

GONZALES COUNTY, TEXAS

*ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED SEPTEMBER 30, 2009*

Gonzales County, Texas  
Annual Financial Report  
For The Year Ended September 30, 2009

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*Financial Section*

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

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

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

**Members of the Commissioners' Court:**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gonzales County, Texas as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Gonzales County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, except for the effect on the financial statements of the omission discussed in the previous paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gonzales County, Texas as of September 30, 2009, 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.

The Management's Discussion and Analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the Gonzales County, Texas' basic financial statements. The accompanying combining financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Floyd & Gindler, PC

May 15, 2010

## 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, 2009. Please read it in conjunction with the County's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

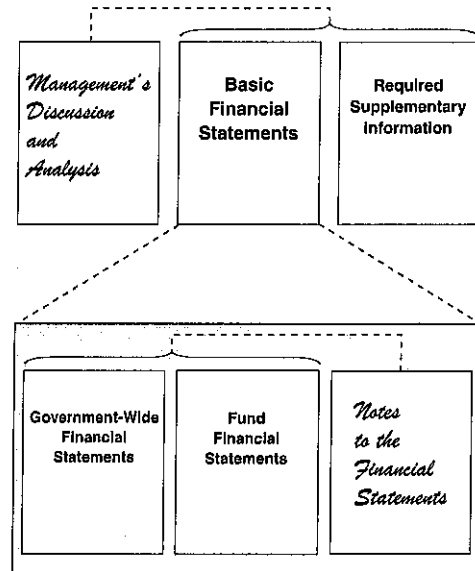
- The County's total combined net assets were \$3,364,092 at September 30, 2009.
- During the year, the County's expenses were \$232,349 less than the \$9,453,360 generated in taxes and other revenues for governmental activities.
- The total cost of the County's programs was virtually unchanged from last year, and no new programs were added this year.
- The general fund reported a fund balance this year of \$1,473,955.
- The County's issued no bonds during fiscal year September 30, 2009.

### 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.

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



**Government-wide Statements**

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

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

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

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

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

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

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

### **Fund Financial Statements**

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

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

The County has the following kinds of funds:

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

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

Net assets. The County's combined net assets were \$3,364,092 at September 30, 2009. (See Table A-1).

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

	Governmental Activities		Year to Year Change	Total Percentage Change 2009-2008
	2009	2008		
<b>Assets</b>				
<b>Current assets:</b>				
Cash and equivalents	\$ 3,796,962	4,281,760	(484,798)	-11%
Receivables, net of allowance				
Taxes	485,331	440,533	44,798	10%
Notes	735,870	605,522	130,348	22%
Due from other governments	98,661	53,874	44,787	83%
Restricted cash and cash equivalents	133,494	152,433	(18,939)	-12%
Total current assets	<u>5,250,318</u>	<u>5,534,122</u>	<u>(283,804)</u>	<u>-5%</u>
<b>Noncurrent assets:</b>				
Capital assets, net of accumulated depreciation	2,410,495	2,010,681	399,814	20%
Total assets	<u>7,660,813</u>	<u>7,544,803</u>	<u>116,010</u>	<u>2%</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	515,284	354,731	160,553	45%
Accrued wages	129,137	110,364	18,773	17%
Compensated absences	183,222	155,607	27,615	18%
Deferred revenues	25,833	-	25,833	n/a
Current portion capital leases and bond payable	495,477	457,249	38,228	8%
Total current liabilities	<u>1,348,953</u>	<u>1,077,951</u>	<u>271,002</u>	<u>25%</u>
<b>Long-term liabilities:</b>				
Capital leases payable	342,768	440,109	(97,341)	-22%
Bond and notes payable	2,605,000	2,895,000	(290,000)	-10%
Total long-term liabilities	<u>2,947,768</u>	<u>3,335,109</u>	<u>(387,341)</u>	<u>-12%</u>
Total liabilities	<u>4,296,721</u>	<u>4,413,060</u>	<u>(116,339)</u>	<u>-3%</u>
<b>Net assets</b>				
Investment in capital assets	(1,032,750)	(1,781,677)	748,927	-42%
Restricted-debt service	133,494	152,433	(18,939)	-12%
Restricted-economic development	151,836	270,412	(118,576)	-44%
Unrestricted	4,111,512	4,490,575	(379,063)	-8%
Total net assets	<u>3,364,092</u>	<u>3,131,743</u>	<u>232,349</u>	<u>7%</u>

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 \$4,111,512 of unrestricted net assets represents resources available to fund the programs of the County next year.

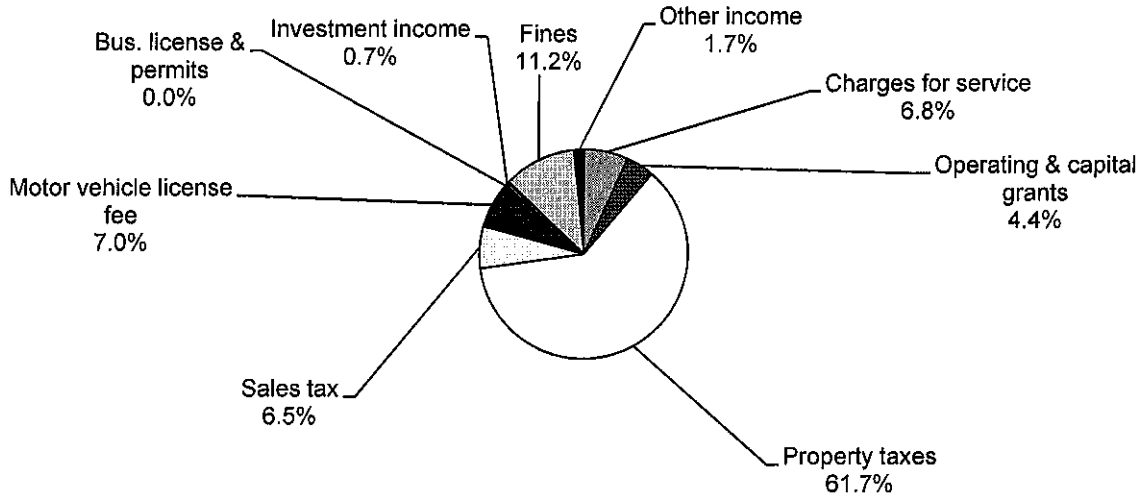
**Changes in net assets.** The County's total revenues were \$9,453,360. (Table A-2.) A significant portion, 61.7% of the County's revenue comes from property taxes. (See Figure A-3.) 6.8% percent comes from charges for services, 6.5% from sales taxes, 7.0% from motor vehicle licenses, 11.2% from court fines, 0.7% from investment income 4.4% from operating grants and 1.7% from all other sources.

The total cost of all governmental programs and services was \$9,221,011; 34.3% of these costs were for public safety; 25.9% were for public transportation; 16.0% for general government; 6.2% for financial administration; 11.6% for judicial; and 6.0% for all others.

