

# **GONZALES COUNTY, TEXAS**

## **ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**



GONZALES COUNTY

COUNTY OFFICIALS

COUNTY JUDGE

PATRICK C. DAVIS

COUNTY COMMISSIONERS

PRECINCT 1

K.O. "DELL" WHIDDON

PRECINCT 2

DONNIE R. BRZOZOWSKI

PRECINCT 3

KEVIN T. LA FLEUR

PRECINCT 4

COLLIE BOATRIGHT

COUNTY ATTORNEY

PAUL WATKINS

COUNTY TREASURER

SHERYL BARBORAK

COUNTY AUDITOR

BECKY WESTON

TAX ASSESSOR-COLLECTOR

CRYSTAL CEDILLO

COUNTY CLERK

LONA ACKMAN

DISTRICT CLERK

JANICE SUTTON

SHERIFF

KEITH SCHMIDT

GONZALES COUNTY  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

The Honorable Judge and  
Members of the Commissioners' Court  
Gonzales County, Texas

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate fund remaining information of Gonzales County, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregated remaining fund information of Gonzales County, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Gonzales County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gonzales County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Gonzales County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gonzales County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of changes and contributions for net pension liability and total other post-employment benefit liability as referred to 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gonzales County's basic financial statements. The supplementary information (as identified in the table of contents) is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024 on our consideration of Gonzales County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gonzales County's internal control over financial reporting and compliance.



Armstrong, Vaughan & Associates, P.C.  
March 15, 2024



## 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, 2023. Please read it in conjunction with the County’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

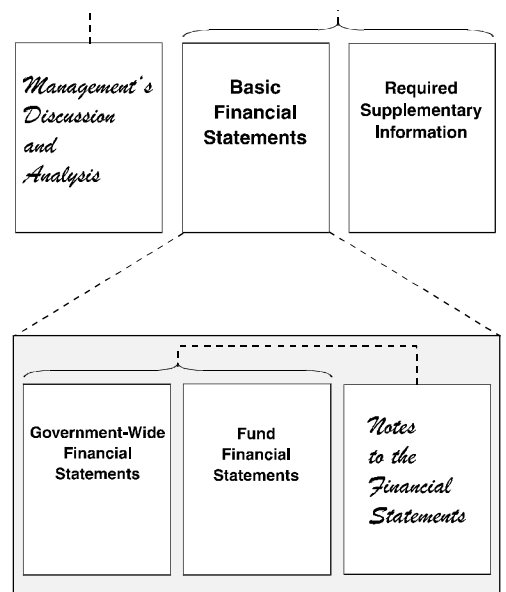
- The County’s total net position was \$41.8 million at September 30, 2023, an increase of \$941 thousand.
- During the year, the County’s governmental expenses were \$941 million less than the \$21.7 million generated in general and program revenues for governmental activities. The total cost of the County’s programs increased 2% from the prior year. Personnel vacancies were filled in public safety and offset by a decrease in pandemic grants to other agencies in 2021.
- The general fund reported a fund balance this year of \$9.7 million, a decrease of \$771 thousand. This was compared to a budgeted reduction in fund balance of \$4.2 million.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.

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



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

## Government-Wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets 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.

The two government-wide statements report the County's net position and how they have changed. Net position—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 position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in the County's tax base.
- The government-wide financial statements of the County include the *Governmental activities*. All of the County's basic services are included here, such as administration, public safety and public transportation. Property taxes, sales taxes and charges for services 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.
- *Fiduciary funds*—The County collects and holds funds for various other entities such as property taxes for other governments, vehicle registrations for the State and court settlements for minors. 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 position and a statement of changes in fiduciary net position. These activities are excluded from the County's government-wide financial statements because they are not resources for the County to use on operations.

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's combined net position was \$41.8 million at September 30, 2023. (See Table A-1).

**Table A-1**  
County's Net Position

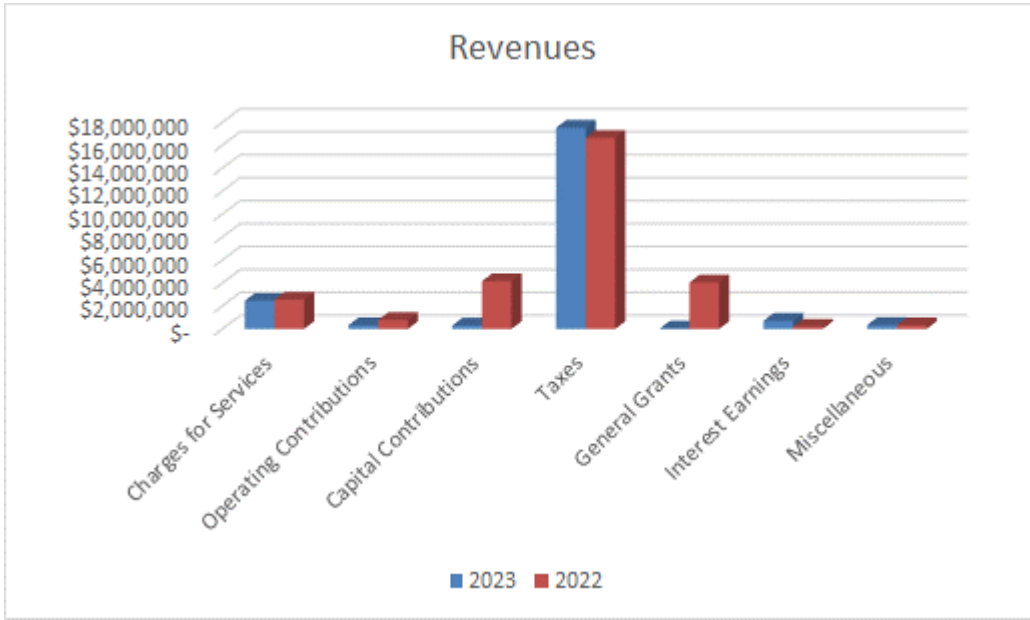
	Governmental Activities		Percentage Change
	2023	2022	
<i>Assets:</i>			
Current Assets	\$ 23,777,316	\$ 24,131,612	(1.5)
Other Assets	21,906,430	22,640,068	(3.2)
<i>Total Assets</i>	<u>45,683,746</u>	<u>46,771,680</u>	(2.3)
<i>Deferred Outflows of Resources:</i>	<u>2,516,667</u>	<u>2,167,932</u>	16.1
<i>Liabilities:</i>			
Current Liabilities	1,485,592	2,164,351	(31.4)
Long-term Liabilities	4,559,503	1,670,965	172.9
<i>Total Liabilities</i>	<u>6,045,095</u>	<u>3,835,316</u>	57.6
<i>Deferred Inflows of Resources:</i>	<u>364,194</u>	<u>4,254,009</u>	(91.4)
<i>Net Position:</i>			
Net Investment in Capital Assets	21,419,900	20,996,988	2.0
Restricted	1,648,469	1,748,344	(5.7)
Unrestricted	18,722,755	18,104,955	3.4
<i>Total Net Position</i>	<u>\$ 41,791,124</u>	<u>\$ 40,850,287</u>	2.3

The unrestricted net position represents resources available to fund the programs of the County next year.

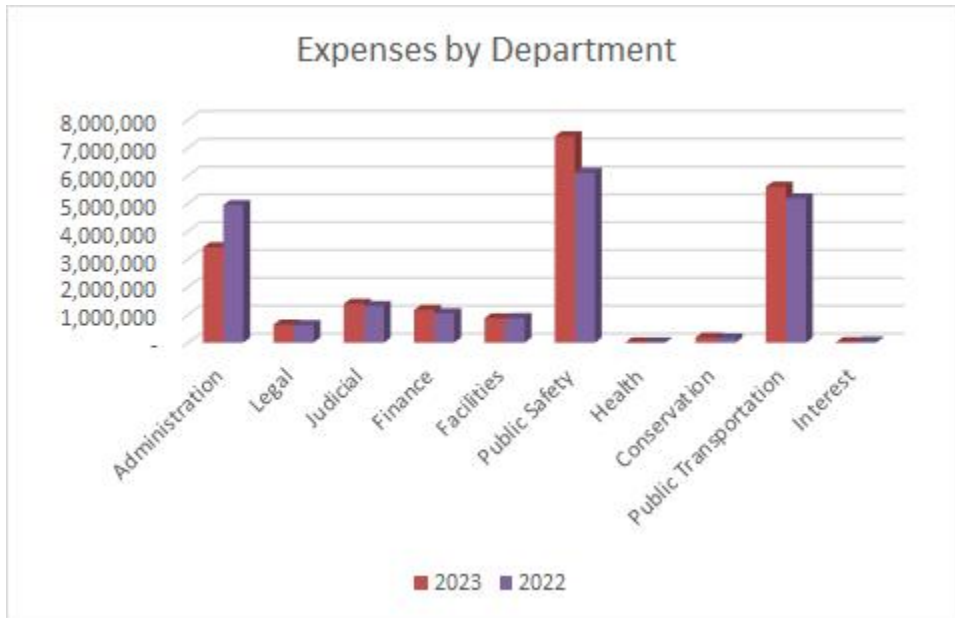
## Governmental Activities

Table A-2 summarizes the changes in the County's net position for 2023 and 2022 fiscal years.

