 3,392</u>	<u>\$ 3,392</u>	<u>\$ 76</u>	<u>\$ (3,316)</u>

GONZALES COUNTY, TEXAS
PROBATE COURT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ 250	\$ 250	\$ 209	\$ (41)
Total revenues	<u>250</u>	<u>250</u>	<u>209</u>	<u>(41)</u>
Expenditures:				
Current:				
<i>Judicial</i>				
<i>Other services and charges</i>	1,700	1,700	1,049	651
<i>Total health and welfare</i>	<u>1,700</u>	<u>1,700</u>	<u>1,049</u>	<u>651</u>
Total expenditures	<u>1,700</u>	<u>1,700</u>	<u>1,049</u>	<u>651</u>
Net change in fund balance	(1,450)	(1,450)	(840)	610
Fund balances/equity, October 1	1,674	1,674	1,674	--
Fund balances/equity, September 30	<u>\$ 224</u>	<u>\$ 224</u>	<u>\$ 834</u>	<u>\$ 610</u>

GONZALES COUNTY, TEXAS
COURTHOUSE SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Fines</i>	\$ 36,100	\$ 36,100	\$ 25,660	\$ (10,440)
Total revenues	<u>36,100</u>	<u>36,100</u>	<u>25,660</u>	<u>(10,440)</u>
Expenditures:				
Current:				
<i>Public facilities</i>				
<i>Personnel</i>	23,475	36,050	28,627	7,423
<i>Other services and charges</i>	--	4,500	4,500	--
Total public facilities	<u>23,475</u>	<u>40,550</u>	<u>33,127</u>	<u>7,423</u>
Total expenditures	<u>23,475</u>	<u>40,550</u>	<u>33,127</u>	<u>7,423</u>
Net change in fund balance	12,625	(4,450)	(7,467)	(3,017)
Fund balances/equity, October 1	35,068	35,068	35,068	--
Fund balances/equity, September 30	<u>\$ 47,693</u>	<u>\$ 30,618</u>	<u>\$ 27,601</u>	<u>\$ (3,017)</u>

GONZALES COUNTY, TEXAS
HOMELAND SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Grants</i>	\$ 54,567	\$ 54,567	\$ 85,614	\$ 31,047
Total revenues	<u>54,567</u>	<u>54,567</u>	<u>85,614</u>	<u>31,047</u>
Expenditures:				
Current:				
<i>Public safety</i>				
<i>Other services and charges</i>	54,567	54,567	85,614	(31,047)
Total public safety	<u>54,567</u>	<u>54,567</u>	<u>85,614</u>	<u>(31,047)</u>
Total expenditures	<u>54,567</u>	<u>54,567</u>	<u>85,614</u>	<u>(31,047)</u>
Net change in fund balance	--	--	--	--
Fund balances/equity, October 1	--	--	--	--
Fund balances/equity, September 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

GONZALES COUNTY, TEXAS
 DISTRICT CLERK RECORDS MANAGEMENT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Fines</i>	\$ 1,500	\$ 1,500	\$ 1,520	\$ 20
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,520</u>	<u>20</u>
Expenditures:				
Current:				
<i>Judicial</i>				
<i>Capital outlays</i>	3,000	3,000	507	2,493
<i>Total health and welfare</i>	<u>3,000</u>	<u>3,000</u>	<u>507</u>	<u>2,493</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>507</u>	<u>2,493</u>
Net change in fund balance	(1,500)	(1,500)	1,013	2,513
Fund balances/equity, October 1	3,687	3,687	3,687	--
Fund balances/equity, September 30	<u>\$ 2,187</u>	<u>\$ 2,187</u>	<u>\$ 4,700</u>	<u>\$ 2,513</u>

GONZALES COUNTY, TEXAS
 COUNTY JUDGE EXCESS STATE SUPPLEMENT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ 874	\$ 874
Total revenues	<u> --</u>	<u> --</u>	<u> 874</u>	<u> 874</u>
Expenditures:				
Current:				
<i>General government</i>				
<i>Other services and charges</i>	--	617	1,835	(1,218)
Total general government	<u> --</u>	<u> 617</u>	<u> 1,835</u>	<u> (1,218)</u>
Total expenditures	<u> --</u>	<u> 617</u>	<u> 1,835</u>	<u> (1,218)</u>
Net change in fund balance	--	(617)	(961)	(344)
Fund balances/equity, October 1	5,405	5,405	5,405	--
Fund balances/equity, September 30	<u>\$ 5,405</u>	<u>\$ 4,788</u>	<u>\$ 4,444</u>	<u>\$ (344)</u>

GONZALES COUNTY, TEXAS
 FAMILY PROTECTION FEE FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,200	\$ 1,200	\$ 1,275	\$ 75
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>1,275</u>	<u>75</u>
Expenditures:				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balance	1,200	1,200	1,275	75
Fund balances/equity, October 1	875	875	875	--
Fund balances/equity, September 30	<u>\$ 2,075</u>	<u>\$ 2,075</u>	<u>\$ 2,150</u>	<u>\$ 75</u>

GONZALES COUNTY, TEXAS
HAVA FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ --	\$ --	\$ 3,150	\$ 3,150
Total revenues	<u> --</u>	<u> --</u>	<u> 3,150</u>	<u> 3,150</u>
Expenditures:				
Current:				
<i>General government</i>				
<i>Other services and charges</i>	--	3,000	286	2,714
Total general government	<u> --</u>	<u> 3,000</u>	<u> 286</u>	<u> 2,714</u>
Total expenditures	<u> --</u>	<u> 3,000</u>	<u> 286</u>	<u> 2,714</u>
Net change in fund balance	--	(3,000)	2,864	5,864
Fund balances/equity, October 1	8,940	8,940	8,940	--
Fund balances/equity, September 30	<u>\$ 8,940</u>	<u>\$ 5,940</u>	<u>\$ 11,804</u>	<u>\$ 5,864</u>

GONZALES COUNTY, TEXAS
 VITAL STATISTICS FEE FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-16

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Fines</i>	\$ (1,200)	\$ (1,200)	\$ 1,174	\$ 2,374
Total revenues	<u>(1,200)</u>	<u>(1,200)</u>	<u>1,174</u>	<u>2,374</u>
Expenditures:				
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balance	(1,200)	(1,200)	1,174	2,374
Fund balances/equity, October 1	6,159	6,159	6,159	--
Fund balances/equity, September 30	<u>\$ 4,959</u>	<u>\$ 4,959</u>	<u>\$ 7,333</u>	<u>\$ 2,374</u>

GONZALES COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-17

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 352,050	\$ 352,050	\$ 404,434	\$ 52,384
<i>Interest</i>	1,500	1,500	978	(522)
Total revenues	<u>353,550</u>	<u>353,550</u>	<u>405,412</u>	<u>51,862</u>
Expenditures:				
Debt service:				
<i>Principal</i>	320,000	320,000	320,000	--
<i>Interest and fiscal charges</i>	86,484	86,484	80,318	6,166
Total expenditures	<u>406,484</u>	<u>406,484</u>	<u>400,318</u>	<u>6,166</u>
Net change in fund balance	(52,934)	(52,934)	5,094	58,028
Fund balances/equity, October 1	130,523	130,523	130,523	--
Fund balances/equity, September 30	<u>\$ 77,589</u>	<u>\$ 77,589</u>	<u>\$ 135,617</u>	<u>\$ 58,028</u>