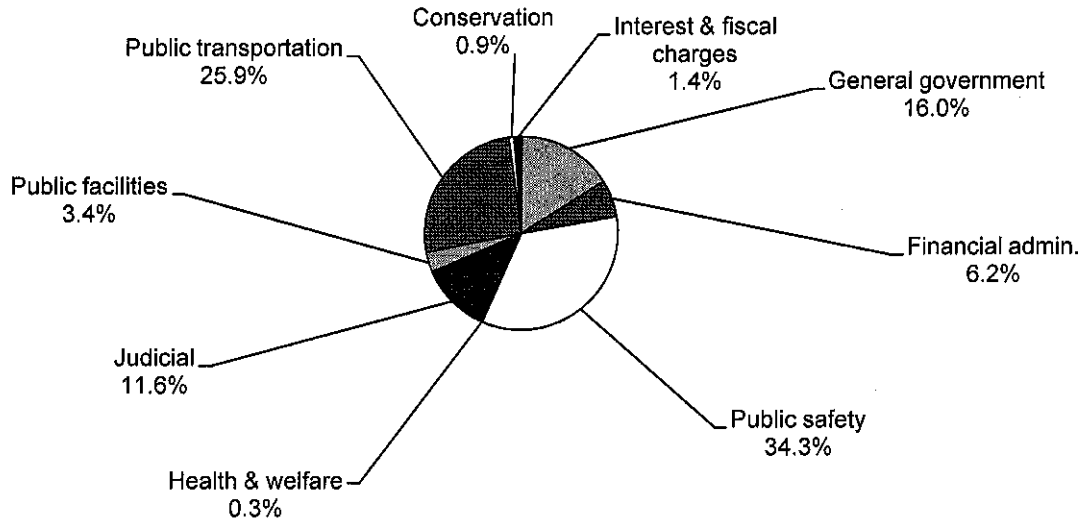
**Governmental Activities**

The tax rate for the 2008-2009 budget year decreased from .7042 to .6450.

**Figure A-3 County  
Sources of Revenues for Fiscal Year 2009**



**Figure A-4 County  
Sources of Expenditures for Fiscal Year 2009**



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

	Governmental Activities		Year to Year Change	Total Percentage Change 2009-2008
	2009	2008		
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 640,284	648,903	(8,619)	-1%
Operating grants	414,778	303,047	111,731	37%
General revenues:				
Property taxes	5,832,304	5,512,615	319,689	6%
Sales taxes	612,198	600,668	11,530	2%
Motor vehicle license fees	664,536	506,126	158,410	31%
Bus. licenses & permits	1,730	1,814	(84)	-5%
Investment income	68,115	198,932	(130,817)	-66%
Court fees and fines	1,061,062	1,107,791	(46,729)	-4%
Other income	158,353	330,976	(172,623)	-52%
<b>Total revenues</b>	<u>9,453,360</u>	<u>9,210,872</u>	<u>242,488</u>	<u>3%</u>
<b>Expenses</b>				
General government	1,476,262	1,396,821	79,441	6%
Financial administration	572,119	550,575	21,544	4%
Public safety	3,159,361	2,824,203	335,158	12%
Health & welfare	30,079	26,717	3,362	13%
Judicial	1,071,069	994,977	76,092	8%
Public facilities	313,005	198,868	114,137	57%
Public transportation	2,388,420	2,522,737	(134,317)	-5%
Conservation	86,056	86,181	(125)	0%
Interest and fiscal charges	124,640	135,969	(11,329)	-8%
<b>Total expenses</b>	<u>9,221,011</u>	<u>8,737,048</u>	<u>483,963</u>	<u>6%</u>
Increase in net assets	<u>232,349</u>	<u>473,824</u>	<u>(241,475)</u>	<u>-51%</u>
Net assets - beginning	<u>3,131,743</u>	<u>2,657,919</u>	<u>473,824</u>	<u>18%</u>
Net assets - ending	<u>3,364,092</u>	<u>3,131,743</u>	<u>232,349</u>	<u>7%</u>

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

- The cost of all *governmental* activities this year was \$9,221,011.
- The amount that taxpayers paid for these activities through property taxes was \$5,832,304.
- Some of the costs were paid by those who directly benefited from the programs, \$640,284, and others by operating grants of \$414,778.

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

	Total Cost of Services			%	Net Cost of Services		
	2009	2008	Change		2009	2008	Change
General government	1,476,362	1,396,821	-6%	1,209,650	1,169,366	-3%	
Public safety	3,159,361	2,824,203	-12%	2,943,135	2,665,211	-10%	
Judicial	1,071,069	994,977	-8%	1,036,770	937,282	-11%	
Public transportation	2,388,420	2,522,737	5%	2,359,472	2,313,913	-2%	

**Business-type Activities**

The County's has no business-type activities.

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

Revenues from governmental fund types totaled \$9,408,564 an increase of \$255,016 or 2.2%. The most significant changes took place in property taxes, a \$322,852 increase, and sales tax, a \$158,326 increase. Major declines were noted in investment earning and grant revenues. A decrease of \$130,818 in investment earnings was due to decreasing investment amounts and a decline in interest rates paid on investments. During 2008, the County received \$180,163 in FEMA grants in the Road and Bridge Funds that were not repeated in the current year.

**General Fund Budgetary Highlights**

Over the course of the year, the County revised its budget. Even with these adjustments, actual expenditures were \$220,347 below final budget amounts.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2009, the County had not fully reported all capital assets owned on the government-wide financial statements. Only those assets acquired within the last four years are reported. The County had invested \$2,410,495 in capital assets, net of accumulated depreciations. (See Table A-4.)

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

	Governmental Activites		Year to Year Change	Total Percentage Change 2009-2008
	2009	2008		
Buildjngs and improvements	50,236	50,236	-	n/a
Equipment	2,001,503	1,145,864	855,639	75%
Assets under capital leases	960,227	835,377	124,850	15%
Construction in progress	-	286,169	(286,169)	n/a
Total capital assets	3,011,966	2,317,646	694,320	30%
Accumulated depreciation	(601,471)	(306,965)	(294,506)	96%
Net capital assets	2,410,495	2,010,681	399,814	20%

**Long Term Debt**

At year-end the County had \$3,443,245 in outstanding long term debt as shown in Table A-5. More detailed information about the County's debt is presented in the notes to the financial statements.

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

	Governmental Activities		Year to Year Change	Total Percentage Change 2009-2008
	2009	2008		
Bonds payable	2,895,000	3,175,000	(280,000)	-9%
Capital leases	548,245	617,358	(69,113)	-11%
Total long term debt	<u>3,443,245</u>	<u>3,792,358</u>	<u>(349,113)</u>	<u>-9%</u>

**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 2010 budget, as of July 30, 2009, Gonzales County had a net taxable appraised value of \$979 million, which was \$56 million more than the previous year, a 6.07% increase. This is the result of increased property value and growth.

These indicators were taken into account when adopting the general fund budget for 2010. The property tax rate for the 2010 budget was set at the previous year's tax rate of \$.6450 per hundred dollar valuation.

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

The general operating fund spending decreases in the 2010 budget to \$6.1 from \$6.4 million in the 2009 budget. This is a 4% decrease.

