

# **GONZALES COUNTY, TEXAS**

## **ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2025**



GONZALES COUNTY

COUNTY OFFICIALS

COUNTY JUDGE

PATRICK C. DAVIS

COUNTY COMMISSIONERS

PRECINCT 1

ANTON "TONY" MACIAS

PRECINCT 2

DONNIE R. BRZOZOWSKI

PRECINCT 3

ROY STATON

PRECINCT 4

COLLIE BOATRRIGHT

COUNTY ATTORNEY

EDUARDO ESCOBAR

COUNTY TREASURER

SHERYL BARBORAK

COUNTY AUDITOR

SHAWNA LEHNERT

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, 2025

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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 remaining fund information of Gonzales County, as of and for the year ended September 30, 2025, 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, 2025, 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.

#### ***Change in Accounting Principle***

As discussed in Note 7 to the financial statements, the County implemented GASB 101 related to compensated absences as of October 1, 2024. Our opinion is not modified with respect to this matter.

#### ***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.

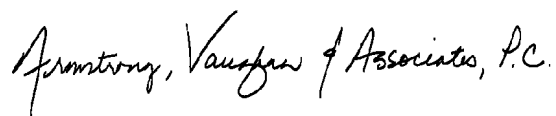
### ***Supplementary Information***

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 and the schedule of expenditures of state awards as required by Texas Grant Management Standards) 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 9, 2026 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 9, 2026

## 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, 2025. Please read it in conjunction with the County’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

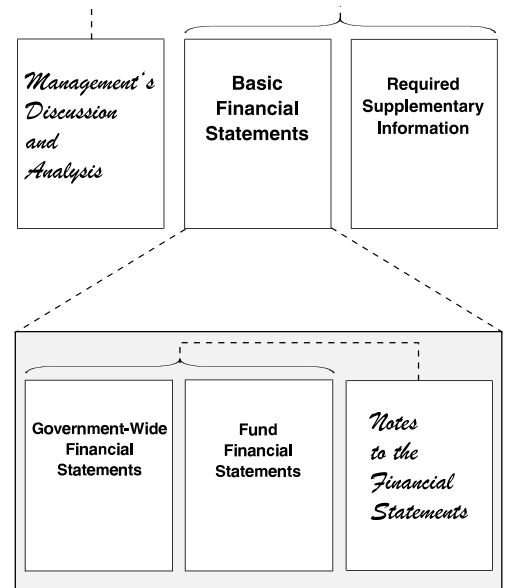
- The County’s total net position was \$39.7 million at September 30, 2025, a decrease of \$0.5 million.
- During the year, the County’s governmental expenses were \$0.5 million more than the \$24.1 million generated in general and program revenues for governmental activities. Revenues increased 4.5% because of grants for courthouse preservation and rural law enforcement. The total cost of the County’s programs increased 1.6% from the prior year.
- The general fund reported a fund balance this year of \$9.8 million, an increase of \$0.3 million. This was compared to a budgeted reduction in fund balance of \$4.3 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

The County's combined net position was \$39.7 million at September 30, 2025. (See Table A-1). Of this amount, \$21.6 million was invested in capital assets and \$1.6 million was restricted for various purposes. The remaining \$16.4 million in unrestricted net position can be used for any lawful County purpose.

Assets and liabilities of the County increased in 2025 because of the issuance of the 2025 tax notes to finance the renovation of the County annex.

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

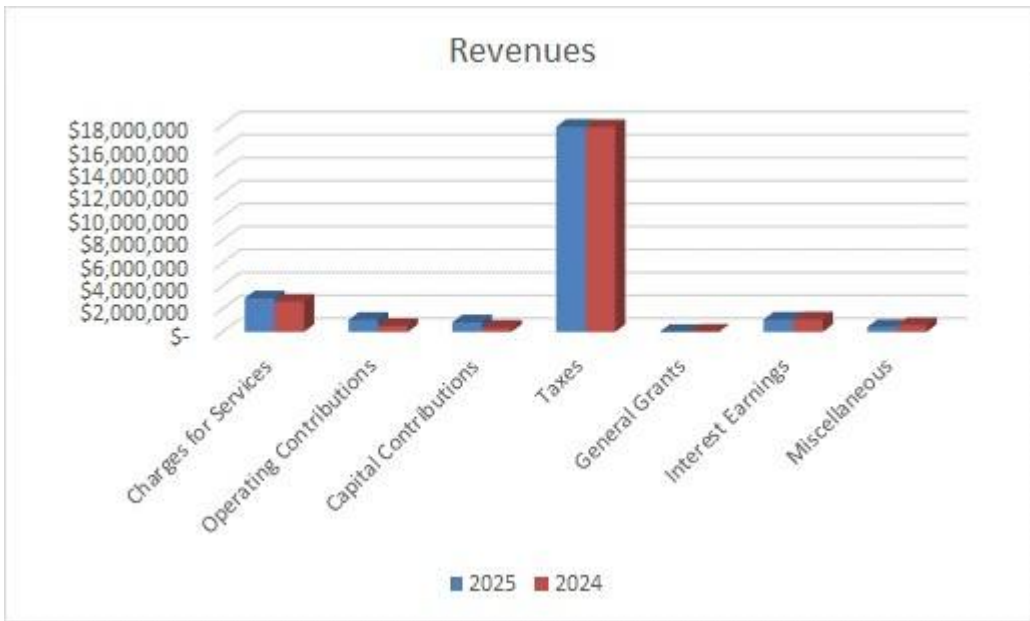
|  | Governmental<br>Activities |                      | Percentage<br>Change |
|--|----------------------------|----------------------|----------------------|
|  | 2025                       | 2024                 |                      |
| <i>Assets:</i>                         |                            |                      |                      |
| Current Assets                         | \$ 33,610,850              | \$ 23,703,435        | 41.8                 |
| Other Assets                           | 23,705,331                 | 22,069,457           | 7.4                  |
| <i>Total Assets</i>                    | <u>57,316,181</u>          | <u>45,772,892</u>    | 25.2                 |
| <i>Deferred Outflows of Resources:</i> | <u>1,609,401</u>           | <u>1,856,776</u>     | (13.3)               |
| <i>Liabilities:</i>                    |                            |                      |                      |
| Current Liabilities                    | 3,731,200                  | 1,807,436            | 106.4                |
| Long-term Liabilities                  | 14,647,924                 | 4,859,878            | 201.4                |
| <i>Total Liabilities</i>               | <u>18,379,124</u>          | <u>6,667,314</u>     | 175.7                |
| <i>Deferred Inflows of Resources:</i>  | <u>873,053</u>             | <u>318,115</u>       | 174.4                |
| <i>Net Position:</i>                   |                            |                      |                      |
| Net Investment in Capital Assets       | 21,639,307                 | 21,783,680           | (0.7)                |
| Restricted                             | 1,593,170                  | 1,565,340            | 1.8                  |
| Unrestricted                           | 16,440,928                 | 17,295,219           | (4.9)                |
| <i>Total Net Position</i>              | <u>\$ 39,673,405</u>       | <u>\$ 40,644,239</u> | (2.4)                |

## Governmental Activities

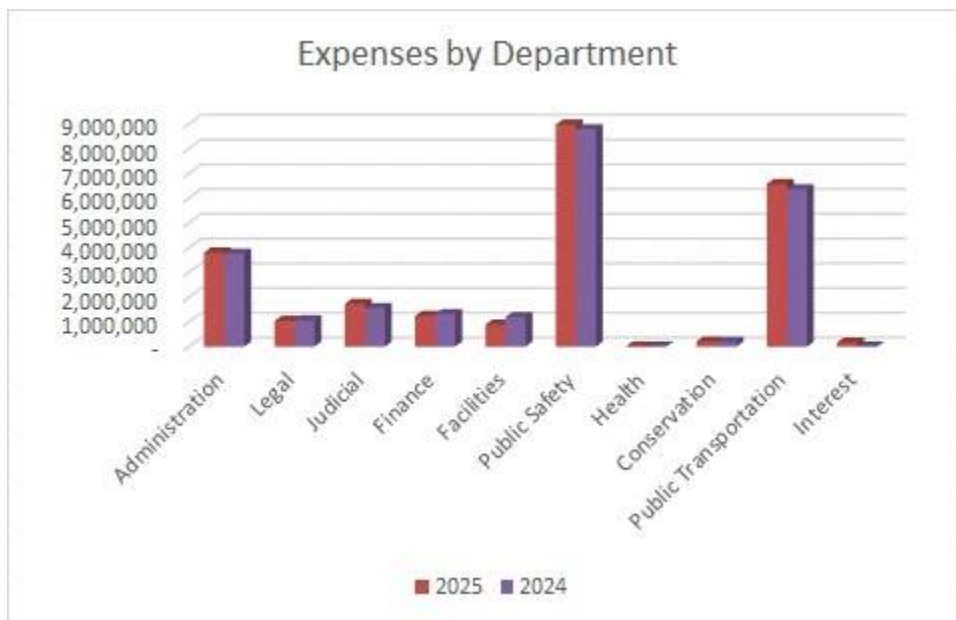
Table A-2 summarizes the changes in the County's net position for 2025 and 2024 fiscal years.

|                                    | Governmental         |                      | Percentage<br>Change |
|------------------------------------|----------------------|----------------------|----------------------|
|                                    | 2025                 | 2024                 |                      |
| <i>Program Revenues:</i>           |                      |                      |                      |
| Charges for Services               | \$ 2,920,367         | \$ 2,641,024         | 10.6                 |
| Operating Grants and Contributions | 1,042,394            | 526,884              | 97.8                 |
| Capital Contributions              | 829,634              | 369,262              | 124.7                |
| <i>General Revenues:</i>           |                      |                      |                      |
| Taxes                              | 17,845,006           | 17,828,947           | 0.1                  |
| General Grants                     | -                    | 26,877               | (100.0)              |
| Interest Earnings                  | 1,062,496            | 1,090,223            | (2.5)                |
| Miscellaneous                      | 421,352              | 591,422              | (28.8)               |
| <b>TOTAL REVENUES</b>              | <b>24,121,249</b>    | <b>23,074,639</b>    | <b>4.5</b>           |
| <i>Program Expenses:</i>           |                      |                      |                      |
| Administration                     | 3,804,952            | 3,747,431            | 1.5                  |
| Legal                              | 1,037,495            | 1,061,245            | (2.2)                |
| Judicial                           | 1,725,779            | 1,556,719            | 10.9                 |
| Finance                            | 1,238,973            | 1,318,134            | (6.0)                |
| Facilities                         | 890,289              | 1,192,051            | (25.3)               |
| Public Safety                      | 8,972,616            | 8,785,752            | 2.1                  |
| Health                             | 10,400               | 5,000                | 108.0                |
| Conservation                       | 204,362              | 193,374              | 5.7                  |
| Public Transportation              | 6,567,285            | 6,355,444            | 3.3                  |
| Interest                           | 163,931              | 6,374                | 2471.9               |
| <b>TOTAL EXPENSES</b>              | <b>24,616,082</b>    | <b>24,221,524</b>    | <b>1.6</b>           |
| Change in Net Position             | (494,833)            | (1,146,885)          | (56.9)               |
| Beginning Net Position             | 40,644,239           | 41,791,124           |                      |
| Prior Period Adjustment            | (476,001)            | -                    |                      |
| <b>Ending Net Position</b>         | <b>\$ 39,673,405</b> | <b>\$ 40,644,239</b> |                      |

The County implemented GASB 101 related to compensated absences as of October 1, 2024. This change increased the liability for employee compensated absences and required a prior period adjustment. However, the information for 2024 is as it was originally stated.