	Governmental		Percentage Change
	2023	2022	
<i>Program Revenues:</i>			
Charges for Services	\$ 2,446,771	\$ 2,546,178	(3.9)
Operating Grants and Contributions	323,672	781,255	(58.6)
Capital Contributions	293,806	4,150,883	(92.9)
<i>General Revenues:</i>			
Taxes	17,517,049	16,635,796	5.3
General Grants	35,506	4,047,343	(99.1)
Interest Earnings	706,896	201,448	250.9
Miscellaneous	348,113	320,107	8.7
<b>TOTAL REVENUES</b>	<b>21,671,813</b>	<b>28,683,010</b>	<b>(24.4)</b>
<i>Program Expenses:</i>			
Administration	3,423,092	4,940,557	(30.7)
Legal	647,605	625,023	3.6
Judicial	1,392,449	1,312,544	6.1
Finance	1,178,482	1,049,128	12.3
Facilities	875,054	882,402	(0.8)
Public Safety	7,412,051	6,098,082	21.5
Health	4,860	3,290	47.7
Conservation	179,987	155,791	15.5
Public Transportation	5,597,746	5,182,842	8.0
Interest	19,650	30,119	(34.8)
<b>TOTAL EXPENSES</b>	<b>20,730,976</b>	<b>20,279,778</b>	<b>2.2</b>
 Change in Net Position	 940,837	 8,403,232	 (88.8)
 Beginning Net Position	 40,850,287	 32,447,055	
Ending Net Position	\$ 41,791,124	\$ 40,850,287	



In 2022, revenues included \$4.0 million in American Rescue plan funds and \$3.7 million in Texas Department of Transportation grants for road improvements. These were one-time revenues.



Expenses increased 2%. Public safety expenses increased as vacancies were filled. This was offset by a decrease in general administration for 2022 grants to other agencies for radios and public improvements.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2023, the County had invested \$40.2 million in a buildings, infrastructure and equipment. In 2023, the County completed a radio tower and purchased several vehicles. (See Table A-3.)

**Table A-3**  
County's Capital Assets

	Governmental Activities		Total Percentage Change
	2023	2022	
Land	\$ 47,735	\$ -	100.0
Buildings and Improvements	16,191,084	16,104,800	0.5
Vehicles and Equipment	18,756,974	16,552,419	13.3
Infrastructure	4,955,060	4,955,060	0.0
Construction in Progress	234,654	595,633	(60.6)
Totals at Historical Cost	40,185,507	38,207,912	5.2
Accumulated Depreciation	(18,497,048)	(16,604,052)	11.4
Net Capital Assets	<u>\$21,688,459</u>	<u>\$21,603,860</u>	0.4

More detailed information about the County's capital assets is presented in the notes to the financial statements.

### Long Term Debt

As of September 30, 2023, the County had \$269 thousand in long term debt outstanding as shown in Table A-4. No new debt was entered into during 2023 and one of the larger notes was paid off early. More detailed information about the County's debt is presented in the notes to the financial statements.

**Table A-4**  
County's Long-Term Debt

	Governmental Activities		Total Percentage Change
	2023	2022	
Notes Payable	\$ 268,559	\$ 606,872	(55.7)
Total Long-Term Debt	<u>\$ 268,559</u>	<u>\$ 606,872</u>	(55.7)

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

Revenues from governmental fund types decreased \$6.9 million to \$21.8 million. The 2022 grants from TxDOT and the American Rescue Plan made up the majority of the change. Similarly, governmental expenditures decreased \$5.5 million to \$21.5 million. 2022 grant funded road improvements and radio grants to other agencies were the main change. Governmental fund balances increased \$242 thousand to \$21.5 million.

### **Budgetary Highlights**

#### *General Fund*

The County's actual expenditures in the General Fund were \$1.6 million less than final budgeted amounts and no departments were over budget. Revenues were higher than the budget by \$1.8 million, primarily from better than expected property and sales tax collections. Fund balance decreased \$771 thousand compared to a budgeted reduction in fund balance of \$4.2 million.

#### *Road and Bridge Fund*

The County's actual expenditures in the Road and Bridge Fund were \$1.0 million less than final budgeted amounts and revenues were \$1.1 million more. The Road and Bridge Fund balance increased \$1.1 million compared to a budgeted reduction of \$1.0 million.

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

The 2023-2024 budget includes a decrease in property tax rates from \$0.3071 to \$0.2420. However, the decrease in rate is expected to raise slightly more property tax revenues (less than 1%) because of new property and increases in valuations. Expenditures in the general fund are expected to increase approximately 3% from 2022-2023 spending levels. Road and bridge expenditures are expected to remain largely the same. The County does not anticipate significant changes to County services or operations.

## **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 at (830)-672-2327.





## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
  - Governmental Funds
  - Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

GONZALES COUNTY  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023

	Governmental Activities
<b>ASSETS</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 11,822,508
Certificates of Deposit	10,523,976
Ad Valorem Taxes Receivable (net)	1,344,014
Prepaid Expenses	86,818
<i>Total Current Assets</i>	23,777,316
 <i>Other Assets:</i>	
Notes Receivable	217,971
Capital Assets (Net)	21,688,459
<i>Total Other Assets</i>	21,906,430
<b>TOTAL ASSETS</b>	<b>45,683,746</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Other Post Employment Benefit Outflows	153,934
Deferred Pension Related Outflows	2,362,733
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>\$ 2,516,667</b>

See accompanying notes to basic financial statements.

GONZALES COUNTY  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2023

	Governmental Activities
<b>LIABILITIES</b>	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 841,664
Accrued Wages	330,828
Unearned Revenue	5,919
Accrued Compensated Absences	133,321
Current Maturities of Long-term Debt	173,860
<i>Total Current Liabilities</i>	1,485,592
 <i>Long-term Liabilities:</i>	
Long-term Debt (Net of Current)	94,699
Accrued Compensated Absences	199,982
Net Pension Liability	3,311,134
Total Other Post Employment Benefits Liability	953,688
<i>Total Long-term Liabilities</i>	4,559,503
<b>TOTAL LIABILITIES</b>	<b>6,045,095</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pension Related Inflows	32,640
Deferred Other Post Employment Benefits Inflows	331,554
<b>TOTAL DEFERRED INFLOWS</b>	<b>364,194</b>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	21,419,900
Restricted for:	
Elections	33,859
Legal	148,567
Judicial	164,075
Public Safety	31,069
Records Management	466,743
Sheriff	51,372
Community Development	681,799
Other	70,985
Unrestricted	18,722,755
<b>TOTAL NET POSITION</b>	<b>\$ 41,791,124</b>

See accompanying notes to basic financial statements.



GONZALES COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

<b>Functions and Programs</b>	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
Administration	\$ 3,423,092	\$ 266,131	\$ 22,680	\$ 293,806	\$ (2,840,475)
Legal	647,605	12,492	-	-	(635,113)
Judicial	1,392,449	601,104	5,960	-	(785,385)
Finance	1,178,482	584,461	-	-	(594,021)
Facilities	875,054	-	-	-	(875,054)
Public Safety	7,412,051	27,400	295,032	-	(7,089,619)
Health	4,860	25,288	-	-	20,428
Conservation	179,987	595	-	-	(179,392)
Public Transportation	5,597,746	929,300	-	-	(4,668,446)
Interest	19,650	-	-	-	(19,650)
<b>Total Primary Government</b>	<u>\$ 20,730,976</u>	<u>\$ 2,446,771</u>	<u>\$ 323,672</u>	<u>\$ 293,806</u>	<u>(17,666,727)</u>
<b>General Revenues:</b>					
Taxes					
Ad Valorem Taxes					14,706,316
Sales Taxes					2,810,733
General Grants					35,506
Interest and Investment Earnings					706,896
Miscellaneous					348,113
<b>Total General Revenues</b>					<u>18,607,564</u>
Change in Net Position					940,837
<b>Net Position at Beginning of Year</b>					40,850,287
<b>Net Position at End of Year</b>					<u>\$ 41,791,124</u>

See accompanying notes to basic financial statements.

GONZALES COUNTY  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023

	Major Fund General Fund	Major Fund Road & Bridge	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,601,782	\$ 5,781,022	\$ 1,439,706	\$ 11,822,510
Certificates of Deposit	5,781,989	4,741,987	-	10,523,976
Ad Valorem Taxes Receivable (net)	1,344,014	-	-	1,344,014
Notes Receivable	-	-	217,971	217,971
Prepaid Items	60,973	25,845	-	86,818
<b>TOTAL ASSETS</b>	<b>\$ 11,788,758</b>	<b>\$ 10,548,854</b>	<b>\$ 1,657,677</b>	<b>\$ 23,995,289</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 506,580	\$ 325,876	\$ 9,208	\$ 841,664
Accrued Wages	264,153	66,675	-	330,828
Unearned Revenue	5,919	-	-	5,919
<i>Total Liabilities</i>	<u>776,652</u>	<u>392,551</u>	<u>9,208</u>	<u>1,178,411</u>
<i>Deferred Inflows of Resources:</i>				
Unavailable Revenues - Property Taxes	1,344,014	-	-	1,344,014
<i>Fund Balances:</i>				
Nonspendable:				
Prepaid Items	60,973	25,845	-	86,818
Notes Receivable	-	-	217,971	217,971
Restricted for:				
Elections	-	-	33,859	33,859
Legal	-	-	148,567	148,567
Judicial	-	-	164,075	164,075
Public Safety	-	-	31,069	31,069
Records Management	-	-	466,743	466,743
Sheriff	-	-	51,372	51,372
Community Development	-	-	463,828	463,828
Other	-	-	70,985	70,985
Committed for:				
Road and Bridge Maintenance	-	10,130,458	-	10,130,458
Unassigned	9,607,119	-	-	9,607,119
<i>Total Fund Balances</i>	<u>9,668,092</u>	<u>10,156,303</u>	<u>1,648,469</u>	<u>21,472,864</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,788,758</b>	<b>\$ 10,548,854</b>	<b>\$ 1,657,677</b>	<b>\$ 23,995,289</b>

See accompanying notes to basic financial statements.