**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

*Basic Financial Statements*



**GONZALES COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2009**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Assets:	
<i>Cash and cash equivalents</i>	\$ 3,796,962
Receivables (net of allowances for uncollectibles):	
<i>Taxes</i>	485,331
<i>Notes</i>	735,870
<i>Due from other governments</i>	98,661
Restricted assets:	
<i>Cash and cash equivalents</i>	133,494
<i>Fixed assets (net of depreciaton)</i>	2,410,495
<b>Total assets</b>	<u><u>7,660,813</u></u>
<b>LIABILITIES</b>	
<i>Accounts payable</i>	515,284
<i>Accrued wages payable</i>	129,137
<i>Compensated absences payable</i>	183,222
<i>Deferred revenue</i>	25,833
<i>Non current liabilities:</i>	
<i>Due within one year</i>	495,477
<i>Due in more than one year</i>	2,947,768
<b>Total liabilities</b>	<u><u>4,296,721</u></u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	(1,032,750)
Restricted for:	
Debt service	133,494
Economic development	151,836
Unrestricted	4,111,512
<b>Total net assets</b>	<u><u>\$ 3,364,092</u></u>

The accompanying notes are an integral part of this statement.

**GONZALES COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
<b>Primary Government</b>				
Governmental activities				
<i>General government</i>	1,476,262	220,951	45,661	(1,209,650)
<i>Financial administration</i>	572,119	316,134	--	(255,985)
<i>Public safety</i>	3,159,361	68,900	340,169	(2,750,292)
<i>Health and welfare</i>	30,079	--	--	(30,079)
<i>Judicial</i>	1,071,069	34,299	--	(1,036,770)
<i>Public facilities</i>	313,005	--	--	(313,005)
<i>Public transportation</i>	2,388,420	--	28,948	(2,359,472)
<i>Conservation</i>	86,056	--	--	(86,056)
<i>Interest and fiscal charges</i>	124,640	--	--	(124,640)
Total government activities	<u>9,221,011</u>	<u>640,284</u>	<u>414,778</u>	<u>(8,165,949)</u>
Total primary government	<u>\$ 9,221,011</u>	<u>\$ 640,284</u>	<u>\$ 414,778</u>	<u>(8,165,949)</u>
General revenues:				
<i>Property taxes</i>				5,832,304
<i>Sales taxes</i>				612,198
<i>Licenses and permits</i>				1,730
<i>Motor vehicle licenses</i>				664,536
<i>Court fines</i>				1,061,062
<i>Other revenues</i>				158,353
<i>Investment earnings</i>				68,115
Total general revenues				<u>8,398,298</u>
Change in net assets				232,349
Net assets - beginning				3,131,743
Net assets - ending				<u>\$ 3,364,092</u>

The accompanying notes are an integral part of this statement.

**GONZALES COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2009**

	General Fund	Road and Bridge Fund Pct. #1	Road and Bridge Fund Pct. #2
<b>ASSETS</b>			
<i>Assets:</i>			
<i>Cash and cash equivalents</i>	\$ 1,958,601	\$ 504,385	\$ 169,685
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Taxes</i>	485,331	--	--
<i>Notes</i>	8,130	--	--
<i>Due from other governments</i>	47,675	--	--
<i>Restricted assets:</i>			
<i>Cash and cash equivalents</i>	--	--	--
<b>Total assets</b>	<b><u>\$ 2,499,737</u></b>	<b><u>\$ 504,385</u></b>	<b><u>\$ 169,685</u></b>
<b>LIABILITIES AND EQUITY</b>			
<i>Liabilities:</i>			
<i>Accounts payable</i>	\$ 407,192	\$ 14,356	\$ 12,841
<i>Accrued wages payable</i>	99,296	7,958	7,582
<i>Deferred revenue</i>	519,294	--	--
<b>Total liabilities</b>	<b><u>1,025,782</u></b>	<b><u>22,314</u></b>	<b><u>20,423</u></b>
<i>Equity:</i>			
<i>Fund balances:</i>			
<i>Reserved for debt service</i>	--	--	--
<i>Reserved for economic development</i>	--	--	--
<i>Unreserved, designated</i>	--	--	--
<i>Unreserved, undesignated</i>	1,473,955	482,071	149,262
<b>Total equity</b>	<b><u>1,473,955</u></b>	<b><u>482,071</u></b>	<b><u>149,262</u></b>
<b>Total liabilities and equity</b>	<b><u>\$ 2,499,737</u></b>	<b><u>\$ 504,385</u></b>	<b><u>\$ 169,685</u></b>

The accompanying notes are an integral part of this statement.

Road and Bridge Fund Pct. #3	Road and Bridge Fund Pct. #4	Revolving Loan Fund	Other Governmental Funds	Total Governmental Funds
\$ 523,985	\$ 277,093	\$ 152,287	\$ 209,566	\$ 3,795,602
--	--	--	--	485,331
--	--	727,740	--	735,870
--	--	--	50,986	98,661
--	--	--	133,494	133,494
<u>\$ 523,985</u>	<u>\$ 277,093</u>	<u>\$ 880,027</u>	<u>\$ 394,046</u>	<u>\$ 5,248,958</u>
\$ 11,764	\$ 12,990	\$ 451	\$ 54,330	\$ 513,924
7,072	6,628	--	601	129,137
--	--	727,740	--	1,247,034
<u>18,836</u>	<u>19,618</u>	<u>728,191</u>	<u>54,931</u>	<u>1,890,095</u>
--	--	--	133,494	133,494
--	--	151,836	--	151,836
--	--	--	204,875	204,875
505,149	257,475	--	746	2,868,658
<u>505,149</u>	<u>257,475</u>	<u>151,836</u>	<u>339,115</u>	<u>3,358,863</u>
<u>\$ 523,985</u>	<u>\$ 277,093</u>	<u>\$ 880,027</u>	<u>\$ 394,046</u>	<u>\$ 5,248,958</u>

**GONZALES COUNTY, TEXAS**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2009**

Total fund balances - governmental funds balance sheet	\$ 3,358,863
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.	2,410,495
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	485,331
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,895,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(548,245)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(183,222)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	<u>735,870</u>
Net assets of governmental activities - statement of net assets	<u>\$ 3,364,092</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, 2009**