In 2025, revenues increased \$1.0 million (4.5%) primarily from a courthouse preservation grant and the rural law enforcement grant from the State.



Expenses increased 1.6% and were spread across departments. No major program changes occurred.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2025, the County had invested \$43.3 million in buildings, infrastructure and equipment. In 2025, the County purchased several vehicles and is continuing work on annex building repairs and planning for a courthouse restoration. (See Table A-3.)

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

|                            | Governmental<br>Activities |                     | Total<br>Percentage<br>Change |
|----------------------------|----------------------------|---------------------|-------------------------------|
|                            | 2025                       | 2024                |                               |
| Land                       | \$ 186,058                 | \$ 186,058          | 0.0                           |
| Buildings and Improvements | 14,308,158                 | 16,276,964          | (12.1)                        |
| Vehicles and Equipment     | 20,444,079                 | 20,340,746          | 0.5                           |
| Infrastructure             | 4,955,060                  | 4,955,060           | 0.0                           |
| Construction in Progress   | 3,391,356                  | 654,591             | 418.1                         |
| Totals at Historical Cost  | 43,284,711                 | 42,413,419          | 2.1                           |
| Accumulated Depreciation   | (19,775,521)               | (20,535,185)        | (3.7)                         |
| Net Capital Assets         | <u>\$23,509,190</u>        | <u>\$21,878,234</u> | 7.5                           |

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, 2025, the County had \$11.8 million in long term debt outstanding as shown in Table A-4. In 2025, \$11.78 million in tax notes were issued to finance the renovation of the annex. 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<br>Activities |                  | Total<br>Percentage<br>Change |
|----------------------|----------------------------|------------------|-------------------------------|
|                      | 2025                       | 2024             |                               |
| Notes Payable        | \$ 40,358                  | \$ 94,555        | (57.3)                        |
| Notes Payable        | 11,780,000                 | -                | 100.0                         |
| Total Long-Term Debt | <u>\$11,820,358</u>        | <u>\$ 94,555</u> | 12401.0                       |

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

Revenues from governmental fund types increased \$1.0 million to \$24.1 million. Additional funding through Senate Bill 22 and the courthouse preservation grant accounted for the largest changes. Governmental expenditures increased \$3.5 million to \$27.2 million. Most of the increase was in capital outlay for the annex renovation, several vehicles and courthouse restoration planning. Governmental fund balances increased \$9.6 million to \$30.5 million. The increase was because of the tax notes issued in 2025.

The general fund and road and bridge funds ended with fund balances of \$9.8 million and \$8.6 million, respectively. These balances represent approximately 7 months and 18 months of operating costs, respectively.

### **Budgetary Highlights**

#### *General Fund*

The County's actual expenditures in the General Fund were \$2.4 million less than final budgeted amounts and no departments were over budget. The largest savings was in capital outlay as the courthouse renovation project did not progress as quickly as expected. Revenues were higher than the budget by \$2.1 million, primarily from better than expected property tax collections and grant revenues for the courthouse preservation project. Fund balance increased \$270 thousand compared to a budgeted reduction in fund balance of \$4.3 million.

#### *Road and Bridge Fund*

The County's actual expenditures in the Road and Bridge Fund were \$0.7 million less than final budgeted amounts and revenues were \$0.2 million more. The Road and Bridge Fund balance decreased \$1.2 million compared to a budgeted reduction of \$2.2 million.

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

The 2025-2026 budget includes an increase in property tax rates from \$0.2032 to \$0.2689 per \$100 of value. This is expected to generate additional revenue of \$4.1 million to be used for debt service on the 2025 tax notes and funds for a courthouse renovation project. 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, 2025

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>ASSETS</b>                                   |                                    |
| <i>Current Assets:</i>                          |                                    |
| Cash and Cash Equivalents                       | \$ 22,561,382                      |
| Certificates of Deposit                         | 9,239,999                          |
| Ad Valorem Taxes Receivable (net)               | 1,397,090                          |
| Other Receivables                               | 294,054                            |
| Prepaid Expenses                                | 118,325                            |
| <i>Total Current Assets</i>                     | <u>33,610,850</u>                  |
| <br><i>Other Assets:</i>                        |                                    |
| Notes Receivable                                | 164,202                            |
| Capital Assets (Net)                            | 23,509,190                         |
| Net Pension Asset                               | 31,939                             |
| <i>Total Other Assets</i>                       | <u>23,705,331</u>                  |
| <b>TOTAL ASSETS</b>                             | <u>57,316,181</u>                  |
| <br><b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                                    |
| Deferred Other Post Employment Benefit Outflows | 333,111                            |
| Deferred Pension Related Outflows               | 1,276,290                          |
| <b>TOTAL DEFERRED OUTFLOWS</b>                  | <u>\$ 1,609,401</u>                |

See accompanying notes to basic financial statements.

GONZALES COUNTY  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2025

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>LIABILITIES</b>                              |                                    |
| Accounts Payable                                | \$ 1,291,481                       |
| Accrued Wages                                   | 550,935                            |
| Accrued Interest Payable                        | 223,304                            |
| Unearned Revenue                                | 42,734                             |
| Long-term Liabilities Due Within One Year       |                                    |
| Accrued Compensated Absences                    | 233,384                            |
| Long-term Debt                                  | 1,370,358                          |
| Total Other Post Employment Benefit Liability   | 19,004                             |
| Long-term Liabilities Due in More Than One Year |                                    |
| Accrued Compensated Absences                    | 700,150                            |
| Long-term Debt                                  | 11,029,772                         |
| Total Other Post Employment Benefit Liability   | 2,918,002                          |
| <b>TOTAL LIABILITIES</b>                        | <u>18,379,124</u>                  |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>        |                                    |
| Deferred Pension Related Inflows                | 449,383                            |
| Deferred Other Post Employment Benefits Inflows | 423,670                            |
| <b>TOTAL DEFERRED INFLOWS</b>                   | <u>873,053</u>                     |
| <br><b>NET POSITION</b>                         |                                    |
| Net Investment in Capital Assets                | 21,639,307                         |
| Restricted for:                                 |                                    |
| Net Pension Asset                               | 31,939                             |
| Elections                                       | 35,228                             |
| Legal   | 183,852                            |
| Judicial  | 207,721                            |
| Public Safety                                   | 44,443                             |
| Records Management                              | 242,673                            |
| Sheriff   | 77,171                             |
| Community Development                           | 719,267                            |
| Other   | 50,876                             |
| Unrestricted                                    | 16,440,928                         |
| <b>TOTAL NET POSITION</b>                       | <u>\$ 39,673,405</u>               |

See accompanying notes to basic financial statements.



GONZALES COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| <u>Functions and Programs</u>                            | <u>Expenses</u>      | <u>Program Revenues</u>         |   |   | Net Revenue<br>(Expense) and<br>Change in<br>Net Position |
|--|----------------------|---------------------------------|---|---|---|
|  |                      | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Capital<br/>Grants and<br/>Contributions</u> | <u>Total</u>  |
| <b>Primary Government:</b>                               |                      |                                 |   |   |   |
| <i>Governmental Activities:</i>                          |                      |                                 |   |   |   |
| Administration   | \$ 3,804,952         | \$ 304,495                      | \$ 23,547   | \$ 155,158                                      | \$ (3,321,752)  |
| Legal  | 1,037,495            | 63,085                          | 175,000   | -   | (799,410)   |
| Judicial   | 1,725,779            | 855,135                         | 14,784  | -   | (855,860)   |
| Finance  | 1,238,973            | 722,019                         | -   | -   | (516,954)   |
| Facilities   | 890,289              | -                               | -   | 674,476   | (215,813)   |
| Public Safety  | 8,972,616            | 78,806                          | 829,063   | -   | (8,064,747)   |
| Health   | 10,400               | 24,637                          | -   | -   | 14,237  |
| Conservation   | 204,362              | 1,578                           | -   | -   | (202,784)   |
| Public Transportation                                    | 6,567,285            | 870,612                         | -   | -   | (5,696,673)   |
| Interest   | 163,931              | -                               | -   | -   | (163,931)   |
| <b>Total Primary Government</b>                          | <u>\$ 24,616,082</u> | <u>\$ 2,920,367</u>             | <u>\$ 1,042,394</u>                               | <u>\$ 829,634</u>                               | <u>(19,823,687)</u>                                       |
| <b>General Revenues:</b>                                 |                      |                                 |   |   |   |
| Taxes  |                      |                                 |   |   |   |
| Ad Valorem Taxes   |                      |                                 |   |   | 14,842,040  |
| Sales Taxes  |                      |                                 |   |   | 3,002,966   |
| Interest and Investment Earnings                         |                      |                                 |   |   | 1,062,496   |
| Miscellaneous  |                      |                                 |   |   | 421,352   |
| <b>Total General Revenues</b>                            |                      |                                 |   |   | <u>19,328,854</u>   |
| Change in Net Position                                   |                      |                                 |   |   | (494,833)   |
| <b>Net Position at Beginning of Year</b>                 |                      |                                 |   |   | 40,644,239  |
| Prior Period Adjustment - Change in Accounting Principle |                      |                                 |   |   | (476,001)   |
| <b>Net Position at End of Year</b>                       |                      |                                 |   |   | <u>\$ 39,673,405</u>                                      |

See accompanying notes to basic financial statements.