GONZALES COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023

**TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS** \$ 21,472,864

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

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 21,688,459

Long-term liabilities, including bonds and notes payables are not due and payable in the current period and, therefore are not reported in the governmental funds. (268,561)

Net Pension Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in governmental funds.

Net Pension Asset (Liability)	(3,311,134)	
Pension Related Deferred Outflows	2,362,733	
Pension Related Deferred Inflows	<u>(32,640)</u>	(981,041)

Other Post Employment Benefit (OPEB) Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in governmental funds.

Total Other OPEB Liability	(953,688)	
OPEB Related Deferred Outflows	153,934	
OPEB Related Deferred Inflows	<u>(331,554)</u>	(1,131,308)

Other liabilities are not due and payable in the current period, and therefore, not reported in the funds.

Accrued Compensated Absences	<u>(333,303)</u>	(333,303)
------------------------------	------------------	-----------

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds. 1,344,014

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 41,791,124

GONZALES COUNTY  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Major Fund General Fund</u>	<u>Major Fund Road &amp; Bridge</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 9,021,736	\$ 5,658,980	\$ -	\$ 14,680,716
Sales Taxes	2,810,733	-	-	2,810,733
Fines and Forfeitures	772,126	-	51,721	823,847
Charges for Services	660,158	-	154,257	814,415
Licenses, Permits, and Fees	118,894	835,101	-	953,995
Interest Income	374,552	307,003	25,343	706,898
Misc Income	107,454	180,198	-	287,652
Grants and Donations	359,511	-	341,163	700,674
<b>TOTAL REVENUES</b>	<u>14,225,164</u>	<u>6,981,282</u>	<u>572,484</u>	<u>21,778,930</u>
<b>EXPENDITURES</b>				
Current:				
Administration	2,945,177	-	343,201	3,288,378
Legal	649,243	-	1,596	650,839
Judicial	1,375,701	-	66,573	1,442,274
Finance	1,192,737	-	-	1,192,737
Facilities	659,157	-	-	659,157
Public Safety	7,123,388	-	6,869	7,130,257
Health	4,860	-	3,162	8,022
Conservation	175,665	-	-	175,665
Public Transportation	-	4,617,838	-	4,617,838
Capital Outlay	869,851	899,882	250,958	2,020,691
Debt Service:				
Principal	-	338,313	-	338,313
Interest	-	19,650	-	19,650
<b>TOTAL EXPENDITURES</b>	<u>14,995,779</u>	<u>5,875,683</u>	<u>672,359</u>	<u>21,543,821</u>
Excess (Deficiency) in Revenue Over (Under) Expenditures	(770,615)	1,105,599	(99,875)	235,109
<b>OTHER FINANCING SOURCES (OFS)</b>				
Sale of Capital Assets	-	6,500	-	6,500
<b>TOTAL OFS</b>	<u>-</u>	<u>6,500</u>	<u>-</u>	<u>6,500</u>
Net Change in Fund Balance	(770,615)	1,112,099	(99,875)	241,609
<b>BEGINNING FUND BALANCE</b>	<u>10,438,707</u>	<u>9,044,204</u>	<u>1,748,344</u>	<u>21,231,255</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 9,668,092</u>	<u>\$ 10,156,303</u>	<u>\$ 1,648,469</u>	<u>\$ 21,472,864</u>

See accompanying notes to basic financial statements.



GONZALES COUNTY  
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, 2023

**NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ 241,609

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	2,043,656	
Depreciation Expense	<u>(1,959,057)</u>	84,599

The issuance of long-term debt (e.g. bonds and capital leases) provide current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report interest expense and compensated absences when they are due and payable, while the statement of activities recognizes interest expense and compensated absences when incurred.

Principal Payments on Long-term Debt	338,313	
Change in Compensated Absences	<u>(35,463)</u>	302,850

Governmental funds report required contributions to employee pensions and other post-employment benefits as expenditures. However, in the Statement of Activities the expense for the benefits is recorded based on the actuarially determined cost of the plan. This is the amount that the contributions exceeded (fell short of) the actuarially determined cost

Pension Plan	337,736	
Other Post-employment Benefit Plan	<u>(51,557)</u>	286,179

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	<u>25,600</u>
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**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 940,837

GONZALES COUNTY  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2023

	Custodial Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,392,840
<b>TOTAL ASSETS</b>	<b>2,392,840</b>
 <b>LIABILITIES</b>	
Accounts Payable	-
<b>TOTAL LIABILITIES</b>	<b>-</b>
 <b>NET POSITION</b>	
Restricted for:	
Individuals, Organizations and other Governments	2,392,840
<b>TOTAL NET POSITION</b>	<b>\$ 2,392,840</b>

See accompanying notes to basic financial statements.

GONZALES COUNTY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Ad Valorem Tax Collections for Other Governments	\$ 64,393,365
Condemnations	6,031
Motor Vehicle Collections for the State	8,317,428
Excess Tax Sale Proceeds	135,698
Miscellaneous Receipts	26
Inmate Deposits	484,315
Cash Bonds	162,320
Oil Lease Revenues on Behalf of Others	28,700
Property Seizures	26,499
Court Settlements Held for Minors	84,208
Interest Income	2,629
<b>TOTAL ADDITIONS</b>	<u>73,641,219</u>
 <b>DEDUCTIONS</b>	
Property Tax Distributions to Other Governments	64,276,009
Motor Vehicle Distributions to the State	8,348,775
Cash Bond Refunds and Forfeitures	185,955
Excess Tax Payouts to Property Owners	34,587
Oil Lease Distributions to Property Owners	265
Refunds to Inmates	437,780
Property Seizure Refunds and Forfeitures	12,793
Jail Commissary Purchases for Inmates	57,306
Other Distributions	33,522
<b>TOTAL DEDUCTIONS</b>	<u>73,386,992</u>
Net Increase in Fiduciary Net Position	254,227
 <b>BEGINNING NET POSITION</b>	 <u>2,138,613</u>
<b>ENDING NET POSITION</b>	<u><u>\$ 2,392,840</u></u>

See accompanying notes to basic financial statements.

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Gonzales County (“County”) is a public corporation and political subdivision of the State of Texas. The County is governed by four elected Commissioners (divided into precincts) and the elected County Judge. The County provides the following services: general government (administration, judicial, legal, elections and financial administration), public safety (corrections, constables, and sheriff), public transportation (roads and bridges), health and conservation.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. REPORTING ENTITY

*Component Units*

Component units are legally separate entities that are, in substance, part of the government’s operations; thus, data from these units, would be combined with data of the primary government. The County does not have any component units.

*Related Organizations*

The County does appoint the board members of the Gonzales County Emergency Services District and the Gonzales County Emergency Fire District. However, the County cannot impose its will on these districts and thus they do not meet the definition of component units. Separate financials can be obtained from the District websites [gonzalesesd1ems.org](http://gonzalesesd1ems.org) and [gonzalesfiredistrict.org](http://gonzalesfiredistrict.org).

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the County. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues.

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

Separate **fund financial statements** are provided for governmental and fiduciary funds. The General Fund, and Road & Bridge Fund meet the criteria as *major funds*.

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types which have been accrued consist of revenue from taxes, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs, investment earnings, and other miscellaneous revenues.

**Governmental fund level financial statements** are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

**General Fund** is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property and sales taxes. Primary expenditures are for general administration, judicial, and public safety.

**Road and Bridge Fund** is used to account for property taxes and licenses committed to road and bridge maintenance in the County.

**Fiduciary fund level financial statements** are used to account resources held for others. The County's custodial funds holds property taxes for other governments, motor vehicle fees for the State and various other settlements.

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the County. For the County, this includes investments in local government investment pools that are liquid and maintain a stable net asset value.

**5. INVESTMENTS**

State statutes authorize the County to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

The County reports investments in certificates of deposit at amortized cost. Investments in local government investment pools are reported as net asset value.

**6. ACCOUNTS RECEIVABLE/REVENUE RECOGNITION**

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2022 and past due after January 31, 2023. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

GONZALES COUNTY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2023

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

7. PREPAID ITEMS

Payments made for goods and services in advance are recorded as prepaid items on the balance sheet.

8. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund statements.

9. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more and a useful life in excess of two years. Infrastructure assets include County-owned streets, water system, and sewer system. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Estimated Life</u>
Buildings and Improvements	15-40 years
Vehicles and Equipment	5-15 years
Infrastructure	20 Years

10. COMPENSATED ABSENCES

Full-time employees earn sick and vacation leave at varying rates depending on length of service. Unused sick leave is not paid on termination and is not accrued in these financial statements. Vacation leave is paid on termination. In addition, employees earn holiday and comp time that may be accumulated and paid on termination. Accumulated, unused time off is accrued as incurred in the government-wide statements. However, it is recognized on the governmental fund statements when it is due and payable.

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

11. UNAVAILABLE/UNEARNED REVENUE

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue not expected to be available for the current period are reflected as unavailable revenue (a deferred inflow of resources). Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

12. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period, while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

13. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt (including capital leases) and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the discount. Bond issuance costs are expensed as incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. PENSIONS

The net pension liability, deferred inflows, and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS), and additions to and deductions from TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

15. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

16. FUND BALANCES

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable - Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can only be used for a specific purpose by a resolution of Commissioners' Court. Committed amounts cannot be used for any other purpose unless Commissioners' Court removes those constraints through the same formal action.

Assigned - Represents amounts which the County intends to use for a specific purpose but do not meet the criteria of restricted or committed. The Commissioners' Court may delegate authority for assignments to other officials in the County.

Unassigned - Represents the residual balance that may be spent on any other purpose of the County.

When an expenditure is incurred for a purpose in which multiple classifications are available, the County considers restricted balances spent first, committed second and assigned third.

The County has established a minimum fund balance policy in the General fund of 18-25% of subsequent year's budgeted expenditures.