	General Fund	Road and Bridge Fund Pct. #1	Road and Bridge Fund Pct. #2
Revenue:			
Taxes	\$ 4,312,004	\$ 413,578	\$ 463,002
Licenses and permits	1,730	166,134	166,134
Intergovernmental	66,973	7,237	7,237
Charges for services	585,016	--	--
Fines	910,293	--	--
Interest	25,312	7,496	2,005
Miscellaneous	111,844	4,744	21,028
Grants	--	--	--
Total revenues	<u>6,013,172</u>	<u>599,189</u>	<u>659,406</u>
Expenditures:			
Current:			
General government	1,487,555	--	--
Financial administration	574,477	--	--
Public safety	2,943,081	--	--
Health and welfare	29,715	--	--
Judicial	965,918	--	--
Public facilities	277,440	--	--
Public transportation	--	787,530	632,591
Conservation	83,843	--	--
Debt service:			
Principal	--	--	--
Interest and fiscal charges	--	--	--
Total expenditures	<u>6,362,029</u>	<u>787,530</u>	<u>632,591</u>
Excess (deficiency) of revenues (under) expenditures	(348,857)	(188,341)	26,815
Other financing sources (uses):			
Principal received on loans	--	--	--
Proceeds from capital leases	--	124,850	--
Total other financing sources (uses)	<u>--</u>	<u>124,850</u>	<u>--</u>
Net change in fund balance	(348,857)	(63,491)	26,815
Fund balances/equity, October 1	1,822,812	545,562	122,447
Fund balances/equity, September 30	<u>\$ 1,473,955</u>	<u>\$ 482,071</u>	<u>\$ 149,262</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
\$ 413,578	\$ 413,578	\$ --	\$ 383,965	\$ 6,399,705
166,134	166,134	--	--	666,266
7,237	7,237	--	1,605	97,526
--	--	--	32,351	617,367
--	--	--	150,770	1,061,063
7,487	3,831	20,117	1,866	68,114
11,910	7,500	--	1,327	158,353
--	--	--	340,169	340,169
<u>606,346</u>	<u>598,280</u>	<u>20,117</u>	<u>912,053</u>	<u>9,408,563</u>
--	--	248,345	33,637	1,769,537
--	--	--	--	574,477
--	--	--	340,169	3,283,250
--	--	--	--	29,715
--	--	--	156,945	1,122,863
--	--	--	35,019	312,459
665,137	641,131	--	--	2,726,389
--	--	--	--	83,843
--	--	--	280,000	280,000
--	--	--	124,640	124,640
<u>665,137</u>	<u>641,131</u>	<u>248,345</u>	<u>970,410</u>	<u>10,307,173</u>
(58,791)	(42,851)	(228,228)	(58,357)	(898,610)
--	--	109,652	--	109,652
--	--	--	--	124,850
--	--	<u>109,652</u>	--	<u>234,502</u>
(58,791)	(42,851)	(118,576)	(58,357)	(664,108)
563,940	300,326	270,412	397,472	4,022,971
<u>\$ 505,149</u>	<u>\$ 257,475</u>	<u>\$ 151,836</u>	<u>\$ 339,115</u>	<u>\$ 3,358,863</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, 2009

Net change in fund balances - total governmental funds	\$ (664,108)
Amounts reported for governmental activities in the statement of activities (SOA) are different because:	
Capital outlays are not reported as expenses in the SOA.	694,320
The depreciation of capital assets used in governmental activities is not reported in the funds.	(294,506)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	44,797
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	280,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	193,963
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(27,615)
Principle repayment on loans do provide resources in the SOA, but are reported as current resources in the funds.	(109,652)
Loans from revolving loan funds are reported as an asset in the SOA, but are reported as expenditures in the funds.	240,000
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(124,850)</u>
Change in net assets of governmental activities - statement of activities	<u>\$ 232,349</u>

The accompanying notes are an integral part of this statement.

**GONZALES COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2009**

	Private-purpose Trust Fund	Permanent School Fund
<b>ASSETS</b>		
<b>Assets:</b>		
<i>Cash and cash equivalents</i>	\$ 198,314	
<b>Total assets</b>	<u>\$ 198,314</u>	
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
<b>Total liabilities</b>	<u>--</u>	
<b>Equity:</b>		
<b>Retained earnings:</b>		
<i>Unreserved</i>	\$ 198,314	
<b>Total equity</b>	<u>198,314</u>	
<b>Total liabilities and equity</b>	<u>\$ 198,314</u>	

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, 2009**

	Private-purpose Trust Fund
	Permanent School Fund
<b>Additions:</b>	
Investment income	\$ 1,650
Total Additions	<u>1,650</u>
<b>Deductions:</b>	
Payments to school districts	8,407
Total Deductions	<u>8,407</u>
<b>Change in Net Assets</b>	<b>(6,757)</b>
Net Assets-Beginning of the Year	205,071
Net Assets-End of the Year	<u>\$ 198,314</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, 2009**

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

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

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

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

## **GONZALES COUNTY, TEXAS**

### *NOTES TO THE FINANCIAL STATEMENTS*

*FOR THE YEAR ENDED SEPTEMBER 30, 2009*

The County reports the following major governmental funds:

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

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

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

In addition, the County reports the following fund types:

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

**Agency Funds:** These funds are used to report resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

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 flow takes 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 considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. 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.

# GONZALES COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2009

### 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.

Analysis of property tax receivable at year end:

Gross property taxes receivable	\$	970,662
Less: Allowance for uncollectible taxes		(485,331)
Property taxes receivable, net of allowance for uncollectible	\$	<u>485,331</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	40-50
Vehicles	2-15
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.

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

e. **Interfund Activity**

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

f. **Use of Estimates**

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

**B. Compliance and Accountability**

1. **Finance-Related Legal and Contractual Provisions**

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

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

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

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

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

**C. Deposits and Investments**

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

Cash Deposits:

At September 30, 2009, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,507,328 and the bank balance was \$1,723,046. The County's cash deposits at September 30, 2009 and during the year ended September 30, 2009, 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

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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, 2009 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Texpool-governmental funds	N/A	\$ 2,423,124
Texpool-private purpose trust funds		198,314
Total Investments		<u>\$ 2,621,438</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:

1. Credit Risk

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

At September 30, 2009, 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

2. 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.

3. 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.

4. 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.



**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

5. 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 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, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
<u>Governmental activities:</u>					
<i>Capital assets not being depreciated:</i>					
Land	\$ --	\$ --	\$ --	\$ --	\$ --
Construction in progress	286,169	--	--	(286,169)	--
Total capital assets not being depreciated	286,169	--	--	(286,169)	--
<i>Capital assets being depreciated:</i>					
Buildings and improvements	50,236	--	--	--	50,236
Equipment	1,145,864	569,470	--	286,169	2,001,503
Assets under capitalized leases	835,377	124,850	--	--	960,227
Total capital assets being depreciated	2,031,477	694,320	--	286,169	3,011,966

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
<b>Governmental activities: (continued)</b>					
Less accumulated depreciation for:					
Buildings and improvements	(628)	(628)	--	--	(1,256)
Equipment	(248,255)	(231,801)	--	--	(480,056)
Assets under capitalized leases	(58,082)	(62,077)	--	--	(120,159)
Total accumulated depreciation	<u>(306,965)</u>	<u>(294,506)</u>	<u>--</u>	<u>--</u>	<u>(601,471)</u>
Total capital assets being depreciated, net	1,724,512	399,814	--	286,169	2,410,495
Governmental activities capital assets, net	<u>\$ 2,010,681</u>	<u>\$ 399,814</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,410,495</u>

Depreciation was charged to functions as follows:

General administration	\$ 77,186
Public safety	81,171
Public facilities	628
Public transportation	132,390
Extension service	3,131
	<u>\$ 294,506</u>