GONZALES COUNTY  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2025

|   | Major Funds          |                     |                      | Other<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|---------------------|----------------------|----------------------------|--------------------------------|
|   | General<br>Fund      | Road &<br>Bridge    | 2025 Tax<br>Notes    |                            |                                |
| <b>ASSETS</b>   |                      |                     |                      |                            |                                |
| Cash and Cash Equivalents   | \$ 5,197,988         | \$ 4,933,455        | \$ 10,984,890        | \$ 1,445,050               | \$ 22,561,383                  |
| Certificates of Deposit   | 5,222,525            | 4,017,474           | -                    | -                          | 9,239,999                      |
| Ad Valorem Taxes Receivable (net)   | 1,397,090            | -                   | -                    | -                          | 1,397,090                      |
| Other Receivables   | 291,692              | -                   | -                    | 2,362                      | 294,054                        |
| Notes Receivable  | -                    | -                   | -                    | 164,202                    | 164,202                        |
| Prepaid Items   | 93,241               | 25,084              | -                    | -                          | 118,325                        |
| <b>TOTAL ASSETS</b>   | <b>\$ 12,202,536</b> | <b>\$ 8,976,013</b> | <b>\$ 10,984,890</b> | <b>\$ 1,611,614</b>        | <b>\$ 33,775,053</b>           |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                      |                     |                      |                            |                                |
| <i>Liabilities:</i>   |                      |                     |                      |                            |                                |
| Accounts Payable  | \$ 543,952           | \$ 280,238          | \$ 454,643           | \$ 12,649                  | \$ 1,291,482                   |
| Accrued Wages   | 444,591              | 106,344             | -                    | -                          | 550,935                        |
| Unearned Revenue  | 5,000                | -                   | -                    | 37,734                     | 42,734                         |
| <i>Total Liabilities</i>  | <u>993,543</u>       | <u>386,582</u>      | <u>454,643</u>       | <u>50,383</u>              | <u>1,885,151</u>               |
| <i>Deferred Inflows of Resources:</i>                                     |                      |                     |                      |                            |                                |
| Unavailable Revenues - Property Taxes                                     | 1,397,090            | -                   | -                    | -                          | 1,397,090                      |
| <i>Fund Balances:</i>   |                      |                     |                      |                            |                                |
| Nonspendable:   |                      |                     |                      |                            |                                |
| Prepaid Items   | 93,241               | 25,084              | -                    | -                          | 118,325                        |
| Notes Receivable  | -                    | -                   | -                    | 164,202                    | 164,202                        |
| Restricted for:   |                      |                     |                      |                            |                                |
| Elections   | -                    | -                   | -                    | 35,228                     | 35,228                         |
| Legal   | -                    | -                   | -                    | 183,852                    | 183,852                        |
| Judicial  | -                    | -                   | -                    | 207,721                    | 207,721                        |
| Public Safety   | -                    | -                   | -                    | 44,443                     | 44,443                         |
| Records Management  | -                    | -                   | -                    | 242,673                    | 242,673                        |
| Sheriff   | -                    | -                   | -                    | 77,171                     | 77,171                         |
| Community Development   | -                    | -                   | -                    | 555,065                    | 555,065                        |
| Other   | -                    | -                   | -                    | 50,876                     | 50,876                         |
| Capital Projects  | -                    | -                   | 10,530,247           | -                          | 10,530,247                     |
| Committed for:  |                      |                     |                      |                            |                                |
| Road and Bridge Maintenance   | -                    | 8,564,347           | -                    | -                          | 8,564,347                      |
| Unassigned  | 9,718,662            | -                   | -                    | -                          | 9,718,662                      |
| <i>Total Fund Balances</i>  | <u>9,811,903</u>     | <u>8,589,431</u>    | <u>10,530,247</u>    | <u>1,561,231</u>           | <u>30,492,812</u>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 12,202,536</b> | <b>\$ 8,976,013</b> | <b>\$ 10,984,890</b> | <b>\$ 1,611,614</b>        | <b>\$ 33,775,053</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, 2025

**TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS** \$ 30,492,812

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. 23,509,190

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.

|                             |              |              |
|-----------------------------|--------------|--------------|
| Long-term Debt and Premiums | (12,400,130) |              |
| Accrued Interest            | (223,304)    | (12,623,434) |
|                             |              |              |

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)     | 31,939    |         |
| Pension Related Deferred Outflows | 1,276,290 |         |
| Pension Related Deferred Inflows  | (449,383) | 858,846 |
|                                   |           |         |

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     | (2,937,006) |             |
| OPEB Related Deferred Outflows | 333,111     |             |
| OPEB Related Deferred Inflows  | (423,670)   | (3,027,565) |
|                                |             |             |

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

|                              |           |           |
|------------------------------|-----------|-----------|
| Accrued Compensated Absences | (933,534) | (933,534) |
|                              |           |           |

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds. 1,397,090

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 39,673,405

See accompanying notes to basic financial statements.

GONZALES COUNTY  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

|   | General<br>Fund     | Major Fund<br>Road &<br>Bridge | 2025 Tax<br>Notes    | Other<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|--------------------------------|----------------------|----------------------------|--------------------------------|
| <b>REVENUES</b>   |                     |                                |                      |                            |                                |
| Ad Valorem Taxes  | \$ 11,199,342       | \$ 3,622,901                   | \$ -                 | \$ -                       | \$ 14,822,243                  |
| Sales Taxes   | 3,002,966           | -                              | -                    | -                          | 3,002,966                      |
| Fines and Forfeitures                                       | 941,976             | -                              | -                    | 136,838                    | 1,078,814                      |
| Charges for Services  | 858,924             | -                              | -                    | 141,623                    | 1,000,547                      |
| Licenses, Permits, and Fees                                 | 148,372             | 777,985                        | -                    | -                          | 926,357                        |
| Interest Income   | 478,910             | 426,249                        | 119,242              | 38,093                     | 1,062,494                      |
| Misc Income   | 198,625             | 75,772                         | -                    | -                          | 274,397                        |
| Grants and Donations  | 1,103,386           | -                              | -                    | 794,544                    | 1,897,930                      |
| <b>TOTAL REVENUES</b>                                       | <u>17,932,501</u>   | <u>4,902,907</u>               | <u>119,242</u>       | <u>1,111,098</u>           | <u>24,065,748</u>              |
| <b>EXPENDITURES</b>   |                     |                                |                      |                            |                                |
| Current:  |                     |                                |                      |                            |                                |
| Administration  | 3,102,246           | -                              | -                    | 254,410                    | 3,356,656                      |
| Legal   | 887,983             | -                              | -                    | 211,470                    | 1,099,453                      |
| Judicial  | 1,568,080           | -                              | -                    | 98,467                     | 1,666,547                      |
| Finance   | 1,280,988           | -                              | -                    | -                          | 1,280,988                      |
| Facilities  | 650,767             | -                              | -                    | -                          | 650,767                        |
| Public Safety   | 8,686,724           | -                              | -                    | 41,369                     | 8,728,093                      |
| Health  | 10,400              | -                              | -                    | 1,679                      | 12,079                         |
| Conservation  | 191,970             | -                              | -                    | -                          | 191,970                        |
| Public Transportation                                       | -                   | 5,572,019                      | -                    | -                          | 5,572,019                      |
| Capital Outlay  | 1,334,760           | 710,102                        | 1,788,995            | 507,812                    | 4,341,669                      |
| Debt Service:   |                     |                                |                      |                            |                                |
| Principal   | -                   | 54,197                         | -                    | -                          | 54,197                         |
| Interest  | -                   | 2,158                          | -                    | -                          | 2,158                          |
| Issuance Costs  | -                   | -                              | 221,303              | -                          | 221,303                        |
| <b>TOTAL EXPENDITURES</b>                                   | <u>17,713,918</u>   | <u>6,338,476</u>               | <u>2,010,298</u>     | <u>1,115,207</u>           | <u>27,177,899</u>              |
| Excess (Deficiency) in Revenue Over<br>(Under) Expenditures | 218,583             | (1,435,569)                    | (1,891,056)          | (4,109)                    | (3,112,151)                    |
| <b>OTHER FINANCING SOURCES (OFS)</b>                        |                     |                                |                      |                            |                                |
| Sale of Capital Assets                                      | 51,148              | 240,776                        | -                    | -                          | 291,924                        |
| Issuance of Tax Notes                                       | -                   | -                              | 11,780,000           | -                          | 11,780,000                     |
| Premiums on Issuance of Tax Notes                           | -                   | -                              | 641,303              | -                          | 641,303                        |
| <b>TOTAL OFS</b>  | <u>51,148</u>       | <u>240,776</u>                 | <u>12,421,303</u>    | <u>-</u>                   | <u>12,713,227</u>              |
| Net Change in Fund Balance                                  | 269,731             | (1,194,793)                    | 10,530,247           | (4,109)                    | 9,601,076                      |
| <b>BEGINNING FUND BALANCE</b>                               | <u>9,542,172</u>    | <u>9,784,224</u>               | <u>-</u>             | <u>1,565,340</u>           | <u>20,891,736</u>              |
| <b>ENDING FUND BALANCE</b>                                  | <u>\$ 9,811,903</u> | <u>\$ 8,589,431</u>            | <u>\$ 10,530,247</u> | <u>\$ 1,561,231</u>        | <u>\$ 30,492,812</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, 2025

**NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ 9,601,076

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       | 4,195,310          |           |
| Depreciation Expense | <u>(2,324,868)</u> | 1,870,442 |

The issuance of long-term debt (e.g. bonds and 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.

|                                      |                  |              |
|--------------------------------------|------------------|--------------|
| Debt Issuance Proceeds               | (11,780,000)     |              |
| Premiums from Debt Issuance          | (641,303)        |              |
| Principal Payments on Long-term Debt | 54,197           |              |
| Change in Accrued Interest           | (223,304)        |              |
| Change in Unamortized Premiums       | 61,531           |              |
| Change in Compensated Absences       | <u>(138,512)</u> | (12,667,391) |

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                       | 1,110,753        |         |
| Other Post-employment Benefit Plan | <u>(190,024)</u> | 920,729 |

Governmental funds report the gross proceeds from the sale of capital assets.  
In the statement of activities, the proceeds are reduced by the net book  
value of the capital assets disposed. This amount represents the net book  
value of the capital assets disposed.