17. USE OF ESTIMATES

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

GONZALES COUNTY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2023

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

18. COMPARATIVE DATA/RECLASSIFICATIONS

Comparative data for the prior year (where provided) includes certain reclassifications to conform to the 2023 presentation. These reclassifications had no effect on the changes in fund balance/net position.

**NOTE B -- DEPOSITS AND INVESTMENTS**

1. Deposits

The County maintains deposits at one institution that provides a combination of pledged collateral and FDIC insurance to completely collateralize the County's deposits, including certificates.

2. Investments

As of September 30, 2023, the County's investments consisted of \$5,516,662 in Texpool, a AAAM rated local government investment pool. The investment is reported in cash and equivalents at \$1 per share, which approximates fair value.

In addition, the County has materially complied with the provisions of the Public Funds Investment Act, by investing in qualified vehicles, adopting an investment policy, naming an investment officer, and attending the required training.

**NOTE C -- RECEIVABLES**

Receivables for the County as of September 30, 2023 are as follows:

	General Fund
Ad Valorem Taxes	\$ 1,493,349
Allowance for Doubtful Accounts	(149,335)
Total Other Receivables	\$ 1,344,014

GONZALES COUNTY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2023

**NOTE D -- PROPERTY TAX CALENDAR**

The County's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the County. Assessed values are established by the Gonzales County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2022, upon which the fiscal 2023 levy was based, was \$4.8 billion (i.e., market value less exemptions).

The County is permitted by the Constitution of the State of Texas to levy taxes up to \$0.80 per \$100 of taxable assessed valuation for all governmental purposes. Taxes for voter approved debt service are generally unlimited. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2023, was \$0.3071 per \$100 of assessed value. Generally, the County may only increase the maintenance and operations tax levy 3.5% each year without first obtaining voter approval.

**NOTE E -- NOTES RECEIVABLE**

The County, through the revolving loan fund, has provided loans to local businesses at favorable terms to spur community development. The County has two notes outstanding that require monthly principal and interest payments at 1% and 1.25%. Future payments on these notes are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 50,655	\$ 1,822	\$ 52,477
2025	27,588	1,548	29,136
2026	27,866	1,270	29,136
2027	28,146	990	29,136
2028	28,428	708	29,136
2029-2030	55,288	555	55,843
	\$ 217,971	\$ 6,893	\$ 224,864

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE F -- CAPITAL ASSETS**

Capital asset activity in the governmental funds for the year ended September 30, 2023, was as follows:

	Balance 10/1/2022	Additions	Disposals/ Transfers	Balance 9/30/2023
<i>Governmental Activities</i>				
Land	\$ -	\$ 47,735	\$ -	\$ 47,735
Buildings and Improvements	16,104,800	86,284	-	16,191,084
Vehicles and Equipment	16,552,419	1,658,679	545,876	18,756,974
Infrastructure	4,955,060	-	-	4,955,060
Construction in Progress	595,633	250,958	(611,937)	234,654
	38,207,912	2,043,656	(66,061)	40,185,507
Less Accumulated Depreciation				
Buildings and Improvements	(7,374,950)	(385,135)	-	(7,760,085)
Vehicles and Equipment	(9,218,779)	(1,326,169)	66,061	(10,478,887)
Infrastructure	(10,323)	(247,753)	-	(258,076)
	(16,604,052)	(1,959,057)	66,061	(18,497,048)
Governmental Activities, Net	\$ 21,603,860	\$ 84,599	\$ -	\$ 21,688,459

Land and Construction in Progress is not depreciated.

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 182,350
Legal	11,665
Judicial	2,100
Finance	5,022
Facilities	232,628
Public Safety	465,114
Conservation	1,235
Public Transportation	1,058,943
Total Depreciation Expense - Governmental Activities	\$ 1,959,057

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE G -- LONG-TERM DEBT**

Changes in long-term debt were as follows:

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023
<i>Governmental Activities:</i>				
Notes Payable	\$ 606,872	\$ -	\$ (338,313)	\$ 268,559
Compensated Absences	297,840	154,599	(119,136)	333,303
Net Pension Liability (asset)	(791,484)	6,278,987	(2,176,369)	3,311,134
Total OPEB Liability	1,103,934	101,341	(251,587)	953,688
<i>Total Government</i>	<u>\$ 1,217,162</u>	<u>\$ 6,534,927</u>	<u>\$ (2,885,405)</u>	<u>\$ 4,866,684</u>

The General Fund and Road and Bridge Fund are generally charged with servicing these obligations.

**NOTE H -- NOTES PAYABLE**

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Due Within One Year
<i>Governmental Activities:</i>					
Notes Payable	\$ 606,872	\$ -	\$ (338,313)	\$ 268,559	\$ 173,860
<i>Total Government</i>	<u>\$ 606,872</u>	<u>\$ -</u>	<u>\$ (338,313)</u>	<u>\$ 268,559</u>	<u>\$ 173,860</u>

The notes consist of various agreements with equipment manufacturers for heavy machinery for road maintenance. The notes require monthly or quarterly payments. The notes are serviced by the Road and Bridge Fund. Requirements for future debt service are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 173,860	\$ 6,748	\$ 180,608
2025	54,399	1,954	56,353
2026	40,300	540	40,840
Total	<u>\$ 268,559</u>	<u>\$ 9,242</u>	<u>\$ 277,801</u>

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE I -- PENSION PLAN**

**Plan Description**

The County participates as one of 830 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the state of Texas and administered in accordance with the TCDRS Act as an agent multiple-employer retirement system for County and District employees in the State of Texas. The Board of Trustees of TCDRS is responsible for the administration and management of the system. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years of service equals 75 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan. Members who withdraw their personal contributions in a partial lump sum are entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County within the actuarial constraints imposed by the TCDRS Act so 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

**Contributions**

The County has elected the annually determined contribution 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 County is actuarially determined annually. The actuarially determined rates were 15.23% and 14.57% for the calendar years of 2022 and 2023, respectively. The County chose to contribute more than the required amount.

The contribution rate payable by the employee members is 7% as adopted by the governing body of the District. 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. The County has adopted a matching rate of 250% with 110% prior service credits.

GONZALES COUNTY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2023

**NOTE I -- PENSION PLAN (Continued)**

**Benefits Provided**

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the County-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest. At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	108
Inactive Employees Entitled to but Not Yet Receiving Benefits	117
Active employees	154
	379
	379

**Net Pension Liability**

The County's net pension liability (NPL) was measured as of December 31, 2022 and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	11.9 Years
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average including inflation
Investment Rate of Return	7.60% gross (7.50% net of expenses)
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE I -- PENSION PLAN (Continued)**

The long-term expected rate of return on pension plan investments is 7.5%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10-year time horizon. Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon; the most recent analysis was performed in March 2021. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return</u>
U.S. Equities	11.5%	4.95%
Global Equity	2.5%	4.95%
International Developed Markets	5.0%	4.95%
International Emerging Markets	6.0%	4.95%
Investment Grade Bonds	3.0%	2.40%
Strategic Credit	9.0%	3.39%
Direct Lending	16.0%	6.95%
Distressed Debt	4.0%	7.60%
REIT Equities	2.0%	4.15%
Master Limited Partnerships (MLPs)	2.0%	5.30%
Private Real Estate Partnerships	6.0%	5.70%
Private Equity	25.0%	7.95%
Hedge Funds	6.0%	2.90%
Cash Equivalents	2.0%	0.20%
	<u>100%</u>	

The discount rate used to measure the Total Pension Liability (or asset) was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability (or asset).



GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE I -- PENSION PLAN (Continued)**

The following presents the net pension liability of the District, calculated using the discount rate of 7.6%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate 6.60%	Discount Rate 7.60%	Discount Rate 8.60%
Net Pension Liability (Asset)	\$ 8,366,226	\$ 3,311,134	\$ (922,792)

**Changes in the Net Pension Liability**

The below schedule presents the changes in the Net Pension Liability as of December 31, 2022:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2021	\$ 35,649,124	\$ 36,440,609	\$ (791,485)
Changes for the year:			
Service Cost	1,346,132	-	1,346,132
Interest	2,752,787	-	2,752,787
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(1,935)	-	(1,935)
Changes of Assumptions	-	-	-
Refund of Contributions	(170,524)	(170,524)	-
Benefit Payments	(1,407,105)	(1,407,105)	-
Administrative Expense	-	(20,427)	20,427
Contributions - Employee	-	591,039	(591,039)
Net Investment Income	-	(2,180,068)	2,180,068
Contributions - Employer	-	1,500,952	(1,500,952)
Other Changes	-	102,869	(102,869)
Net Changes	2,519,355	(1,583,264)	4,102,619
Balance at December 31, 2022	\$ 38,168,479	\$ 34,857,345	\$ 3,311,134

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the internet at [www.TCDRS.com](http://www.TCDRS.com).

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE I -- PENSION PLAN (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended September 30, 2023, the County recognized pension expense of \$1,236,248. Also as of September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 40,206	\$ 32,640
Changes in Actuarial Assumptions	477,578	-
Differences Between Projected and Actual Investment Earnings	844,491	-
Contributions Subsequent to the Measurement Date	1,000,458	-
	\$ 2,362,733	\$ 32,640

Deferred outflows of resources in the amount of \$1,000,458 are related to contributions made subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Plan Year ended December 31,	
2023	\$ 175,894
2024	17,897
2025	141,479
2026	994,365
2027	-
Thereafter	-
	\$ 1,329,635

**NOTE J -- OTHER POST-EMPLOYMENT BENEFIT**

Eligible retirees of the County may participate in the health insurance plan of the County at the County's cost. Eligible employees are those that attain age 59 with 18 years of service. Retired elected officials with 12 years of service and age 55 are also eligible. Benefits terminate at age 65 when the retiree is medicare eligible.