**E. Interfund Balances and Activity**

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

Balances due to and due from other funds at September 30, 2009, consisted of the following:

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

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

Transfers to and from other funds at September 30, 2009, consisted of the following:

Transfers From	Transfers To	Amount	Reason
None		\$ --	

**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, 2009, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 3,175,000	\$ --	\$ 280,000	\$ 2,895,000	290,000
Capital leases	617,358	124,850	193,963	548,245	205,477
Compensated absences *	155,607	27,615	--	183,222	183,222
Total governmental activities	<u>\$ 3,947,965</u>	<u>\$ 152,465</u>	<u>\$ 473,963</u>	<u>\$ 3,626,467</u>	<u>\$ 678,699</u>

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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%	\$ 585,000	\$ --	\$ 135,000	450,000
General Obligation Refunding Bonds-Series 2002	2.0-3.9%	870,000	--	130,000	740,000
General Obligation Refunding Bonds-Series 2006	3.55-4.15%	1,720,000	--	15,000	1,705,000
Total general obligation bonds		<u>\$ 3,175,000</u>	<u>\$ --</u>	<u>\$ 280,000</u>	<u>\$ 2,895,000</u>

\* Other long-term liabilities

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

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

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2009, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 290,000	\$ 112,156	\$ 402,156
2011	310,000	99,442	409,442
2012	320,000	85,834	405,834
2013	335,000	72,556	407,556
2014	345,000	59,319	404,319
2015-2019	1,060,000	160,182	1,220,182
2020	235,000	4,876	239,876
Totals	<u>\$ 2,895,000</u>	<u>\$ 594,365</u>	<u>\$ 3,489,365</u>

3. Capital Leases

Analysis of capital leases for the year is as follows:

<u>Governmental activities</u>	<u>Interest Rates</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
R&B Precinct #1					
Motorgrader	4.53%	\$ 69,062	\$ --	\$ 38,793	30,269
Used motorgrader	6.75%	--	124,850	16,714	108,136
R&B Precinct #2					
2008 Peterbilt	5.68%	62,974	--	15,133	47,841
2007 Motorgrader	4.85%	152,374	--	37,066	115,308
R&B Precinct #3					
Motorgrader	4.53%	\$ 103,866	\$ --	\$ 30,854	73,012
R&B Precinct #4					
Motorgrader	5.25%	229,082	--	55,403	173,679
Total capital leases		<u>\$ 617,358</u>	<u>\$ 124,850</u>	<u>\$ 193,963</u>	<u>\$ 548,245</u>

# GONZALES COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2009

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2009, as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2010	\$ 205,477	\$ 24,970	\$ 230,447
2011	185,106	14,498	199,604
2012	143,684	4,710	148,394
2013	13,978	229	14,207
Totals	<u>\$ 548,245</u>	<u>\$ 44,407</u>	<u>\$ 592,652</u>

"The effective interest rate on capital leases is 5.27%.

### 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 2009, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Association of Counties Intergovernmental Risk Pool (TAC). TAC is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TAC for its above insurance coverage. The agreement for the formation of TAC provides that TAC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

### H. Pension Plan

#### 1. Plan Description

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

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 years or more of service, with 20 years of service regardless of age, or when the sum of their age and years of service equal 75 or more. Members are vested after 8 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefits. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

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

# GONZALES COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2009

### 2. Funding Policy

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

The deposit rate payable by the employee members for the fiscal year ending in 2009 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, 2007 and 2008, the basis for determining the contribution rates for 2008 and 2009.

#### Actuarial Valuation Information

Actuarial valuation date	12/31/06	12/31/07	12/31/08
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percent of payroll	level percent of payroll	level percent of payroll
Amortization period in years	10.8	12.5	18.7
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value
Actuarial assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increase	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of living adjustment	0.0%	0.0%	0.0%

### 4. Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuations date, the plan as 75.61 percent funded. The actuarial accrued liability for benefits was \$7,869,043, and the actuarial value of assets was \$5,949,914, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,919,129. The covered payroll (annual payroll of active employees covered by the plan) was \$3,664,200, and the ratio of of the UAAL to covered payroll was 52.38 percent,

#### Trend Information for the Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2007	\$ 248,567	100% \$	--
September 30, 2008	\$ 313,881	100% \$	--
September 30, 2009	\$ 360,156	100% \$	--

### I. Health Care Coverage

During the year ended September 30, 2009, employees of the County were covered by a health insurance plan (the Plan). The County paid premiums of \$542 per month per employee to the Plan. Employees, at their option,

**GONZALES COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

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

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

**J. Commitments and Contingencies**

**1. Contingencies**

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

**2. Litigation**

No reportable litigation was pending against the County at September 30, 2009.

**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	\$ 145,581	\$ --	\$ 18,760	126,821
Lynn Theater-Galan Jansky	83,439	--	1,753	81,686
Kactus Korral	13,029	--	13,029	--
Mr. Taco	25,765	--	3,752	22,013
Adams Extract #1	115,123	--	25,671	89,452
Adams Extract #2	121,767	--	23,287	98,480
Adams Extract #3	--	240,000	17,791	222,209
Gonzales Nursing & Rehabilitation	92,688	--	5,609	87,079
Total loans receivable	\$ 597,392	\$ 240,000	\$ 109,652	\$ 727,740

Maturity analysis is as follows:

Year Ending August 31,	Principal	Interest	Total
2010	\$ 194,828	\$ 19,542	\$ 214,370
2011	112,702	14,869	127,571
2012	116,052	11,519	127,571
2013	91,193	8,526	99,719
2014	65,934	5,738	71,672
2015-2019	147,031	22,909	169,540
Totals	\$ 727,740	\$ 83,103	\$ 810,843

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### *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**

**EXHIBIT B-1**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Taxes</i>	\$ 4,372,974	\$ 4,372,974	\$ 4,312,004	\$ (60,970)
<i>Licenses and permits</i>	1,900	1,900	1,730	(170)
<i>Intergovernmental</i>	95,833	59,169	66,973	7,804
<i>Charges for services</i>	513,000	515,606	585,016	69,410
<i>Fines</i>	902,213	902,213	910,293	8,080
<i>Interest</i>	70,000	70,000	25,312	(44,688)
<i>Miscellaneous</i>	62,775	62,775	111,844	49,069
Total revenues	<u>6,018,695</u>	<u>5,984,637</u>	<u>6,013,172</u>	<u>28,535</u>
Expenditures:				
Current:				
<i>General government</i>	1,505,551	1,539,231	1,487,555	51,676
<i>Financial administration</i>	600,479	600,429	574,477	25,952
<i>Public safety</i>	3,024,074	3,055,508	2,943,081	112,427
<i>Health and welfare</i>	30,242	30,264	29,715	549
<i>Judicial</i>	987,037	992,031	965,918	26,113
<i>Public facilities</i>	216,781	277,362	277,440	(78)
<i>Conservation</i>	87,551	87,551	83,843	3,708
Total expenditures	<u>6,451,715</u>	<u>6,582,376</u>	<u>6,362,029</u>	<u>220,347</u>
Net change in fund balance	(433,020)	(597,739)	(348,857)	248,882
Fund balances/equity, October 1	1,822,812	1,822,812	1,822,812	--
Fund balances/equity, September 30	<u>\$ 1,389,792</u>	<u>\$ 1,225,073</u>	<u>\$ 1,473,955</u>	<u>\$ 248,882</u>