(239,486)

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported as revenues in the funds.

19,797

**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES** \$ (494,833)

GONZALES COUNTY  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2025

|  | Custodial<br>Funds |
|--|--------------------|
| <b>ASSETS</b>                                    |                    |
| Cash and Cash Equivalents                        | \$ 3,466,609       |
| <b>TOTAL ASSETS</b>                              | 3,466,609          |
| <br><b>LIABILITIES</b>                           |                    |
| Accounts Payable                                 | 1                  |
| <b>TOTAL LIABILITIES</b>                         | 1                  |
| <br><b>NET POSITION</b>                          |                    |
| Restricted for:                                  |                    |
| Individuals, Organizations and other Governments | 3,466,608          |
| <b>TOTAL NET POSITION</b>                        | \$ 3,466,608       |

See accompanying notes to basic financial statements.

GONZALES COUNTY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

|   | <u>Custodial<br/>Funds</u> |
|---|----------------------------|
| <b>ADDITIONS</b>                                  |                            |
| Ad Valorem Tax Collections for Other Governments  | \$ 81,725,536              |
| Motor Vehicle Collections for the State           | 7,689,394                  |
| Excess Tax Sale Proceeds                          | 274,938                    |
| Juvenile Probation Funding                        | 292,608                    |
| Inmate Deposits                                   | 491,082                    |
| Cash Bonds  | 110,800                    |
| Oil Lease Revenues on Behalf of Others            | 43,040                     |
| Property Seizures                                 | 24,092                     |
| Court Settlements Held for Minors                 | 100,419                    |
| Other Receipts                                    | 1,114,306                  |
| Interest Income                                   | 1,565                      |
| <b>TOTAL ADDITIONS</b>                            | <u>91,867,780</u>          |
| <br><b>DEDUCTIONS</b>                             |                            |
| Property Tax Distributions to Other Governments   | 81,703,462                 |
| Motor Vehicle Distributions to the State          | 7,599,492                  |
| Cash Bond Refunds and Forfeitures                 | 142,132                    |
| Excess Tax Payouts to Property Owners             | 230,785                    |
| Oil Lease Distributions to Property Owners        | 467,586                    |
| Refunds to Inmates                                | 442,176                    |
| Juvenile Probation Operations                     | 9,927                      |
| Property Seizure Refunds and Forfeitures          | 26,751                     |
| Jail Commissary Purchases for Inmates             | 23,529                     |
| Other Distributions                               | 114,419                    |
| <b>TOTAL DEDUCTIONS</b>                           | <u>90,760,259</u>          |
| Net Increase (Decrease) in Fiduciary Net Position | 1,107,521                  |
| <br><b>BEGINNING NET POSITION</b>                 | <br><u>2,359,087</u>       |
| <b>ENDING NET POSITION</b>                        | <u><u>\$ 3,466,608</u></u> |

See accompanying notes to basic financial statements.

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025

**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, 2025 Tax Notes and Road & Bridge Fund meet the criteria as *major funds*.

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**2025 Tax Notes Fund** is used to account for proceeds from the debt issuance and the resulting renovation of the County annex.

**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, 2025

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, 2024 and past due after January 31, 2025. 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, 2025

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 but 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 based on an estimate of the leave that is more likely than not to be paid on termination or taken as leave in the future. However, it is only recognized on the governmental fund statements when it becomes due and payable. The County uses the first in first out flows method in determining the liability.

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 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, 2025

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, 2025

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

18. COMPARATIVE DATA/RECLASSIFICATIONS

Comparative data for the prior year (where provided) includes certain reclassifications to conform to the 2025 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, 2025, the County’s investments consisted of \$6,560,182 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.

The County is not exposed to any specific investment risks such as credit risk, concentration of credit risk, interest rate risk, custodial credit risk or foreign currency risk.

**NOTE C -- RECEIVABLES**

Receivables for the County as of September 30, 2025 are as follows:

|                              | General<br>Fund | Nonmajor<br>Funds |
|------------------------------|-----------------|-------------------|
| Ad Valorem Taxes             | \$ 1,552,323    | \$ -              |
| Grants Receivable            | 291,692         | 2,362             |
| Allowance for Uncollectibles | (155,233)       | -                 |
| Total Other Receivables      | \$ 1,688,782    | \$ 2,362          |

GONZALES COUNTY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2025

**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, 2024, upon which the fiscal 2025 levy was based, was \$7.3 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, 2025, was \$0.2032 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<br>September 30, | Principal  | Interest | Total      |
|------------------------------|------------|----------|------------|
| 2026                         | \$ 52,340  | \$ 1,270 | \$ 53,610  |
| 2027                         | 28,146     | 990      | 29,136     |
| 2028                         | 28,428     | 708      | 29,136     |
| 2029                         | 28,714     | 422      | 29,136     |
| 2030                         | 26,574     | 133      | 26,707     |
|                              | \$ 164,202 | \$ 3,523 | \$ 167,725 |

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE F -- CAPITAL ASSETS**

Capital asset activity in the governmental funds for the year ended September 30, 2025, was as follows:

|                                | Balance<br>10/1/2024 | Additions    | Disposals/<br>Transfers | Balance<br>9/30/2025 |
|--------------------------------|----------------------|--------------|-------------------------|----------------------|
| <i>Governmental Activities</i> |                      |              |                         |                      |
| Land                           | \$ 186,058           | \$ -         | \$ -                    | \$ 186,058           |
| Buildings and Improvements     | 16,276,964           | -            | (1,968,806)             | 14,308,158           |
| Vehicles and Equipment         | 20,340,746           | 1,458,545    | (1,355,212)             | 20,444,079           |
| Infrastructure                 | 4,955,060            | -            | -                       | 4,955,060            |
| Construction in Progress       | 654,591              | 2,736,765    | -                       | 3,391,356            |
|                                | 42,413,419           | 4,195,310    | (3,324,018)             | 43,284,711           |
| Less Accumulated Depreciation  |                      |              |                         |                      |
| Buildings and Improvements     | (8,145,003)          | (458,140)    | 1,968,807               | (6,634,336)          |
| Vehicles and Equipment         | (11,884,353)         | (1,618,975)  | 1,115,725               | (12,387,603)         |
| Infrastructure                 | (505,829)            | (247,753)    | -                       | (753,582)            |
|                                | (20,535,185)         | (2,324,868)  | 3,084,532               | (19,775,521)         |
| Governmental Activities, Net   | \$ 21,878,234        | \$ 1,870,442 | \$ (239,486)            | \$ 23,509,190        |

Land and Construction in Progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

|   |              |
|---|--------------|
| Administration  | \$ 270,534   |
| Legal   | 11,665       |
| Judicial  | 1,925        |
| Finance   | 5,123        |
| Facilities  | 232,914      |
| Public Safety   | 601,154      |
| Conservation  | 9,184        |
| Public Transportation                                   | 1,192,369    |
| Total Depreciation Expense -<br>Governmental Activities | \$ 2,324,868 |

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

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

Changes in long-term debt were as follows:

|                                 | Balance<br>10/1/2024 | Additions            | Reductions            | Balance<br>9/30/2025 | Due in<br>One Year  |
|---------------------------------|----------------------|----------------------|-----------------------|----------------------|---------------------|
| <i>Governmental Activities:</i> |                      |                      |                       |                      |                     |
| Long-term Debt                  | \$ 94,555            | \$ 12,421,303        | \$ (115,728)          | \$ 12,400,130        | \$ 1,370,358        |
| Compensated Absences            | 795,020              | 138,514              | -                     | 933,534              | 233,384             |
| Net Pension Liability (asset)   | 1,722,195            | 4,549,894            | (6,304,028)           | (31,939)             | -                   |
| Total OPEB Liability            | 2,905,914            | 242,743              | (211,651)             | 2,937,006            | 19,004              |
| <i>Total Government</i>         | <u>\$ 5,517,684</u>  | <u>\$ 17,352,454</u> | <u>\$ (6,631,407)</u> | <u>\$ 16,238,731</u> | <u>\$ 1,622,746</u> |

The change in compensated absences is a net change. The beginning balance of compensated absences has been updated for the results of the change in accounting principle.

**NOTE H -- NOTES PAYABLE**

|                                 | Balance<br>10/1/2024 | Additions            | Reductions          | Balance<br>9/30/2025 | Due Within<br>One Year |
|---------------------------------|----------------------|----------------------|---------------------|----------------------|------------------------|
| <i>Governmental Activities:</i> |                      |                      |                     |                      |                        |
| Notes Payable                   | \$ 94,555            | \$ -                 | \$ (54,197)         | \$ 40,358            | \$ 40,358              |
| 2025 Tax Notes                  | -                    | 11,780,000           | -                   | 11,780,000           | 1,330,000              |
| Unamortized Premiums            | -                    | 641,303              | (61,531)            | 579,772              | -                      |
| <i>Total Government</i>         | <u>\$ 94,555</u>     | <u>\$ 12,421,303</u> | <u>\$ (115,728)</u> | <u>\$ 12,400,130</u> | <u>\$ 1,370,358</u>    |

In 2025, the County issued Tax Notes Series 2025 for \$11.78 million to finance the reconstruction of annex building. The notes bear interest at 5% and mature serially through February, 2032.

The other notes consist of various agreements with equipment manufacturers or local banks for heavy machinery for road maintenance. The notes require monthly or quarterly payments. All of the notes were privately placed and contain no subjective acceleration clauses, events of default with finance-related consequences, or termination events with finance-related consequences.