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE J -- OTHER POST-EMPLOYMENT BENEFIT (Continued)**

Membership in the plan at December 31, 2022, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	3
Inactive Employees Entitled to but Not Yet Receiving Benefits	0
Active employees	<u>107</u>
	<u><u>110</u></u>

The County does not maintain a separate trust for this plan and is not accumulating assets to service the other post-employment benefit. Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of employees attaining eligibility. Actuarial calculations reflect a long-term perspective and employ 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 were as follows:

Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.50%
Salary Increases	0.40% to 5.25% not including inflation of 3.00%
Discount Rate	4.05%
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2020 as conducted for the Texas County and District Retirement System (TCDRS). For the OPEB valuation, the standard TCDRS retirement rates were adjusted to reflect the impact of the County's retiree medical plan design.
Mortality Rates	For healthy retirees, the Pub-2010 General Retirees Tables for males and females are used with male rates multiplied by 135% and female rates multiplied by 120%. Those rates are projected on a fully generational basis based on 100% of the ultimate rates of mortality improvement scale MP-2021.
Health Care Trend Rates	Initial rate of 7% declining to 4.15% after 13 years.
Participation Rates	Assumed 100% of eligible retirees.

The TOL of the County's retiree insurance benefit is calculated using a discount rate of 4.05% and a health care cost trend rate of 7%, declining to 4.15% after 13 years. The following tables present the sensitivity of the TOL to a 1% swing in the discount rate and health care cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 837,888	\$ 953,688	\$ 1,091,034
	<u>1% Decrease</u>	<u>Discount Rate 4.05%</u>	<u>1% Decrease</u>
Total OPEB Liability	\$ 1,044,043	\$ 953,688	\$ 871,763

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2023

**NOTE J -- OTHER POSTEMPLOYMENT BENEFIT (Continued)**

The County's Total OPEB Liability (TOL) is based on the above actuarial factors and an actuarial valuation date of December 31, 2022. The TOL was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2021	\$ 1,103,934
Changes for the year:	
Service Cost	79,036
Interest	20,669
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	1,636
Changes in Assumptions or Other Inputs	(211,269)
Benefit Payments	(40,318)
Net Changes	(150,246)
Balance at December 31, 2022	\$ 953,688

There is no separate trust maintained to fund this TOL. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 to pay related benefits.

For the year ended September 30, 2023, the County recognized OPEB expense of \$77,373. In addition, the following deferred inflows and outflows were reported as of September 30, 2023 related to the benefit:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 137,952	\$ 201,579
Changes in Experience	1,461	129,975
Contributions Subsequent to the Measurement Date	14,521	-
	\$ 153,934	\$ 331,554

Deferred outflows of resources in the amount of \$14,521 are related to contributions made subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the plan year ended December 31, 2023.

GONZALES COUNTY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2023

**NOTE J -- OTHER POSTEMPLOYMENT BENEFIT (Continued)**

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Plan Year ended December 31,		
2023	\$	(22,332)
2024		(22,332)
2025		(22,332)
2026		(23,923)
2027		(24,017)
Thereafter		(77,205)
	<u>\$</u>	<u>(192,141)</u>

**NOTE K – TAX ABATEMENTS**

The County provides tax abatements to incentivize development and provide economic growth in the County. As of September 30, 2023, the County had one such agreement. In exchange for improvements in the County of at least \$30 million and a 50% preference to local manufacturers/suppliers, the County will rebate 75% of the incremental property tax revenue generated by the project for a term of 15 years (through November 2032). The project is expected to be conducted in three phases and each phase will receive the rebate for 10 years. During the year ended September 30, 2023, the County rebated \$217,142 in property taxes.

**NOTE L -- RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The County contracts with the Texas Association of Counties Risk Management Pool (“Pool”) to provide insurance coverage for liability, property and casualty, auto liability and workers compensation. The Pool is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the County is generally limited to the contributed amounts for losses up to coverage limits.

**NOTE M -- LITIGATION**

The County is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the County’s liability in these cases, if decided adversely to the County, will not have a material effect on the County’s financial position.

**NOTE N -- COMMITMENT**

The County has entered into an engineering contract for the construction of a radio tower. The total engineering is expected to be \$739 thousand. As of September 30, 2023, \$233 thousand had been incurred, leaving an estimated commitment of \$506 thousand.



## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Road and Bridge Fund
- Schedule of Changes - Net Pension Liability and Related Ratios
- Schedule of Contributions – Defined Benefit Pension Plan
- Schedule of Changes – Total Other Post-Employment Benefit Liability and Related Ratios

GONZALES COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 8,022,429	\$ 8,022,429	\$ 9,021,736	\$ 999,307
Sales Taxes	2,305,463	2,305,463	2,810,733	505,270
Fines and Forfeitures	904,156	904,156	772,126	(132,030)
Charges for Services	523,456	523,456	660,158	136,702
Licenses, Permits, and Fees	138,985	138,985	118,894	(20,091)
Interest Income	73,260	73,260	374,552	301,292
Misc Income	77,500	77,500	107,454	29,954
Grants and Donations	87,200	341,479	359,511	18,032
<b>TOTAL REVENUES</b>	<u>12,132,449</u>	<u>12,386,728</u>	<u>14,225,164</u>	<u>1,838,436</u>
<b>EXPENDITURES</b>				
<i>Current:</i>				
Administration				
County Judge	303,941	303,941	295,460	8,481
County Clerk	659,959	659,959	604,978	54,981
Veteran's Service	47,157	47,157	29,321	17,836
Nondepartmental	1,441,639	1,456,901	1,361,388	95,513
Elections	303,088	316,201	256,095	60,106
District Clerk	422,912	422,947	397,935	25,012
Legal - County Attorney	714,447	715,997	649,243	66,754
Judicial				
County Court	208,860	208,860	175,102	33,758
District Court	258,905	338,905	335,704	3,201
Justices of the Peace	903,829	903,794	864,895	38,899
Finance				
County Auditor	440,784	440,848	427,104	13,744
County Treasurer	108,398	108,398	103,597	4,801
Tax Assessor	670,807	671,810	662,036	9,774
Facilities - Courthouse	698,253	713,390	659,157	54,233
Public Safety				
Jail	2,960,557	3,115,557	2,483,438	632,119
Constables	567,051	569,529	549,986	19,543
DPS	102,405	102,405	96,945	5,460
County Sheriff	3,759,672	3,921,803	3,724,640	197,163
Code Enforcement	263,557	277,246	268,379	8,867
Health - Indigent Services	8,000	8,000	4,860	3,140
Conservation	179,212	178,146	175,665	2,481
Capital Outlay	705,100	1,088,546	869,851	218,695
<b>TOTAL EXPENDITURES</b>	<u>15,728,533</u>	<u>16,570,340</u>	<u>14,995,779</u>	<u>1,574,561</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,596,084)	(4,183,612)	(770,615)	3,412,997
<b>BEGINNING FUND BALANCE</b>	10,438,707	10,438,707	10,438,707	-
<b>ENDING FUND BALANCE</b>	<u>\$ 6,842,623</u>	<u>\$ 6,255,095</u>	<u>\$ 9,668,092</u>	<u>\$ 3,412,997</u>



GONZALES COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL – ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 4,991,665	\$ 4,991,665	\$ 5,658,980	\$ 667,315
Licenses, Permits, and Fees	721,100	721,100	835,101	114,001
Interest Income	72,730	72,730	307,003	234,273
Misc Income	70,000	70,000	180,198	110,198
<b>TOTAL REVENUES</b>	<u>5,855,495</u>	<u>5,855,495</u>	<u>6,981,282</u>	<u>1,125,787</u>
<b>EXPENDITURES</b>				
<i>Current:</i>				
Public Transportation				
Precinct 1	1,455,573	1,456,073	1,150,661	305,412
Precinct 2	1,585,099	1,584,124	1,344,367	239,757
Precinct 3	1,276,574	1,271,523	1,148,651	122,872
Precinct 4	1,308,740	1,308,694	974,159	334,535
<i>Capital Outlay:</i>				
Precinct 1	180,000	294,100	282,054	12,046
Precinct 2	5,000	420,970	416,471	4,499
Precinct 3	84,000	124,735	124,733	2
Precinct 4	72,500	82,546	76,624	5,922
<i>Debt Service:</i>				
Principal	219,469	338,668	338,313	355
Interest	17,658	19,746	19,650	96
<b>TOTAL EXPENDITURES</b>	<u>6,204,613</u>	<u>6,901,179</u>	<u>5,875,683</u>	<u>1,025,496</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(349,118)	(1,045,684)	1,105,599	2,151,283
<b>OTHER FINANCING SOURCES (OFS)</b>				
Proceeds from Sale of Capital Assets	435	6,435	6,500	65
<b>TOTAL OFS</b>	<u>435</u>	<u>6,435</u>	<u>6,500</u>	<u>65</u>
<b>NET CHANGE IN FUND BALANCE</b>	(348,683)	(1,039,249)	1,112,099	2,151,348
<b>BEGINNING FUND BALANCE</b>	<u>9,044,204</u>	<u>9,044,204</u>	<u>9,044,204</u>	<u>-</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 8,695,521</u>	<u>\$ 8,004,955</u>	<u>\$ 10,156,303</u>	<u>\$ 2,151,348</u>



GONZALES COUNTY  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
SEPTEMBER 30, 2023

**Budgetary Information** – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The County maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by Commissioners’ Court and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund and Road and Bridge Fund.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

The County does not use encumbrances.