**GONZALES COUNTY, TEXAS**  
ROAD AND BRIDGE FUND PCT. #1  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenue:</b>				
<i>Taxes</i>	\$ 420,000	\$ 420,000	\$ 413,578	\$ (6,422)
<i>Licenses and permits</i>	169,920	169,920	166,134	(3,786)
<i>Intergovernmental</i>	7,165	7,165	7,237	72
<i>Interest</i>	17,000	17,000	7,496	(9,504)
<i>Miscellaneous</i>	--	--	4,744	4,744
Total revenues	<u>614,085</u>	<u>614,085</u>	<u>599,189</u>	<u>(14,896)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>Public transportation</i>	738,589	888,217	787,530	100,687
Total expenditures	<u>738,589</u>	<u>888,217</u>	<u>787,530</u>	<u>100,687</u>
Excess (deficiency) of revenues (under) expenditures	(124,504)	(274,132)	(188,341)	85,791
<b>Other financing sources (uses):</b>				
<i>Proceeds from capital leases</i>	--	--	124,850	124,850
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>124,850</u>	<u>124,850</u>
Net change in fund balance	(124,504)	(274,132)	(63,491)	210,641
Fund balances/equity, October 1	545,562	545,562	545,562	--
Fund balances/equity, September 30	<u>\$ 421,058</u>	<u>\$ 271,430</u>	<u>\$ 482,071</u>	<u>\$ 210,641</u>

**GONZALES COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND PCT. #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT B-3**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Taxes</i>	\$ 470,000	\$ 470,000	\$ 463,002	\$ (6,998)
<i>Licenses and permits</i>	169,920	169,920	166,134	(3,786)
<i>Intergovernmental</i>	7,165	7,165	7,237	72
<i>Interest</i>	5,000	5,000	2,005	(2,995)
<i>Miscellaneous</i>	16,000	16,000	21,028	5,028
Total revenues	<u>668,085</u>	<u>668,085</u>	<u>659,406</u>	<u>(8,679)</u>
Expenditures:				
Current:				
<i>Public transportation</i>	<u>721,585</u>	<u>907,229</u>	<u>632,591</u>	<u>274,638</u>
Total expenditures	<u>721,585</u>	<u>907,229</u>	<u>632,591</u>	<u>274,638</u>
Net change in fund balance	(53,500)	(239,144)	26,815	265,959
Fund balances/equity, October 1	122,447	122,447	122,447	--
Fund balances/equity, September 30	<u>\$ 68,947</u>	<u>\$ (116,697)</u>	<u>\$ 149,262</u>	<u>\$ 265,959</u>

**GONZALES COUNTY, TEXAS**  
ROAD AND BRIDGE FUND PCT. #3  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT B-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Taxes</i>	\$ 420,000	\$ 420,000	\$ 413,578	\$ (6,422)
<i>Licenses and permits</i>	169,926	169,926	166,134	(3,792)
<i>Intergovernmental</i>	7,165	7,165	7,237	72
<i>Interest</i>	20,000	20,000	7,487	(12,513)
<i>Miscellaneous</i>	--	--	11,910	11,910
Total revenues	<u>617,091</u>	<u>617,091</u>	<u>606,346</u>	<u>(10,745)</u>
Expenditures:				
Current:				
<i>Public transportation</i>	<u>701,151</u>	<u>704,251</u>	<u>665,137</u>	<u>39,114</u>
Total expenditures	<u>701,151</u>	<u>704,251</u>	<u>665,137</u>	<u>39,114</u>
Net change in fund balance	(84,060)	(87,160)	(58,791)	28,369
Fund balances/equity, October 1	563,940	563,940	563,940	--
Fund balances/equity, September 30	<u>\$ 479,880</u>	<u>\$ 476,780</u>	<u>\$ 505,149</u>	<u>\$ 28,369</u>

**GONZALES COUNTY, TEXAS**  
 ROAD AND BRIDGE FUND PCT. #4  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

EXHIBIT B-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Taxes</i>	\$ 420,000	\$ 420,000	\$ 413,578	\$ (6,422)
<i>Licenses and permits</i>	169,920	169,920	166,134	(3,786)
<i>Intergovernmental</i>	7,165	7,165	7,237	72
<i>Interest</i>	12,000	12,000	3,831	(8,169)
<i>Miscellaneous</i>	--	--	7,500	7,500
Total revenues	<u>609,085</u>	<u>609,085</u>	<u>598,280</u>	<u>(10,805)</u>
Expenditures:				
Current:				
<i>Public transportation</i>	<u>730,212</u>	<u>730,212</u>	<u>641,131</u>	<u>89,081</u>
Total expenditures	<u>730,212</u>	<u>730,212</u>	<u>641,131</u>	<u>89,081</u>
Net change in fund balance	(121,127)	(121,127)	(42,851)	78,276
Fund balances/equity, October 1	300,326	300,326	300,326	--
Fund balances/equity, September 30	<u>\$ 179,199</u>	<u>\$ 179,199</u>	<u>\$ 257,475</u>	<u>\$ 78,276</u>

**GONZALES COUNTY, TEXAS**  
**REVOLVING LOAN FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

EXHIBIT B-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Interest</i>	\$ 17,533	\$ 17,533	\$ 20,117	\$ 2,584
Total revenues	<u>17,533</u>	<u>17,533</u>	<u>20,117</u>	<u>2,584</u>
Expenditures:				
Current:				
<i>General government</i>	6,500	248,346	248,345	1
Total expenditures	<u>6,500</u>	<u>248,346</u>	<u>248,345</u>	<u>1</u>
Excess (deficiency) of revenues (under) expenditures	11,033	(230,813)	(228,228)	2,585
Other financing sources (uses):				
<i>Principal received on loans</i>	84,421	84,421	109,652	25,231
Total other financing sources (uses)	<u>84,421</u>	<u>84,421</u>	<u>109,652</u>	<u>25,231</u>
Net change in fund balance	95,454	(146,392)	(118,576)	27,816
Fund balances/equity, October 1	270,412	270,412	270,412	--
Fund balances/equity, September 30	<u>\$ 365,866</u>	<u>\$ 124,020</u>	<u>\$ 151,836</u>	<u>\$ 27,816</u>

**GONZALES COUNTY, TEXAS**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

YEAR ENDED SEPTEMBER 30, 2009

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)
12/31/06	\$ 5,709,829	\$ 6,995,888	\$ 1,286,059	81.6%	\$ 3,027,097	42.5%
12/31/07	6,231,707	7,618,183	1,386,476	81.8%	3,318,710	41.8%
12/31/08	5,949,914	7,869,043	1,919,129	75.6%	3,664,200	52.4%