Requirements for future debt service are as follows:

| Year Ending<br>September 30, | 2025 Tax Notes       |                     | Notes Payable    |               | Total                |
|------------------------------|----------------------|---------------------|------------------|---------------|----------------------|
|                              | Principal            | Interest            | Principal        | Interest      |                      |
| 2026                         | \$ 1,330,000         | \$ 683,367          | \$ 40,358        | \$ 540        | \$ 2,054,265         |
| 2027                         | 1,530,000            | 484,250             | -                | -             | 2,014,250            |
| 2028                         | 1,610,000            | 405,750             | -                | -             | 2,015,750            |
| 2029                         | 1,695,000            | 323,125             | -                | -             | 2,018,125            |
| 2030                         | 1,780,000            | 236,250             | -                | -             | 2,016,250            |
| 2031                         | 1,870,000            | 145,000             | -                | -             | 2,015,000            |
| 2032                         | 1,965,000            | 49,125              | -                | -             | 2,014,125            |
| Total                        | <u>\$ 11,780,000</u> | <u>\$ 2,326,867</u> | <u>\$ 40,358</u> | <u>\$ 540</u> | <u>\$ 14,147,765</u> |

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE I -- PENSION PLAN**

**Plan Description**

The County participates as one of 890 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 14.30% and 13.87% for the calendar years of 2024 and 2025, 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, 2025

**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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

|  |     |
|--|-----|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 111 |
| Inactive Employees Entitled to but Not Yet Receiving Benefits    | 119 |
| Active employees   | 162 |
|  | 392 |
|  | 392 |

**Net Pension Liability**

The County's net pension liability (NPL) was measured as of December 31, 2024 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, 2024 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 | 8.0 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, 2025

**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<br/>Allocation</u> | <u>Geometric Real<br/>Rate of Return</u> |
|------------------------------------|------------------------------|--|
| U.S. Equities                      | 13.0%                        | 5.35%                                    |
| Global Equity                      | 4.0%                         | 5.15%                                    |
| International Developed Markets    | 6.0%                         | 4.75%                                    |
| International Emerging Markets     | 0.0%                         | 4.75%                                    |
| Investment Grade Bonds             | 3.0%                         | 2.55%                                    |
| Strategic Credit                   | 9.0%                         | 3.70%                                    |
| Direct Lending                     | 16.0%                        | 6.85%                                    |
| Distressed Debt                    | 4.0%                         | 6.80%                                    |
| REIT Equities                      | 2.0%                         | 3.95%                                    |
| Master Limited Partnerships (MLPs) | 2.0%                         | 4.95%                                    |
| Commodities                        | 2.0%                         | 1.00%                                    |
| Private Real Estate Partnerships   | 6.0%                         | 5.75%                                    |
| Private Equity                     | 25.0%                        | 8.15%                                    |
| Hedge Funds                        | 6.0%                         | 3.60%                                    |
| Cash Equivalents                   | 2.0%                         | 1.10%                                    |
|                                    | <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, 2025

**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<br>6.60% | Discount Rate<br>7.60% | Discount Rate<br>8.60% |
|-------------------------------|------------------------|------------------------|------------------------|
| Net Pension Liability (Asset) | \$ 5,748,725           | \$ (31,939)            | \$ (4,866,884)         |

**Changes in the Net Pension Liability**

The below schedule presents the changes in the Net Pension Liability as of December 31, 2024:

|  | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|--|----------------------------|--------------------------------|--------------------------|
| Balance at December 31, 2023                         | \$ 41,073,315              | \$ 39,351,120                  | \$ 1,722,195             |
| Changes for the year:                                |                            |                                |                          |
| Service Cost   | 1,504,272                  | -                              | 1,504,272                |
| Interest   | 3,174,103                  | -                              | 3,174,103                |
| Change of Benefit Terms                              | -                          | -                              | -                        |
| Difference Between Expected and<br>Actual Experience | (105,957)                  | -                              | (105,957)                |
| Changes of Assumptions                               | -                          | -                              | -                        |
| Refund of Contributions                              | (181,241)                  | (181,241)                      | -                        |
| Benefit Payments                                     | (1,475,239)                | (1,475,239)                    | -                        |
| Administrative Expense                               | -                          | (23,963)                       | 23,963                   |
| Contributions - Employee                             | -                          | 693,803                        | (693,803)                |
| Net Investment Income                                | -                          | 4,024,381                      | (4,024,381)              |
| Contributions - Employer                             | -                          | 1,585,844                      | (1,585,844)              |
| Other Changes  | -                          | 46,487                         | (46,487)                 |
| Net Changes  | 2,915,938                  | 4,670,072                      | (1,754,134)              |
| Balance at December 31, 2024                         | \$ 43,989,253              | \$ 44,021,192                  | \$ (31,939)              |

**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, 2025

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

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

For the year ended September 30, 2025, the County recognized pension expense of \$546,974. Also as of September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between Expected and Actual Economic Experience  | \$ 85,808                            | \$ 79,951                           |
| Changes in Actuarial Assumptions                             | -                                    | -                                   |
| Differences Between Projected and Actual Investment Earnings | -                                    | 369,432                             |
| Contributions Subsequent to the Measurement Date             | 1,190,482                            | -                                   |
|  | \$ 1,276,290                         | \$ 449,383                          |

Deferred outflows of resources in the amount of \$1,190,482 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, 2025. 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, |              |
|--------------------------------------|--------------|
| 2025                                 | \$ (276,719) |
| 2026                                 | 576,167      |
| 2027                                 | (461,102)    |
| 2028                                 | (201,921)    |
| 2029                                 | -            |
| Thereafter                           | -            |
|                                      | \$ (363,575) |

**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 58 with 20 years of service. Retired elected officials with 12 years of service and age 58 are also eligible. Once age 65 is attained, the benefit converts to a \$300 per month subsidy towards medicare premiums. Dependents are not allowed on the plan.

GONZALES COUNTY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2025

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

Membership in the plan at December 31, 2024, the valuation and measurement date, consisted of:

|  |     |
|--|-----|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 23  |
| Inactive Employees Entitled to but Not Yet Receiving Benefits    | 0   |
| Active employees   | 147 |
|  | 170 |
|  | 170 |

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           | 4.08%   |
| 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 4.25% after 15 years.   |
| Participation Rates     | Assumed 100% of retirees eligible for the County subsidy would choose to receive retiree health care benefits through the County, and 95% of eligible retirees would choose to receive the \$300 monthly subsidy.   |

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

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

The TOL of the County’s retiree insurance benefit is calculated using a discount rate of 4.08% and a health care cost trend rate of 7.2%, declining to 4.25% after 15 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<br/>Trend Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|----------------------------------|--------------------|
| Total OPEB Liability | \$ 3,294,053       | \$ 2,937,006                     | \$ 2,631,257       |

|                      | <u>1% Decrease</u> | <u>Discount Rate<br/>4.08%</u> | <u>1% Increase</u> |
|----------------------|--------------------|--------------------------------|--------------------|
| Total OPEB Liability | \$ 2,779,401       | \$ 2,937,006                   | \$ 3,125,369       |

The County’s Total OPEB Liability (TOL) is based on the above actuarial factors and an actuarial valuation date of December 31, 2024. The TOL was calculated as follows:

|  | <u>Total OPEB<br/>Liability</u> |
|--|---------------------------------|
| Balance at December 31, 2023                         | <u>\$ 2,905,914</u>             |
| Changes for the year:                                |                                 |
| Service Cost   | 131,008                         |
| Interest   | 111,735                         |
| Change of Benefit Terms                              | -                               |
| Difference Between Expected and<br>Actual Experience | (91,563)                        |
| Changes in Assumptions or Other<br>Inputs            | (104,820)                       |
| Benefit Payments                                     | <u>(15,268)</u>                 |
| Net Changes  | <u>31,092</u>                   |
| Balance at December 31, 2024                         | <u>\$ 2,937,006</u>             |

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.

GONZALES COUNTY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2025

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

For the year ended September 30, 2025, the County recognized OPEB expense of \$222,176. In addition, the following deferred inflows and outflows were reported as of September 30, 2025 related to the benefit:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Changes in Actuarial Assumptions                    | \$ 1,111                             | \$ 182,387                          |
| Changes in Experience                               | 236,263                              | 241,283                             |
| Contributions Subsequent to the<br>Measurement Date | 95,737                               | -                                   |
|   | \$ 333,111                           | \$ 423,670                          |

Deferred outflows of resources in the amount of \$95,737 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, 2025. 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, |            |              |
|--------------------------------------|------------|--------------|
|                                      | 2025       | \$ (20,567)  |
|                                      | 2026       | (22,158)     |
|                                      | 2027       | (22,252)     |
|                                      | 2028       | (19,851)     |
|                                      | 2029       | (29,926)     |
|                                      | Thereafter | (71,542)     |
|                                      |            | \$ (186,296) |

**NOTE K -- TAX ABATEMENTS**

The County provides tax abatements to incentivize development and provide economic growth in the County. As of September 30, 2025, 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, 2025, the County rebated \$152,224 in property taxes.

GONZALES COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**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 -- COMMITMENTS**

The County has entered into contracts for the renovations to the annex and courthouse preservation project totaling \$7.3 million. As of September 30, 2025, \$1.4 million had been incurred, leaving an estimated commitment of \$5.9 million.

**NOTE O -- SUBSEQUENT EVENT**

Subsequent to year end, the County executed six promissory notes totaling \$1.0 million to purchase road and bridge equipment. The notes require monthly payments over 5 to 7 years and bear interest at rates ranging from 4.99% to 5.14%

**NOTE P -- PRIOR PERIOD ADJUSTMENT / CHANGE IN ACCOUNTING PRINCIPLE**

As of October 1, 2024, the County implemented GASB 101 related to compensated absences. Previously, only those absences that were paid on termination were included in the liability for compensated absences. The liability now includes absences that accumulate and are more likely than not to be taken as time off in the future. This increased the liability and required a prior period adjustment to governmental activities beginning net position of \$476,001 to increase the liability as of the implementation date.