GONZALES COUNTY  
SCHEDULE OF CHANGES - NET PENSION LIABILITY AND RELATED RATIOS  
LAST NINE PLAN (CALENDAR) YEARS

Total Pension Liability			
	2014	2015	2016
Service Cost	\$ 743,601	\$ 857,720	\$ 976,508
Interest (on the Total Pension Liability)	1,294,712	1,401,918	1,507,148
Changes of Benefit Terms	-	(138,275)	-
Change of Assumptions	-	188,450	-
Difference between Expected and Actual Experience	(80,324)	(272,441)	76,858
Benefit Payments, Including Refunds of Employee Contributions	(693,130)	(737,771)	(807,317)
Net Change in Total Pension Liability	1,264,859	1,299,601	1,753,197
Total Pension Liability - Beginning	15,959,360	17,224,219	18,523,820
Total Pension Liability - Ending	<u>\$ 17,224,219</u>	<u>\$ 18,523,820</u>	<u>\$ 20,277,017</u>
Plan Fiduciary Net Position			
	2014	2015	2016
Contributions - Employer	\$ 968,268	\$ 961,758	\$ 1,028,452
Contributions - Employee	413,741	458,249	490,058
Net Investment Income	912,845	(73,671)	1,152,169
Benefit Payments, Including Refunds of Employee Contributions	(693,130)	(737,771)	(807,317)
Administrative Expense	(10,918)	(10,993)	(12,548)
Other	(76,139)	36,147	97,321
Net Change	1,514,667	633,719	1,948,135
Beginning Plan Fiduciary Net Position	13,386,669	14,901,336	15,535,055
Ending Plan Fiduciary Net Position	<u>\$ 14,901,336</u>	<u>\$ 15,535,055</u>	<u>\$ 17,483,190</u>
Net Pension Liability (Asset) - Ending	\$ 2,322,883	\$ 2,988,765	\$ 2,793,827
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.51%	83.87%	86.22%
Covered Payroll	\$ 5,910,589	\$ 6,546,416	\$ 7,000,833
Net Pension Liability as a Percentage of Covered Payroll	39.30%	45.65%	39.91%

Information for this schedule is being accumulated prospectively until a rolling ten year period is available.

Total Pension Liability					
2017	2018	2019	2020	2021	2022
\$ 990,850	\$ 1,129,030	\$ 1,265,880	\$ 1,320,784	\$ 1,377,530	\$ 1,346,132
1,682,545	1,973,009	2,387,337	2,572,099	2,573,955	2,752,787
1,690,735	2,969,418	(94,940)	(2,527,916)	-	-
76,452	-	-	1,897,866	6,227	-
65,142	84,408	(62,566)	160,827	(62,377)	(1,935)
<u>(1,011,109)</u>	<u>(1,106,606)</u>	<u>(1,251,318)</u>	<u>(1,288,615)</u>	<u>(1,446,540)</u>	<u>(1,577,629)</u>
3,494,615	5,049,259	2,244,393	2,135,045	2,448,795	2,519,355
<u>20,277,017</u>	<u>23,771,632</u>	<u>28,820,891</u>	<u>31,065,284</u>	<u>33,200,329</u>	<u>35,649,124</u>
<u>\$ 23,771,632</u>	<u>\$ 28,820,891</u>	<u>\$ 31,065,284</u>	<u>\$ 33,200,329</u>	<u>\$ 35,649,124</u>	<u>\$ 38,168,479</u>
Plan Fiduciary Net Position					
2017	2018	2019	2020	2021	2022
\$ 1,486,847	\$ 1,619,911	\$ 1,304,437	\$ 1,493,545	\$ 1,417,342	\$ 1,500,952
517,897	533,652	549,252	587,806	576,334	591,039
2,567,918	(380,351)	3,567,296	2,677,267	6,515,035	(2,180,068)
(1,011,109)	(1,106,606)	(1,251,318)	(1,288,617)	(1,446,540)	(1,577,629)
(13,995)	(17,451)	(19,737)	(21,494)	(19,715)	(20,427)
13,184	33,307	23,704	26,027	23,590	102,870
<u>3,560,742</u>	<u>682,462</u>	<u>4,173,634</u>	<u>3,474,534</u>	<u>7,066,046</u>	<u>(1,583,263)</u>
<u>17,483,190</u>	<u>21,043,932</u>	<u>21,726,394</u>	<u>25,900,028</u>	<u>29,374,562</u>	<u>36,440,608</u>
<u>\$ 21,043,932</u>	<u>\$ 21,726,394</u>	<u>\$ 25,900,028</u>	<u>\$ 29,374,562</u>	<u>\$ 36,440,608</u>	<u>\$ 34,857,345</u>
\$ 2,727,700	\$ 7,094,497	\$ 5,165,256	\$ 3,825,767	\$ (791,484)	\$ 3,311,134
88.53%	75.38%	83.37%	88.48%	102.22%	91.32%
\$ 7,398,525	\$ 7,623,603	\$ 7,846,463	\$ 8,397,228	\$ 8,233,350	\$ 8,443,409
36.87%	93.06%	65.83%	45.56%	-9.61%	39.22%



GONZALES COUNTY  
SCHEDULE OF COUNTY CONTRIBUTIONS – PENSION PLAN  
LAST TEN YEARS

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 1,314,179	\$ 1,573,983	\$ (259,804)	\$ 8,899,848	17.7%
2022	1,272,732	1,427,580	(154,848)	8,297,337	17.2%
2021	1,300,024	1,450,024	(150,000)	8,125,156	17.8%
2020	1,262,920	1,269,518	(6,598)	8,016,470	15.8%
2019*	1,204,437	1,304,437	(100,000)	7,846,463	16.6%
2018*	1,109,234	1,619,911	(510,677)	8,623,603	18.8%
2017*	845,651	1,486,847	(641,196)	7,398,525	20.1%
2016*	830,999	1,028,452	(197,453)	7,000,833	14.7%
2015*	840,560	961,758	(121,198)	6,546,416	14.7%
2014*	868,268	968,268	(100,000)	5,910,589	16.4%

\*These years are reported on a calendar year basis

Notes to Schedule of Contributions

Changes in Benefit Terms:

2017: New annuity purchase rates for benefits earned after 2017.

2018: Current service matching rate was increased to 235% and a flat 2% COLA.

2019: Current service matching rate was increased to 250% and a flat 2% COLA.

Changes in Assumptions:

2015: New inflation, mortality and other assumptions

2017: New mortality assumptions

2019: New inflation, mortality and other assumptions were reflected

2022: New investment return and inflation assumptions were reflected

GONZALES COUNTY  
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY AND  
RELATED RATIOS  
RETIREE INSURANCE  
LAST SIX CALENDAR (PLAN) YEARS

	Total OPEB Liability		
	2017	2018	2019
Service Cost	\$ 65,297	\$ 73,199	\$ 75,259
Interest	33,606	30,883	34,898
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	(4,436)	(108,782)
Changes in Assumptions or Other Inputs	31,349	(27,275)	86,640
Benefit Payments	(92,944)	(73,483)	(58,100)
Net Change in Total Pension Liability	37,308	(1,112)	29,915
Total OPEB Liability - Beginning	895,870	933,178	932,066
Total OPEB Liability - Ending	<u>\$ 933,178</u>	<u>\$ 932,066</u>	<u>\$ 961,981</u>
 Covered-Employee Payroll	 \$ 6,921,726	 \$ 6,343,791	 \$ 7,039,189
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 13.48%	 14.69%	 13.67%

Notes to Schedule

Changes in Benefit Terms: None

Changes in Assumptions:

2022: Discount rate changed

2021: Discount rate changed, attribution for service period changed to Gonzales County only

Attribution for service period changed to Gonzales County only

Updates to demographic and salary increase assumptions

2020: Discount rate changed

2019: Healthcare trend rate modified

2018: Healthcare trend rate modified

**Trust:**

No assets are accumulated in a trust that meets the criteria  
in paragraph 4 of Statement No. 75 to pay related benefits.



Total OPEB Liability		
2020	2021	2022
\$ 79,492	\$ 80,492	\$ 79,036
26,982	22,005	20,669
-	-	-
(5,441)	(74,988)	1,636
62,181	40,505	(211,269)
<u>(41,096)</u>	<u>(48,179)</u>	<u>(40,318)</u>
122,118	19,835	(150,246)
961,981	1,084,099	1,103,934
<u>\$ 1,084,099</u>	<u>\$ 1,103,934</u>	<u>\$ 953,688</u>
\$ 8,200,137	\$ 7,482,981	\$ 7,408,820
13.22%	14.75%	12.87%



## SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Combining Statements – Nonmajor Funds
- Comparative Statements – General Fund
- Comparative Statements – Road and Bridge Fund

GONZALES COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS  
 SEPTEMBER 30, 2023

	Special Revenue			
	Truancy Prevention	Probate	Law Library	Election Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 979	\$ 125,419	\$ 14,581
Notes Receivable	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 979</b>	<b>\$ 125,419</b>	<b>\$ 14,581</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
<i>Total Liabilities</i>	-	-	-	-
<i>Fund Balances:</i>				
Nonspendable:				
Notes Receivable	-	-	-	-
Restricted for:				
Elections	-	-	-	14,581
Legal	-	-	125,419	-
Judicial	-	979	-	-
Public Safety	-	-	-	-
Records Management	-	-	-	-
Sheriff	-	-	-	-
Community Development	-	-	-	-
Other Purposes	-	-	-	-
<i>Total Fund Balances</i>	-	979	125,419	14,581
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 979</b>	<b>\$ 125,419</b>	<b>\$ 14,581</b>