## *Combining Statements 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, 2009**

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>			
Assets:			
<i>Cash and cash equivalents</i>	\$ 209,566	\$ --	\$ 209,566
<i>Due from other governments</i>	50,986	--	50,986
Restricted assets:			
<i>Cash and cash equivalents</i>	--	133,494	133,494
<b>Total assets</b>	<u>\$ 260,552</u>	<u>\$ 133,494</u>	<u>\$ 394,046</u>
<b>LIABILITIES AND EQUITY</b>			
Liabilities:			
<i>Accounts payable</i>	\$ 54,330	\$ --	\$ 54,330
<i>Accrued wages payable</i>	601	--	601
<b>Total liabilities</b>	<u>54,931</u>	<u>--</u>	<u>54,931</u>
Equity:			
Fund balances:			
<i>Reserved for debt service</i>	--	133,494	133,494
<i>Unreserved, designated</i>	204,875	--	204,875
<i>Unreserved, undesignated</i>	746	--	746
<b>Total equity</b>	<u>205,621</u>	<u>133,494</u>	<u>339,115</u>
<b>Total liabilities and equity</b>	<u>\$ 260,552</u>	<u>\$ 133,494</u>	<u>\$ 394,046</u>

**GONZALES COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:			
<i>Taxes</i>	\$ --	\$ 383,965	\$ 383,965
<i>Intergovernmental</i>	1,605	--	1,605
<i>Charges for services</i>	32,351	--	32,351
<i>Fines</i>	150,770	--	150,770
<i>Interest</i>	130	1,736	1,866
<i>Miscellaneous</i>	1,327	--	1,327
<i>Grants</i>	340,169	--	340,169
Total revenues	<u>526,352</u>	<u>385,701</u>	<u>912,053</u>
Expenditures:			
Current:			
<i>General government</i>	33,637	--	33,637
<i>Public safety</i>	340,169	--	340,169
<i>Judicial</i>	156,945	--	156,945
<i>Public facilities</i>	35,019	--	35,019
Debt service:			
<i>Principal</i>	--	280,000	280,000
<i>Interest and fiscal charges</i>	--	124,640	124,640
Total expenditures	<u>565,770</u>	<u>404,640</u>	<u>970,410</u>
Net change in fund balance	(39,418)	(18,939)	(58,357)
Fund balances/equity, October 1	245,039	152,433	397,472
Fund balances/equity, September 30	<u>\$ 205,621</u>	<u>\$ 133,494</u>	<u>\$ 339,115</u>

**GONZALES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2009**

	Law Library Fund	Voter Registration Fund	Crime Stoppers Fund	Attorney Hot Check Fund
<b>ASSETS</b>				
<b>Assets:</b>				
<i>Cash and cash equivalents</i>	\$ 18,825	\$ 3,404	\$ 13,992	\$ 746
<i>Due from other governments</i>	--	--	--	--
<b>Total assets</b>	<u>\$ 18,825</u>	<u>\$ 3,404</u>	<u>\$ 13,992</u>	<u>\$ 746</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
<i>Accounts payable</i>	\$ 273	\$ --	\$ --	\$ --
<i>Accrued wages payable</i>	--	--	--	--
<b>Total liabilities</b>	<u>273</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Equity:</b>				
<b>Fund balances:</b>				
<i>Unreserved, designated</i>	18,552	3,404	13,992	--
<i>Unreserved, undesignated</i>	--	--	--	746
<b>Total equity</b>	<u>18,552</u>	<u>3,404</u>	<u>13,992</u>	<u>746</u>
<b>Total liabilities and equity</b>	<u>\$ 18,825</u>	<u>\$ 3,404</u>	<u>\$ 13,992</u>	<u>\$ 746</u>

<u>Records Mgmt. County Clerk</u>	<u>Records Management Courthouse</u>	<u>Court Reporter Services</u>	<u>Probate Court Fund</u>	<u>Courthouse Security Fund</u>
\$ 21,448	\$ 16,428	\$ 2,582	\$ 2,324	\$ 8,296
--	--	--	--	--
<u>\$ 21,448</u>	<u>\$ 16,428</u>	<u>\$ 2,582</u>	<u>\$ 2,324</u>	<u>\$ 8,296</u>
\$ 55	\$ --	\$ 150	\$ --	\$ --
--	--	--	--	601
<u>55</u>	<u>--</u>	<u>150</u>	<u>--</u>	<u>601</u>
21,393	16,428	2,432	2,324	7,695
--	--	--	--	--
<u>21,393</u>	<u>16,428</u>	<u>2,432</u>	<u>2,324</u>	<u>7,695</u>
<u>\$ 21,448</u>	<u>\$ 16,428</u>	<u>\$ 2,582</u>	<u>\$ 2,324</u>	<u>\$ 8,296</u>

**GONZALES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2009**

	<u>Indigent Health Fund</u>	<u>Justice Court Technology</u>	<u>Appellate Judicial Fund</u>	<u>Homeland Security Fund</u>
<b>ASSETS</b>				
<b>Assets:</b>				
<i>Cash and cash equivalents</i>	\$ 16,021	\$ 49,506	\$ 1,055	\$ (535)
<i>Due from other governments</i>	--	--	--	50,986
<b>Total assets</b>	<u>\$ 16,021</u>	<u>\$ 49,506</u>	<u>\$ 1,055</u>	<u>\$ 50,451</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
<i>Accounts payable</i>	\$ --	\$ 456	\$ --	\$ 50,451
<i>Accrued wages payable</i>	--	--	--	--
<b>Total liabilities</b>	<u>--</u>	<u>456</u>	<u>--</u>	<u>50,451</u>
<b>Equity:</b>				
<b>Fund balances:</b>				
<i>Unreserved, designated</i>	16,021	49,050	1,055	--
<i>Unreserved, undesignated</i>	--	--	--	--
<b>Total equity</b>	<u>16,021</u>	<u>49,050</u>	<u>1,055</u>	<u>--</u>
<b>Total liabilities and equity</b>	<u>\$ 16,021</u>	<u>\$ 49,506</u>	<u>\$ 1,055</u>	<u>\$ 50,451</u>

<u>Dist. Clk. Records Management</u>	<u>HAVA Grant Fund</u>	<u>County Judge Excess State Supplement</u>	<u>Justice Court Building Security Fund</u>	<u>Family Protection Fee Fund</u>
\$ 889	\$ --	\$ 6,420	\$ 11,300	\$ 2,400
--	--	--	--	--
<u>\$ 889</u>	<u>\$ --</u>	<u>\$ 6,420</u>	<u>\$ 11,300</u>	<u>\$ 2,400</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
889	--	6,420	11,300	2,400
--	--	--	--	--
<u>889</u>	<u>--</u>	<u>6,420</u>	<u>11,300</u>	<u>2,400</u>
<u>\$ 889</u>	<u>\$ --</u>	<u>\$ 6,420</u>	<u>\$ 11,300</u>	<u>\$ 2,400</u>