## 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, 2025**

|   | Budget Amounts      |                     | Actual<br>Amounts   | Variance            |
|---|---------------------|---------------------|---------------------|---------------------|
|   | Original            | Final               |                     |                     |
| <b>REVENUES</b>   |                     |                     |                     |                     |
| Ad Valorem Taxes  | \$ 10,439,202       | \$ 10,439,202       | \$ 11,199,342       | \$ 760,140          |
| Sales Taxes   | 2,697,167           | 2,697,167           | 3,002,966           | 305,799             |
| Fines and Forfeitures                                       | 798,959             | 798,959             | 941,976             | 143,017             |
| Charges for Services  | 674,895             | 719,896             | 858,924             | 139,028             |
| Licenses, Permits, and Fees                                 | 130,260             | 135,260             | 148,372             | 13,112              |
| Interest Income   | 400,000             | 400,000             | 478,910             | 78,910              |
| Misc Income   | 145,323             | 280,589             | 198,625             | (81,964)            |
| Grants and Donations  | 138,430             | 369,570             | 1,103,386           | 733,816             |
| <b>TOTAL REVENUES</b>                                       | <u>15,424,236</u>   | <u>15,840,643</u>   | <u>17,932,501</u>   | <u>2,091,858</u>    |
| <b>EXPENDITURES</b>   |                     |                     |                     |                     |
| <i>Current:</i>   |                     |                     |                     |                     |
| Administration  |                     |                     |                     |                     |
| County Judge  | 325,413             | 326,257             | 313,150             | 13,107              |
| County Clerk  | 701,658             | 701,658             | 652,193             | 49,465              |
| Veteran's Service   | 50,969              | 50,969              | 26,056              | 24,913              |
| Nondepartmental   | 1,721,310           | 1,751,006           | 1,299,184           | 451,822             |
| Elections   | 322,739             | 322,761             | 275,725             | 47,036              |
| Human Resources   | 98,041              | 98,041              | 93,815              | 4,226               |
| District Clerk  | 459,827             | 459,827             | 442,123             | 17,704              |
| Legal - County Attorney                                     | 822,587             | 915,588             | 887,983             | 27,605              |
| Judicial  |                     |                     |                     |                     |
| County Court  | 210,860             | 250,370             | 246,302             | 4,068               |
| District Court  | 338,252             | 398,252             | 384,789             | 13,463              |
| Justices of the Peace                                       | 974,782             | 974,782             | 936,989             | 37,793              |
| Finance   |                     |                     |                     |                     |
| County Auditor  | 472,125             | 472,125             | 410,258             | 61,867              |
| County Treasurer  | 114,202             | 114,202             | 110,910             | 3,292               |
| Tax Assessor  | 797,773             | 797,773             | 759,820             | 37,953              |
| Facilities - Courthouse                                     | 798,207             | 805,207             | 650,767             | 154,440             |
| Public Safety   |                     |                     |                     |                     |
| Jail  | 3,423,512           | 3,459,112           | 3,404,367           | 54,745              |
| Constables  | 712,053             | 714,628             | 664,408             | 50,220              |
| DPS   | 104,779             | 104,779             | 100,482             | 4,297               |
| County Sheriff  | 4,442,169           | 4,570,969           | 4,216,631           | 354,338             |
| Code Enforcement  | 294,756             | 308,681             | 300,836             | 7,845               |
| Health - Indigent Services                                  | 5,000               | 10,600              | 10,400              | 200                 |
| Conservation  | 204,380             | 204,380             | 191,970             | 12,410              |
| Capital Outlay  | 1,559,000           | 2,302,733           | 1,334,760           | 967,973             |
| <b>TOTAL EXPENDITURES</b>                                   | <u>18,954,394</u>   | <u>20,114,700</u>   | <u>17,713,918</u>   | <u>2,400,782</u>    |
| Excess (Deficiency) in Revenue Over<br>(Under) Expenditures | (3,530,158)         | (4,274,057)         | 218,583             | 4,492,640           |
| <b>OTHER FINANCING SOURCES (OFS)</b>                        |                     |                     |                     |                     |
| Sale of Capital Assets                                      | -                   | -                   | 51,148              | 51,148              |
| Net Change in Fund Balance                                  | (3,530,158)         | (4,274,057)         | 269,731             | 4,543,788           |
| <b>BEGINNING FUND BALANCE</b>                               | <u>9,542,172</u>    | <u>9,542,172</u>    | <u>9,542,172</u>    | <u>-</u>            |
| <b>ENDING FUND BALANCE</b>                                  | <u>\$ 6,012,014</u> | <u>\$ 5,268,115</u> | <u>\$ 9,811,903</u> | <u>\$ 4,543,788</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, 2025

|  | Budget Amounts      |                     | Actual<br>Amounts   | Variance          |
|--|---------------------|---------------------|---------------------|-------------------|
|  | Original            | Final               |                     |                   |
| <b>REVENUES</b>  |                     |                     |                     |                   |
| Ad Valorem Taxes   | \$ 3,402,549        | \$ 3,402,549        | \$ 3,622,901        | \$ 220,352        |
| Licenses, Permits, and Fees                                  | 772,164             | 772,164             | 777,985             | 5,821             |
| Interest Income  | 400,000             | 400,000             | 426,249             | 26,249            |
| Misc Income  | 121,333             | 121,333             | 75,772              | (45,561)          |
| <b>TOTAL REVENUES</b>  | <u>4,696,046</u>    | <u>4,696,046</u>    | <u>4,902,907</u>    | <u>206,861</u>    |
| <b>EXPENDITURES</b>  |                     |                     |                     |                   |
| <i>Current:</i>  |                     |                     |                     |                   |
| Public Transportation  |                     |                     |                     |                   |
| Precinct 1   | 1,533,084           | 1,533,084           | 1,480,881           | 52,203            |
| Precinct 2   | 1,942,171           | 1,899,295           | 1,626,201           | 273,094           |
| Precinct 3   | 1,490,515           | 1,500,615           | 1,340,379           | 160,236           |
| Precinct 4   | 1,256,715           | 1,256,715           | 1,124,558           | 132,157           |
| <i>Capital Outlay:</i>                                       |                     |                     |                     |                   |
| Precinct 1   | 307,628             | 307,628             | 275,437             | 32,191            |
| Precinct 2   | 13,600              | 313,731             | 313,578             | 153               |
| Precinct 3   | 85,600              | 75,500              | 64,601              | 10,899            |
| Precinct 4   | 80,000              | 86,316              | 56,486              | 29,830            |
| <i>Debt Service:</i>   |                     |                     |                     |                   |
| Principal  | 54,416              | 54,416              | 54,197              | 219               |
| Interest   | 1,951               | 1,951               | 2,158               | (207)             |
| <b>TOTAL EXPENDITURES</b>                                    | <u>6,765,680</u>    | <u>7,029,251</u>    | <u>6,338,476</u>    | <u>690,775</u>    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (2,069,634)         | (2,333,205)         | (1,435,569)         | 897,636           |
| <b>OTHER FINANCING SOURCES (OFS)</b>                         |                     |                     |                     |                   |
| Proceeds from Sale of Capital Assets                         | 806                 | 155,806             | 240,776             | 84,970            |
| <b>TOTAL OFS</b>   | <u>806</u>          | <u>155,806</u>      | <u>240,776</u>      | <u>84,970</u>     |
| Net Change in Fund Balance                                   | (2,068,828)         | (2,177,399)         | (1,194,793)         | 982,606           |
| <b>BEGINNING FUND BALANCE</b>                                | <u>9,784,224</u>    | <u>9,784,224</u>    | <u>9,784,224</u>    | <u>-</u>          |
| <b>ENDING FUND BALANCE</b>                                   | <u>\$ 7,715,396</u> | <u>\$ 7,606,825</u> | <u>\$ 8,589,431</u> | <u>\$ 982,606</u> |



GONZALES COUNTY  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
SEPTEMBER 30, 2025

**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 TEN PLAN (CALENDAR) YEARS

| Total Pension Liability   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|
|   | 2015                 | 2016                 | 2017                 |
| Service Cost  | \$ 857,720           | \$ 976,508           | \$ 990,850           |
| Interest (on the Total Pension Liability)                                 | 1,401,918            | 1,507,148            | 1,682,545            |
| Changes of Benefit Terms  | (138,275)            | -                    | 1,690,735            |
| Change of Assumptions   | 188,450              | -                    | 76,452               |
| Difference between Expected<br>and Actual Experience                      | (272,441)            | 76,858               | 65,142               |
| Benefit Payments, Including Refunds of<br>Employee Contributions          | (737,771)            | (807,317)            | (1,011,109)          |
| Net Change in Total Pension Liability                                     | 1,299,601            | 1,753,197            | 3,494,615            |
| Total Pension Liability - Beginning                                       | 17,224,219           | 18,523,820           | 20,277,017           |
| Total Pension Liability - Ending  | <u>\$ 18,523,820</u> | <u>\$ 20,277,017</u> | <u>\$ 23,771,632</u> |
| Plan Fiduciary Net Position   |                      |                      |                      |
|   | 2015                 | 2016                 | 2017                 |
| Contributions - Employer  | \$ 961,758           | \$ 1,028,452         | \$ 1,486,847         |
| Contributions - Employee  | 458,249              | 490,058              | 517,897              |
| Net Investment Income   | (73,671)             | 1,152,169            | 2,567,918            |
| Benefit Payments, Including Refunds of<br>Employee Contributions          | (737,771)            | (807,317)            | (1,011,109)          |
| Administrative Expense  | (10,993)             | (12,548)             | (13,995)             |
| Other   | 36,147               | 97,321               | 13,184               |
| Net Change  | 633,719              | 1,948,135            | 3,560,742            |
| Beginning Plan Fiduciary Net Position                                     | 14,901,336           | 15,535,055           | 17,483,190           |
| Ending Plan Fiduciary Net Position  | <u>\$ 15,535,055</u> | <u>\$ 17,483,190</u> | <u>\$ 21,043,932</u> |
| Net Pension Liability (Asset) - Ending                                    | \$ 2,988,765         | \$ 2,793,827         | \$ 2,727,700         |
| Plan Fiduciary Net Position as a<br>Percentage of Total Pension Liability | 83.87%               | 86.22%               | 88.53%               |
| Covered Payroll   | \$ 6,546,416         | \$ 7,000,833         | \$ 7,398,525         |
| Net Pension Liability as a Percentage<br>of Covered Payroll               | 45.65%               | 39.91%               | 36.87%               |