Special Revenue

Attorney Hot Check	County Clerk Records	District Clerk Records	Mediation	Records Management	Digital Records
\$ 125	\$ 346,460	\$ 12,829	\$ -	\$ 8,780	\$ 7,183
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 125</u>	<u>\$ 346,460</u>	<u>\$ 12,829</u>	<u>\$ -</u>	<u>\$ 8,780</u>	<u>\$ 7,183</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
125	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	346,460	12,829	-	8,780	7,183
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>125</u>	<u>346,460</u>	<u>12,829</u>	<u>-</u>	<u>8,780</u>	<u>7,183</u>
<u>\$ 125</u>	<u>\$ 346,460</u>	<u>\$ 12,829</u>	<u>\$ -</u>	<u>\$ 8,780</u>	<u>\$ 7,183</u>

GONZALES COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)  
 SEPTEMBER 30, 2023

	Special Revenue			
	Family Protection	Child Abuse	HAVA	Parks and Wildlife
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 1,800	\$ 19,437	\$ 43
Notes Receivable	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 1,800</b>	<b>\$ 19,437</b>	<b>\$ 43</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ -	\$ 165	\$ 128
<i>Total Liabilities</i>	-	-	165	128
<i>Fund Balances:</i>				
Nonspendable:				
Notes Receivable	-	-	-	-
Restricted for:				
Elections	-	-	19,272	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	1,800	-	-
Records Management	-	-	-	-
Sheriff	-	-	-	-
Community Development	-	-	-	-
Other Purposes	-	-	-	(85)
<i>Total Fund Balances</i>	-	1,800	19,272	(85)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 1,800</b>	<b>\$ 19,437</b>	<b>\$ 43</b>

Special Revenue

Supplemental Guardianship Fee	Vital Statistics	Judge's Supplement	Courthouse Security	Justice Building Security	Specialty Court
\$ 24,750	\$ 20,268	\$ 6,976	\$ 30,258	\$ 15,123	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 24,750</u>	<u>\$ 20,268</u>	<u>\$ 6,976</u>	<u>\$ 30,258</u>	<u>\$ 15,123</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,750	-	-	30,258	15,123	-
-	-	-	-	-	-
-	20,268	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,976	-	-	-
<u>24,750</u>	<u>20,268</u>	<u>6,976</u>	<u>30,258</u>	<u>15,123</u>	<u>-</u>
<u>\$ 24,750</u>	<u>\$ 20,268</u>	<u>\$ 6,976</u>	<u>\$ 30,258</u>	<u>\$ 15,123</u>	<u>\$ -</u>

GONZALES COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)  
 SEPTEMBER 30, 2023

	Special Revenue			
	County Records Management	Language Access	Court Reporter	Justice Court Technology
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 71,223	\$ 3,044	\$ 10,351	\$ 41,553
Notes Receivable	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 71,223</u>	<u>\$ 3,044</u>	<u>\$ 10,351</u>	<u>\$ 41,553</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ -	\$ 224	\$ 291
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>224</u>	<u>291</u>
<i>Fund Balances:</i>				
Nonspendable:				
Notes Receivable	-	-	-	-
Restricted for:				
Elections	-	-	-	-
Legal	-	-	-	-
Judicial	-	3,044	10,127	41,262
Public Safety	-	-	-	-
Records Management	71,223	-	-	-
Sheriff	-	-	-	-
Community Development	-	-	-	-
Other Purposes	-	-	-	-
<i>Total Fund Balances</i>	<u>71,223</u>	<u>3,044</u>	<u>10,127</u>	<u>41,262</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 71,223</u>	<u>\$ 3,044</u>	<u>\$ 10,351</u>	<u>\$ 41,553</u>



Special Revenues

Court Technology	Appelant Judicial	Sheriff Revenues	SCAAP Grant	Indigent Health	Attorney Forfeiture
\$ 8,416	\$ 1,639	\$ 51,372	\$ 50,097	\$ 17,997	\$ 23,023
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,416</u>	<u>\$ 1,639</u>	<u>\$ 51,372</u>	<u>\$ 50,097</u>	<u>\$ 17,997</u>	<u>\$ 23,023</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	23,023
8,416	1,639	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	51,372	-	-	-
-	-	-	-	-	-
-	-	-	46,097	17,997	-
<u>8,416</u>	<u>1,639</u>	<u>51,372</u>	<u>46,097</u>	<u>17,997</u>	<u>23,023</u>
<u>\$ 8,416</u>	<u>\$ 1,639</u>	<u>\$ 51,372</u>	<u>\$ 50,097</u>	<u>\$ 17,997</u>	<u>\$ 23,023</u>

GONZALES COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)  
 SEPTEMBER 30, 2023

	Special Revenue			
	Revolving Loan	Law Enforcement Training	Jury Fund	Constable 3 Forfeiture
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 466,228	\$ 20,904	\$ 5,375	\$ 2,990
Notes Receivable	217,971	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 684,199</u>	<u>\$ 20,904</u>	<u>\$ 5,375</u>	<u>\$ 2,990</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 2,400	\$ -	\$ -	\$ -
<i>Total Liabilities</i>	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances:</i>				
Nonspendable:				
Notes Receivable	217,971	-	-	-
Restricted for:				
Elections	-	-	-	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	20,904	5,375	2,990
Records Management	-	-	-	-
Sheriff	-	-	-	-
Community Development	463,828	-	-	-
Other Purposes	-	-	-	-
<i>Total Fund Balances</i>	<u>681,799</u>	<u>20,904</u>	<u>5,375</u>	<u>2,990</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 684,199</u>	<u>\$ 20,904</u>	<u>\$ 5,375</u>	<u>\$ 2,990</u>

<u>Special Revenue</u>		<u>Capital</u>		
<u>Clerk of the Court</u>	<u>Chapter 19</u>	<u>CDBG Grant</u>	<u>Total Nonmajor Funds</u>	
\$ 28,477	\$ 6	\$ 2,000	\$ 1,439,706	
-	-	-	217,971	
<u>\$ 28,477</u>	<u>\$ 6</u>	<u>\$ 2,000</u>	<u>\$ 1,657,677</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 9,208</u>	
<u>-</u>	<u>-</u>	<u>2,000</u>	<u>9,208</u>	
-	-	-	217,971	
-	6	-	33,859	
-	-	-	148,567	
28,477	-	-	164,075	
-	-	-	31,069	
-	-	-	466,743	
-	-	-	51,372	
-	-	-	463,828	
-	-	-	70,985	
<u>28,477</u>	<u>6</u>	<u>-</u>	<u>1,648,469</u>	
<u>\$ 28,477</u>	<u>\$ 6</u>	<u>\$ 2,000</u>	<u>\$ 1,657,677</u>	

GONZALES COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE – NONMAJOR FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	Truancy Prevention	Probate	Law Library	Election Fund
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	380	11,472	823
Interest Income	-	-	-	-
Grants and Donations	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>380</u>	<u>11,472</u>	<u>823</u>
<b>EXPENDITURES</b>				
Current:				
Administration	36,311	425	-	-
Legal	-	-	1,143	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Health	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>36,311</u>	<u>425</u>	<u>1,143</u>	<u>-</u>
Excess (Deficiency) in Revenue Over (Under) Expenditures	(36,311)	(45)	10,329	823
<b>BEGINNING FUND BALANCE</b>	<u>36,311</u>	<u>1,024</u>	<u>115,090</u>	<u>13,758</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 979</u>	<u>\$ 125,419</u>	<u>\$ 14,581</u>

Special Revenue

Attorney Hot Check	County Clerk Records	District Clerk Records	Mediation	Records Management	Digital Records
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	97,008	10,821	-	27	500
-	3,061	-	-	-	-
-	-	-	-	-	-
-	100,069	10,821	-	27	500
-	195,881	4,200	51,740	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	195,881	4,200	51,740	-	-
-	(95,812)	6,621	(51,740)	27	500
125	442,272	6,208	51,740	8,753	6,683
<u>\$ 125</u>	<u>\$ 346,460</u>	<u>\$ 12,829</u>	<u>\$ -</u>	<u>\$ 8,780</u>	<u>\$ 7,183</u>

GONZALES COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE – NONMAJOR FUNDS (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	Family Protection	Child Abuse	HAVA	Parks and Wildlife
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ -	\$ -	\$ 595
Charges for Services	-	-	-	-
Interest Income	-	-	524	-
Grants and Donations	-	100	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>100</u>	<u>524</u>	<u>595</u>
<b>EXPENDITURES</b>				
Current:				
Administration	-	-	2,520	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Health	1,929	-	-	1,233
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,929</u>	<u>-</u>	<u>2,520</u>	<u>1,233</u>
Excess (Deficiency) in Revenue Over (Under) Expenditures	(1,929)	100	(1,996)	(638)
<b>BEGINNING FUND BALANCE</b>	<u>1,929</u>	<u>1,700</u>	<u>21,268</u>	<u>553</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ 19,272</u>	<u>\$ (85)</u>

Special Revenue

Supplemental Guardianship Fee	Vital Statistics	Judge's Supplement	Courthouse Security	Justice Building Security	Specialty Court
\$ -	\$ -	\$ -	\$ 23,972	\$ 7,230	\$ -
-	1,999	-	-	-	-
-	-	-	-	-	-
2,340	-	-	-	-	-
<u>2,340</u>	<u>1,999</u>	<u>-</u>	<u>23,972</u>	<u>7,230</u>	<u>-</u>
-	39	-	-	-	6,837
-	-	-	-	-	-
-	-	-	10,181	10,015	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>39</u>	<u>-</u>	<u>10,181</u>	<u>10,015</u>	<u>6,837</u>
2,340	1,960	-	13,791	(2,785)	(6,837)
22,410	18,308	6,976	16,467	17,908	6,837
<u>\$ 24,750</u>	<u>\$ 20,268</u>	<u>\$ 6,976</u>	<u>\$ 30,258</u>	<u>\$ 15,123</u>	<u>\$ -</u>