**GONZALES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2009**

	<u>Child Abuse Prevention Fund</u>	<u>Records Mgmt. and Protection Fund</u>	<u>HAVA Fund</u>
<b>ASSETS</b>			
<b>Assets:</b>			
<i>Cash and cash equivalents</i>	\$ 400	\$ 1,846	\$ 7,040
<i>Due from other governments</i>	--	--	--
Total assets	<u>\$ 400</u>	<u>\$ 1,846</u>	<u>\$ 7,040</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities:</b>			
<i>Accounts payable</i>	\$ --	\$ --	\$ --
<i>Accrued wages payable</i>	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>
<b>Equity:</b>			
<b>Fund balances:</b>			
<i>Unreserved, designated</i>	400	1,846	7,040
<i>Unreserved, undesignated</i>	--	--	--
Total equity	<u>400</u>	<u>1,846</u>	<u>7,040</u>
Total liabilities and equity	<u>\$ 400</u>	<u>\$ 1,846</u>	<u>\$ 7,040</u>

Mediation Fee Fund	Supplemental Guardianship Fee Fund	Vital Statistic Fee Fund	MVNA Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 15,585	\$ 2,280	\$ 3,621	\$ 3,693	\$ 209,566
--	--	--	--	50,986
<u>\$ 15,585</u>	<u>\$ 2,280</u>	<u>\$ 3,621</u>	<u>\$ 3,693</u>	<u>\$ 260,552</u>
\$ --	\$ --	\$ --	\$ 2,945	\$ 54,330
--	--	--	--	601
<u>--</u>	<u>--</u>	<u>--</u>	<u>2,945</u>	<u>54,931</u>
15,585	2,280	3,621	748	204,875
--	--	--	--	746
<u>15,585</u>	<u>2,280</u>	<u>3,621</u>	<u>748</u>	<u>205,621</u>
<u>\$ 15,585</u>	<u>\$ 2,280</u>	<u>\$ 3,621</u>	<u>\$ 3,693</u>	<u>\$ 260,552</u>



**GONZALES COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Law Library Fund	Voter Registration Fund	Crime Stoppers Fund	Attorney Hot Check Fund
Revenue:				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Charges for services	--	--	--	2,416
Fines	9,911	--	--	--
Interest	--	--	--	--
Miscellaneous	--	--	25	--
Grants	--	--	--	--
Total revenues	<u>9,911</u>	<u>--</u>	<u>25</u>	<u>2,416</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Judicial	3,285	--	--	1,670
Public facilities	--	--	--	--
Total expenditures	<u>3,285</u>	<u>--</u>	<u>--</u>	<u>1,670</u>
Net change in fund balance	6,626	--	25	746
Fund balances/equity, October 1	11,926	3,404	13,967	--
Fund balances/equity, September 30	<u>\$ 18,552</u>	<u>\$ 3,404</u>	<u>\$ 13,992</u>	<u>\$ 746</u>

Records Mgmt. County Clerk	Records Management Courthouse	Court Reporter Services	Probate Court Fund	Courthouse Security Fund
\$ --	\$ --	\$ --	\$ --	\$ --
22,846	--	--	192	--
--	6,541	2,930	--	27,546
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>22,846</u>	<u>6,541</u>	<u>2,930</u>	<u>192</u>	<u>27,546</u>
22,456	5,165	--	1,281	--
--	--	--	--	--
--	--	11,822	--	--
--	--	--	--	35,019
<u>22,456</u>	<u>5,165</u>	<u>11,822</u>	<u>1,281</u>	<u>35,019</u>
390	1,376	(8,892)	(1,089)	(7,473)
21,003	15,052	11,324	3,413	15,168
<u>\$ 21,393</u>	<u>\$ 16,428</u>	<u>\$ 2,432</u>	<u>\$ 2,324</u>	<u>\$ 7,695</u>

**GONZALES COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Indigent Health Fund	Justice Court Technology	Appellate Judicial Fund	Homeland Security Fund
Revenue:				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Charges for services	--	--	--	--
Fines	--	31,208	1,425	--
Interest	130	--	--	--
Miscellaneous	--	--	--	--
Grants	--	--	--	340,169
Total revenues	<u>130</u>	<u>31,208</u>	<u>1,425</u>	<u>340,169</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public safety	--	--	--	340,169
Judicial	--	66,038	1,945	--
Public facilities	--	--	--	--
Total expenditures	<u>--</u>	<u>66,038</u>	<u>1,945</u>	<u>340,169</u>
Net change in fund balance	130	(34,830)	(520)	--
Fund balances/equity, October 1	15,891	83,880	1,575	--
Fund balances/equity, September 30	<u>\$ 16,021</u>	<u>\$ 49,050</u>	<u>\$ 1,055</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>
\$ --	\$ 1,605	\$ --	\$ --	\$ --
--	--	5,637	1,260	--
1,510	--	--	--	--
--	--	--	--	57
--	--	--	--	--
<u>1,510</u>	<u>1,605</u>	<u>5,637</u>	<u>1,260</u>	<u>57</u>
--	2,655	--	--	--
--	--	--	--	--
2,500	--	5,644	--	--
--	--	--	--	--
<u>2,500</u>	<u>2,655</u>	<u>5,644</u>	<u>--</u>	<u>--</u>
(990)	(1,050)	(7)	1,260	57
1,879	7,470	11,307	1,140	343
<u>\$ 889</u>	<u>\$ 6,420</u>	<u>\$ 11,300</u>	<u>\$ 2,400</u>	<u>\$ 400</u>

**GONZALES COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Records Mgmt. and Protection Fund	HAVA Fund	Mediation Fee Fund
Revenue:			
<i>Intergovernmental</i>	\$ --	\$ --	\$ --
<i>Charges for services</i>	--	--	--
<i>Fines</i>	454	--	2,850
<i>Interest</i>	--	--	--
<i>Miscellaneous</i>	--	1,245	--
<i>Grants</i>	--	--	--
Total revenues	<u>454</u>	<u>1,245</u>	<u>2,850</u>
Expenditures:			
Current:			
<i>General government</i>	--	--	--
<i>Public safety</i>	--	--	--
<i>Judicial</i>	--	--	500
<i>Public facilities</i>	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>500</u>
Net change in fund balance	454	1,245	2,350
Fund balances/equity, October 1	1,392	5,795	13,235
Fund balances/equity, September 30	<u>\$ 1,846</u>	<u>\$ 7,040</u>	<u>\$ 15,585</u>

Supplemental Guardianship Fee Fund	Vital Statistic Fee Fund	MVNA Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ 1,605
--	--	--	32,351
1,280	1,444	63,671	150,770
--	--	--	130
--	--	--	1,327
--	--	--	340,169
<u>1,280</u>	<u>1,444</u>	<u>63,671</u>	<u>526,352</u>
--	2,080	--	33,637
--	--	--	340,169
--	--	63,541	156,945
--	--	--	35,019
<u>--</u>	<u>2,080</u>	<u>63,541</u>	<u>565,770</u>
1,280	(636)	130	(39,418)
1,000	4,257	618	245,039
<u>\$ 2,280</u>	<u>\$ 3,621</u>	<u>\$ 748</u>	<u>\$ 205,621</u>