| Total Pension Liability |                      |                      |                      |                      |                      |                      |
|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2018                    | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 |
| \$ 1,129,030            | \$ 1,265,880         | \$ 1,320,784         | \$ 1,377,530         | \$ 1,346,132         | \$ 1,381,460         | \$ 1,504,272         |
| 1,973,009               | 2,387,337            | 2,572,099            | 2,573,955            | 2,752,787            | 2,946,312            | 3,174,103            |
| 2,969,418               | (94,940)             | (2,527,916)          | -                    | -                    | -                    | -                    |
| -                       | -                    | 1,897,866            | 6,227                | -                    | -                    | -                    |
| 84,408                  | (62,566)             | 160,827              | (62,377)             | (1,935)              | 171,616              | (105,957)            |
| (1,106,606)             | (1,251,318)          | (1,288,615)          | (1,446,540)          | (1,577,629)          | (1,594,552)          | (1,656,480)          |
| 5,049,259               | 2,244,393            | 2,135,045            | 2,448,795            | 2,519,355            | 2,904,836            | 2,915,938            |
| 23,771,632              | 28,820,891           | 31,065,284           | 33,200,329           | 35,649,124           | 38,168,479           | 41,073,315           |
| <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> | <u>\$ 41,073,315</u> | <u>\$ 43,989,253</u> |

| Plan Fiduciary Net Position |                      |                      |                      |                      |                      |                      |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2018                        | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 |
| \$ 1,619,911                | \$ 1,304,437         | \$ 1,493,545         | \$ 1,417,342         | \$ 1,500,952         | \$ 1,594,290         | \$ 1,585,844         |
| 533,652                     | 549,252              | 587,806              | 576,334              | 591,039              | 631,874              | 693,803              |
| (380,351)                   | 3,567,296            | 2,677,267            | 6,515,035            | (2,180,068)          | 3,837,109            | 4,024,381            |
| (1,106,606)                 | (1,251,318)          | (1,288,617)          | (1,446,540)          | (1,577,629)          | (1,594,552)          | (1,656,480)          |
| (17,451)                    | (19,737)             | (21,494)             | (19,715)             | (20,427)             | (20,548)             | (23,963)             |
| 33,307                      | 23,704               | 26,027               | 23,590               | 102,870              | 45,602               | 46,487               |
| 682,462                     | 4,173,634            | 3,474,534            | 7,066,046            | (1,583,263)          | 4,493,775            | 4,670,072            |
| 21,043,932                  | 21,726,394           | 25,900,028           | 29,374,562           | 36,440,608           | 34,857,345           | 39,351,120           |
| <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> | <u>\$ 39,351,120</u> | <u>\$ 44,021,192</u> |

|              |              |              |              |              |              |             |
|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| \$ 7,094,497 | \$ 5,165,256 | \$ 3,825,767 | \$ (791,484) | \$ 3,311,134 | \$ 1,722,195 | \$ (31,939) |
|--------------|--------------|--------------|--------------|--------------|--------------|-------------|

|        |        |        |         |        |        |         |
|--------|--------|--------|---------|--------|--------|---------|
| 75.38% | 83.37% | 88.48% | 102.22% | 91.32% | 95.81% | 100.07% |
|--------|--------|--------|---------|--------|--------|---------|

|              |              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 7,623,603 | \$ 7,846,463 | \$ 8,397,228 | \$ 8,233,350 | \$ 8,443,409 | \$ 9,026,772 | \$ 9,911,477 |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|

|        |        |        |        |        |        |        |
|--------|--------|--------|--------|--------|--------|--------|
| 93.06% | 65.83% | 45.56% | -9.61% | 39.22% | 19.08% | -0.32% |
|--------|--------|--------|--------|--------|--------|--------|

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

| Fiscal Year<br>Ending<br>September 30, | Actuarially<br>Determined<br>Contribution | Contributions<br>in Relation to<br>the Actuarially<br>Determined<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contributions<br>as a<br>Percentage<br>of Covered<br>Payroll |
|--|---|--|--|--------------------|--|
| 2025                                   | \$ 1,449,598                              | \$ 1,657,725   | \$ (208,127)                           | \$ 10,360,779      | 16.0%  |
| 2024                                   | 1,414,392                                 | 1,712,430  | (298,038)                              | 9,765,149          | 17.5%  |
| 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%  |

\*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 EIGHT CALENDAR (PLAN) YEARS

|   | Total OPEB Liability |                   |                   |                     |
|---|----------------------|-------------------|-------------------|---------------------|
|   | 2017                 | 2018              | 2019              | 2020                |
| Service Cost  | \$ 65,297            | \$ 73,199         | \$ 75,259         | \$ 79,492           |
| Interest  | 33,606               | 30,883            | 34,898            | 26,982              |
| Changes of Benefit Terms  | -                    | -                 | -                 | -                   |
| Difference between Expected<br>and Actual Experience                | -                    | (4,436)           | (108,782)         | (5,441)             |
| Changes in Assumptions or<br>Other Inputs                           | 31,349               | (27,275)          | 86,640            | 62,181              |
| Benefit Payments  | (92,944)             | (73,483)          | (58,100)          | (41,096)            |
| Net Change in Total Pension Liability                               | 37,308               | (1,112)           | 29,915            | 122,118             |
| Total OPEB Liability - Beginning                                    | 895,870              | 933,178           | 932,066           | 961,981             |
| Total OPEB Liability - Ending                                       | <u>\$ 933,178</u>    | <u>\$ 932,066</u> | <u>\$ 961,981</u> | <u>\$ 1,084,099</u> |
| Covered-Employee Payroll  | \$ 6,921,726         | \$ 6,343,791      | \$ 7,039,189      | \$ 8,200,137        |
| Total OPEB Liability as a Percentage<br>of Covered-Employee Payroll | 13.48%               | 14.69%            | 13.67%            | 13.22%              |
| Discount Rate   | 3.31%                | 3.71%             | 2.75%             | 2.00%               |

|   | Total OPEB Liability |                   |                     |                     |
|---|----------------------|-------------------|---------------------|---------------------|
|   | 2021                 | 2022              | 2023                | 2024                |
| Service Cost  | \$ 80,492            | \$ 79,036         | \$ 60,115           | \$ 131,008          |
| Interest  | 22,005               | 20,669            | 39,457              | 111,735             |
| Changes of Benefit Terms  | -                    | -                 | 1,684,121           | -                   |
| Difference between Expected<br>and Actual Experience                | (74,988)             | 1,636             | (17,822)            | (91,563)            |
| Changes in Assumptions or<br>Other Inputs                           | 40,505               | (211,269)         | 205,359             | (104,820)           |
| Benefit Payments  | (48,179)             | (40,318)          | (19,004)            | (15,268)            |
| Net Change in Total Pension Liability                               | 19,835               | (150,246)         | 1,952,226           | 31,092              |
| Total OPEB Liability - Beginning                                    | 1,084,099            | 1,103,934         | 953,688             | 2,905,914           |
| Total OPEB Liability - Ending                                       | <u>\$ 1,103,934</u>  | <u>\$ 953,688</u> | <u>\$ 2,905,914</u> | <u>\$ 2,937,006</u> |
| Covered-Employee Payroll  | \$ 7,482,981         | \$ 7,408,820      | \$ 8,715,786        | \$ 8,690,415        |
| Total OPEB Liability as a Percentage<br>of Covered-Employee Payroll | 14.75%               | 12.87%            | 33.34%              | 33.80%              |
| Discount Rate   | 1.84%                | 4.05%             | 3.77%               | 4.08%               |

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

GONZALES COUNTY  
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY AND  
RELATED RATIOS  
RETIREE INSURANCE (CONTINUED)

**Changes in Benefit Terms:**

2023: Changes to OPEB eligibilities and adding a \$300 subsidy at age 65.

**Changes in Assumptions:**

2023: Healthcare trend rate updated based on plan experience

2021: Attribution for service period changed to Gonzales County only

Updates to demographic and salary increase assumptions

2019: Healthcare trend rate modified for repeal of the "Cadillac Tax"

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.

## 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, 2025

|  | Special Revenue             |                 |                   |                  |
|--|-----------------------------|-----------------|-------------------|------------------|
|  | Senate<br>Bill 22<br>Grants | Probate         | Law<br>Library    | Election<br>Fund |
|  | Grants                      |                 | Library           | Fund             |
| <b>ASSETS</b>                                  |                             |                 |                   |                  |
| Cash and Cash Equivalents                      | \$ 44,472                   | \$ 1,254        | \$ 144,047        | \$ 17,979        |
| Other Receivables                              | -                           | -               | -                 | -                |
| Notes Receivable                               | -                           | -               | -                 | -                |
| <b>TOTAL ASSETS</b>                            | <u>\$ 44,472</u>            | <u>\$ 1,254</u> | <u>\$ 144,047</u> | <u>\$ 17,979</u> |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                             |                 |                   |                  |
| <i>Liabilities:</i>                            |                             |                 |                   |                  |
| Accounts Payable                               | \$ 6,738                    | \$ -            | \$ -              | \$ -             |
| Unearned Grant Revenue                         | 37,734                      | -               | -                 | -                |
| <i>Total Liabilities</i>                       | <u>44,472</u>               | <u>-</u>        | <u>-</u>          | <u>-</u>         |
| <i>Fund Balances:</i>                          |                             |                 |                   |                  |
| Nonspendable:                                  |                             |                 |                   |                  |
| Notes Receivable                               | -                           | -               | -                 | -                |
| Restricted for:                                |                             |                 |                   |                  |
| Elections                                      | -                           | -               | -                 | 17,979           |
| Legal  | -                           | -               | 144,047           | -                |
| Judicial                                       | -                           | 1,254           | -                 | -                |
| Public Safety                                  | -                           | -               | -                 | -                |
| Records Management                             | -                           | -               | -                 | -                |
| Sheriff  | -                           | -               | -                 | -                |
| Community Development                          | -                           | -               | -                 | -                |
| Other Purposes                                 | -                           | -               | -                 | -                |
| <i>Total Fund Balances</i>                     | <u>-</u>                    | <u>1,254</u>    | <u>144,047</u>    | <u>17,979</u>    |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <u>\$ 44,472</u>            | <u>\$ 1,254</u> | <u>\$ 144,047</u> | <u>\$ 17,979</u> |