GONZALES COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – NONMAJOR FUNDS (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	County Records Management	Language Access	Court Reporter	Justice Court Technology
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ -	\$ -	\$ 17,611
Charges for Services	443	1,863	8,551	-
Interest Income	-	-	-	-
Grants and Donations	-	-	-	-
<b>TOTAL REVENUES</b>	<u>443</u>	<u>1,863</u>	<u>8,551</u>	<u>17,611</u>
<b>EXPENDITURES</b>				
Current:				
Administration	-	-	-	-
Legal	-	-	-	-
Judicial	-	-	10,999	13,774
Public Safety	-	-	-	-
Health	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>10,999</u>	<u>13,774</u>
Excess (Deficiency) in Revenue Over (Under) Expenditures	443	1,863	(2,448)	3,837
<b>BEGINNING FUND BALANCE</b>	<u>70,780</u>	<u>1,181</u>	<u>12,575</u>	<u>37,425</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 71,223</u>	<u>\$ 3,044</u>	<u>\$ 10,127</u>	<u>\$ 41,262</u>



Special Revenues

Court Technology	Appelant Judicial	Sheriff Revenues	SCAAP Grant	Indigent Health	Attorney Forfeiture
\$ 674	\$ 1,639	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	1,359	-	797	787
-	-	-	41,810	-	-
<u>674</u>	<u>1,639</u>	<u>1,359</u>	<u>41,810</u>	<u>797</u>	<u>787</u>
-	-	-	-	-	-
-	-	-	-	-	453
-	1,511	-	20,093	-	-
-	-	3,081	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,511</u>	<u>3,081</u>	<u>20,093</u>	<u>-</u>	<u>453</u>
674	128	(1,722)	21,717	797	334
<u>7,742</u>	<u>1,511</u>	<u>53,094</u>	<u>24,380</u>	<u>17,200</u>	<u>22,689</u>
<u>\$ 8,416</u>	<u>\$ 1,639</u>	<u>\$ 51,372</u>	<u>\$ 46,097</u>	<u>\$ 17,997</u>	<u>\$ 23,023</u>

GONZALES COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE – NONMAJOR FUNDS (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	Revolving Loan	Law Enforcement Training	Jury Fund	Constable 3 Forfeiture
<b>REVENUES</b>				
Fines and Forfeitures	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	3,257	-
Interest Income	18,681	134	-	-
Grants and Donations	-	3,107	-	-
<b>TOTAL REVENUES</b>	<u>18,681</u>	<u>3,241</u>	<u>3,257</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Administration	2,400	-	-	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	3,788	-	-
Health	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>2,400</u>	<u>3,788</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) in Revenue Over (Under) Expenditures	16,281	(547)	3,257	-
<b>BEGINNING FUND BALANCE</b>	<u>665,518</u>	<u>21,451</u>	<u>2,118</u>	<u>2,990</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 681,799</u>	<u>\$ 20,904</u>	<u>\$ 5,375</u>	<u>\$ 2,990</u>

Special Revenue		Capital	Total
Clerk of the Court	Chapter 19	CDBG Grant	Nonmajor Funds
\$ -	\$ -	\$ -	\$ 51,721
17,113	-	-	154,257
-	-	-	25,343
-	-	293,806	341,163
<u>17,113</u>	<u>-</u>	<u>293,806</u>	<u>572,484</u>
-	-	42,848	343,201
-	-	-	1,596
-	-	-	66,573
-	-	-	6,869
-	-	-	3,162
-	-	250,958	250,958
<u>-</u>	<u>-</u>	<u>293,806</u>	<u>672,359</u>
17,113	-	-	(99,875)
<u>11,364</u>	<u>6</u>	<u>-</u>	<u>1,748,344</u>
<u>\$ 28,477</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 1,648,469</u>

GONZALES COUNTY  
 COMPARATIVE BALANCE SHEETS  
 GENERAL FUND  
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,601,782	\$ 8,646,329
Certificates of Deposit	5,781,989	2,745,709
Ad Valorem Taxes Receivable (net)	1,344,014	1,318,414
Prepaid Items	60,973	172,386
<b>TOTAL ASSETS</b>	<b>\$ 11,788,758</b>	<b>\$ 12,882,838</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 506,580	\$ 878,261
Accrued Wages	264,153	240,446
Unearned Revenue	5,919	7,010
<i>Total Liabilities</i>	<i>776,652</i>	<i>1,125,717</i>
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenues	1,344,014	1,318,414
 <i>Fund Balances:</i>		
<i>Nonspendable:</i>		
Prepaid Items	60,973	172,386
Unassigned	9,607,119	10,266,321
<i>Total Fund Balance</i>	<i>9,668,092</i>	<i>10,438,707</i>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	 <b>\$ 11,788,758</b>	 <b>\$ 12,882,838</b>

GONZALES COUNTY  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 GENERAL FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
<b>REVENUES</b>		
Ad Valorem Taxes	\$ 9,021,736	\$ 9,492,421
Sales Taxes	2,810,733	2,441,350
Fines and Forfeitures	772,126	904,956
Charges for Services	660,158	524,375
Licenses, Permits, and Fees	118,894	140,526
Interest Income	374,552	113,704
Misc Income	107,454	148,676
Grants and Donations	359,511	3,745,728
<b>TOTAL REVENUES</b>	14,225,164	17,511,736
 <b>EXPENDITURES</b>		
<i>Current:</i>		
Administration	2,945,177	4,247,288
Legal	649,243	687,511
Judicial	1,375,701	1,277,998
Finance	1,192,737	1,095,859
Facilities	659,157	649,972
Public Safety	7,123,388	6,514,448
Health	4,860	3,290
Conservation	175,665	153,270
Capital Outlay	869,851	793,523
<b>TOTAL EXPENDITURES</b>	14,995,779	15,423,159
 <b>NET CHANGE IN FUND BALANCE</b>	(770,615)	2,088,577
 <b>BEGINNING FUND BALANCE</b>	10,438,707	8,350,130
<b>ENDING FUND BALANCE</b>	\$ 9,668,092	\$ 10,438,707



GONZALES COUNTY  
 COMPARATIVE BALANCE SHEETS  
 ROAD AND BRIDGE FUND  
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 5,781,022	\$ 4,717,409
Certificates of Deposit	4,741,987	4,681,050
Prepaid Items	25,845	21,589
<b>TOTAL ASSETS</b>	<b>\$ 10,548,854</b>	<b>\$ 9,420,048</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 325,876	\$ 315,332
Accrued Wages	66,675	60,512
<i>Total Liabilities</i>	392,551	375,844
 <i>Fund Balances:</i>		
Nonspendable:		
Prepaid Items	25,845	21,589
Committed for:		
Road and Bridge Maintenance		
Precinct 1	2,635,923	2,428,358
Precinct 2	2,206,811	2,184,138
Precinct 3	2,427,239	2,065,540
Precinct 4	2,860,485	2,344,579
<i>Total Fund Balance</i>	10,156,303	9,044,204
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 10,548,854</b>	<b>\$ 9,420,048</b>

GONZALES COUNTY  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND  
 BALANCE – ROAD AND BRIDGE FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	Precinct 1	Precinct 2	Precinct 3	Precinct 4
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 1,505,274	\$ 1,594,140	\$ 1,416,967	\$ 1,142,599
Licenses, Permits, and Fees	239,387	197,288	181,638	216,788
Interest Income	77,947	74,693	72,404	81,959
Misc Income	2,253	26,075	25,777	126,093
Grants and Donations	-	-	-	-
<b>TOTAL REVENUES</b>	1,824,861	1,892,196	1,696,786	1,567,439
<b>EXPENDITURES</b>				
<i>Current:</i>				
Public Transportation	1,150,661	1,344,367	1,148,651	974,159
Capital Outlay	282,055	416,470	124,733	76,624
Debt Service:				
Principal	176,799	104,829	56,685	-
Interest	6,889	8,946	3,815	-
<b>TOTAL EXPENDITURES</b>	1,616,404	1,874,612	1,333,884	1,050,783
<b>EXCESS (DEFICIENCY) OF REVENUS OVER (UNDER) EXPENDITURES</b>	208,457	17,584	362,902	516,656
<b>OTHER FINANCING SOURCES (USES) (OFS)</b>				
Sale of Capital Assets	-	6,500	-	-
<b>TOTAL OFS</b>	-	6,500	-	-
<b>NET CHANGE IN FUND BALANCE</b>	\$ 208,457	\$ 24,084	\$ 362,902	\$ 516,656
<b>BEGINNING FUND BALANCE</b>				
<b>ENDING FUND BALANCE</b>				



Fund Totals	
2023	2022
\$ 5,658,980	\$ 4,690,145
835,101	750,723
307,003	80,983
180,198	103,998
-	4,195,872
<u>6,981,282</u>	<u>9,821,721</u>
4,617,838	4,616,219
899,882	5,480,643
338,313	186,127
19,650	30,119
<u>5,875,683</u>	<u>10,313,108</u>
1,105,599	(491,387)
<u>6,500</u>	<u>70,563</u>
<u>6,500</u>	<u>70,563</u>
1,112,099	(420,824)
<u>9,044,204</u>	<u>9,465,028</u>
<u>\$ 10,156,303</u>	<u>\$ 9,044,204</u>



## COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

County Commissioners  
Gonzales County

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gonzales County as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Gonzales County's basic financial statements, and have issued our report thereon dated March 15, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Gonzales County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gonzales County's internal control. Accordingly, we do not express an opinion on the effectiveness of Gonzales County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Report on Compliance and Other Matters***


As part of obtaining reasonable assurance about whether Gonzales County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that were communicated to management in a separate letter dated March 15, 2024.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

March 15, 2024