Special Revenue

| <u>Attorney<br/>Hot Check</u> | <u>County<br/>Clerk<br/>Records</u> | <u>District<br/>Clerk<br/>Records</u> | <u>Mediation</u> | <u>Records<br/>Management</u> | <u>Digital<br/>Records</u> |
|-------------------------------|-------------------------------------|---------------------------------------|------------------|-------------------------------|----------------------------|
| \$ 125                        | \$ 152,669                          | \$ 30,506                             | \$ 70            | \$ 8,830                      | \$ 7,753                   |
| -                             | -                                   | -                                     | -                | -                             | -                          |
| -                             | -                                   | -                                     | -                | -                             | -                          |
| <u>\$ 125</u>                 | <u>\$ 152,669</u>                   | <u>\$ 30,506</u>                      | <u>\$ 70</u>     | <u>\$ 8,830</u>               | <u>\$ 7,753</u>            |
|                               |                                     |                                       |                  |                               |                            |
| \$ -                          | \$ 113                              | \$ -                                  | \$ -             | \$ -                          | \$ -                       |
| -                             | -                                   | -                                     | -                | -                             | -                          |
| -                             | 113                                 | -                                     | -                | -                             | -                          |
|                               |                                     |                                       |                  |                               |                            |
| -                             | -                                   | -                                     | -                | -                             | -                          |
| -                             | -                                   | -                                     | -                | -                             | -                          |
| 125                           | -                                   | -                                     | -                | -                             | -                          |
| -                             | -                                   | -                                     | 70               | -                             | -                          |
| -                             | -                                   | -                                     | -                | -                             | -                          |
| -                             | 152,556                             | 30,506                                | -                | 8,830                         | 7,753                      |
| -                             | -                                   | -                                     | -                | -                             | -                          |
| -                             | -                                   | -                                     | -                | -                             | -                          |
| -                             | -                                   | -                                     | -                | -                             | -                          |
| <u>125</u>                    | <u>152,556</u>                      | <u>30,506</u>                         | <u>70</u>        | <u>8,830</u>                  | <u>7,753</u>               |
|                               |                                     |                                       |                  |                               |                            |
| <u>\$ 125</u>                 | <u>\$ 152,669</u>                   | <u>\$ 30,506</u>                      | <u>\$ 70</u>     | <u>\$ 8,830</u>               | <u>\$ 7,753</u>            |

GONZALES COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)  
 SEPTEMBER 30, 2025

|  | Special Revenue |                |                  |                       |
|--|-----------------|----------------|------------------|-----------------------|
|  | Chapter<br>19   | Child<br>Abuse | HAVA             | Parks and<br>Wildlife |
| <b>ASSETS</b>                                      |                 |                |                  |                       |
| Cash and Cash Equivalents                          | \$ 6            | \$ 48          | \$ 17,376        | \$ 128                |
| Other Receivables                                  | -               | -              | -                | -                     |
| Notes Receivable                                   | -               | -              | -                | -                     |
|  |                 |                |                  |                       |
| <b>TOTAL ASSETS</b>                                | <b>\$ 6</b>     | <b>\$ 48</b>   | <b>\$ 17,376</b> | <b>\$ 128</b>         |
| <br><b>LIABILITIES AND<br/>FUND BALANCES</b>       |                 |                |                  |                       |
| <i>Liabilities:</i>                                |                 |                |                  |                       |
| Accounts Payable                                   | \$ -            | \$ -           | \$ 133           | \$ -                  |
| Unearned Grant Revenue                             | -               | -              | -                | -                     |
|  |                 |                |                  |                       |
| <i>Total Liabilities</i>                           | -               | -              | 133              | -                     |
| <br><i>Fund Balances:</i>                          |                 |                |                  |                       |
| Nonspendable:                                      |                 |                |                  |                       |
| Notes Receivable                                   | -               | -              | -                | -                     |
| Restricted for:                                    |                 |                |                  |                       |
| Elections  | 6               | -              | 17,243           | -                     |
| Legal  | -               | -              | -                | -                     |
| Judicial   | -               | -              | -                | -                     |
| Public Safety                                      | -               | 48             | -                | -                     |
| Records Management                                 | -               | -              | -                | -                     |
| Sheriff  | -               | -              | -                | -                     |
| Community Development                              | -               | -              | -                | -                     |
| Other Purposes                                     | -               | -              | -                | 128                   |
|  |                 |                |                  |                       |
| <i>Total Fund Balances</i>                         | 6               | 48             | 17,243           | 128                   |
| <br><b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> |                 |                |                  |                       |
|  | <b>\$ 6</b>     | <b>\$ 48</b>   | <b>\$ 17,376</b> | <b>\$ 128</b>         |

Special Revenue

| Supplemental<br>Guardianship<br>Fee | Vital<br>Statistics | Judge's<br>Supplement | Courthouse<br>Security | Justice<br>Building<br>Security | Clerk<br>of the<br>Court |
|-------------------------------------|---------------------|-----------------------|------------------------|---------------------------------|--------------------------|
| \$ 29,400                           | \$ 21,139           | \$ 4,639              | \$ 14,112              | \$ 24,346                       | \$ 60,193                |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| <u>\$ 29,400</u>                    | <u>\$ 21,139</u>    | <u>\$ 4,639</u>       | <u>\$ 14,112</u>       | <u>\$ 24,346</u>                | <u>\$ 60,193</u>         |
| \$ -                                | \$ 38               | \$ -                  | \$ -                   | \$ -                            | \$ -                     |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| -                                   | 38                  | -                     | -                      | -                               | -                        |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| 29,400                              | -                   | -                     | 14,112                 | 24,346                          | 60,193                   |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| -                                   | 21,101              | -                     | -                      | -                               | -                        |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| -                                   | -                   | 4,639                 | -                      | -                               | -                        |
| <u>29,400</u>                       | <u>21,101</u>       | <u>4,639</u>          | <u>14,112</u>          | <u>24,346</u>                   | <u>60,193</u>            |
| <u>\$ 29,400</u>                    | <u>\$ 21,139</u>    | <u>\$ 4,639</u>       | <u>\$ 14,112</u>       | <u>\$ 24,346</u>                | <u>\$ 60,193</u>         |

GONZALES COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)  
 SEPTEMBER 30, 2025

|  | Special Revenue                 |                    |                   |                                |
|--|---------------------------------|--------------------|-------------------|--------------------------------|
|  | County<br>Records<br>Management | Language<br>Access | Court<br>Reporter | Justice<br>Court<br>Technology |
| <b>ASSETS</b>                                  |                                 |                    |                   |                                |
| Cash and Cash Equivalents                      | \$ 21,927                       | \$ 1,703           | \$ 20,925         | \$ 44,336                      |
| Other Receivables                              | -                               | -                  | -                 | -                              |
| Notes Receivable                               | -                               | -                  | -                 | -                              |
| <b>TOTAL ASSETS</b>                            | <u>\$ 21,927</u>                | <u>\$ 1,703</u>    | <u>\$ 20,925</u>  | <u>\$ 44,336</u>               |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                                 |                    |                   |                                |
| <i>Liabilities:</i>                            |                                 |                    |                   |                                |
| Accounts Payable                               | \$ -                            | \$ -               | \$ -              | \$ 315                         |
| Unearned Grant Revenue                         | -                               | -                  | -                 | -                              |
| <i>Total Liabilities</i>                       | <u>-</u>                        | <u>-</u>           | <u>-</u>          | <u>315</u>                     |
| <i>Fund Balances:</i>                          |                                 |                    |                   |                                |
| Nonspendable:                                  |                                 |                    |                   |                                |
| Notes Receivable                               | -                               | -                  | -                 | -                              |
| Restricted for:                                |                                 |                    |                   |                                |
| Elections                                      | -                               | -                  | -                 | -                              |
| Legal  | -                               | -                  | -                 | -                              |
| Judicial                                       | -                               | 1,703              | 20,925            | 44,021                         |
| Public Safety                                  | -                               | -                  | -                 | -                              |
| Records Management                             | 21,927                          | -                  | -                 | -                              |
| Sheriff  | -                               | -                  | -                 | -                              |
| Community Development                          | -                               | -                  | -                 | -                              |
| Other Purposes                                 | -                               | -                  | -                 | -                              |
| <i>Total Fund Balances</i>                     | <u>21,927</u>                   | <u>1,703</u>       | <u>20,925</u>     | <u>44,021</u>                  |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <u>\$ 21,927</u>                | <u>\$ 1,703</u>    | <u>\$ 20,925</u>  | <u>\$ 44,336</u>               |

Special Revenues

| Court<br>Technology | Appellant<br>Judicial | Sheriff<br>Revenues | SCAAP<br>Grant   | Constable 3<br>Forfeiture | Attorney<br>Forfeiture |
|---------------------|-----------------------|---------------------|------------------|---------------------------|------------------------|
| \$ 9,706            | \$ 1,991              | \$ 77,171           | \$ 46,659        | \$ 2,990                  | \$ 39,680              |
| -                   | -                     | -                   | -                | -                         | -                      |
| -                   | -                     | -                   | -                | -                         | -                      |
| <u>\$ 9,706</u>     | <u>\$ 1,991</u>       | <u>\$ 77,171</u>    | <u>\$ 46,659</u> | <u>\$ 2,990</u>           | <u>\$ 39,680</u>       |
| \$ -                | \$ -                  | \$ -                | \$ 550           | \$ -                      | \$ -                   |
| -                   | -                     | -                   | -                | -                         | -                      |
| -                   | -                     | -                   | 550              | -                         | -                      |
| -                   | -                     | -                   | -                | -                         | -                      |
| -                   | -                     | -                   | -                | -                         | -                      |
| -                   | -                     | -                   | -                | -                         | 39,680                 |
| 9,706               | 1,991                 | -                   | -                | -                         | -                      |
| -                   | -                     | -                   | -                | 2,990                     | -                      |
| -                   | -                     | -                   | -                | -                         | -                      |
| -                   | -                     | 77,171              | -                | -                         | -                      |
| -                   | -                     | -                   | -                | -                         | -                      |
| -                   | -                     | -                   | 46,109           | -                         | -                      |
| <u>9,706</u>        | <u>1,991</u>          | <u>77,171</u>       | <u>46,109</u>    | <u>2,990</u>              | <u>39,680</u>          |
| <u>\$ 9,706</u>     | <u>\$ 1,991</u>       | <u>\$ 77,171</u>    | <u>\$ 46,659</u> | <u>\$ 2,990</u>           | <u>\$ 39,680</u>       |

GONZALES COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)  
 SEPTEMBER 30, 2025

|  | Special Revenue   |                         |                  | Capital         |
|--|-------------------|-------------------------|------------------|-----------------|
|  | Revolving<br>Loan | Law                     | Jury<br>Fund     | CDBG<br>Grant   |
|  |                   | Enforcement<br>Training |                  |                 |
| <b>ASSETS</b>                                  |                   |                         |                  |                 |
| Cash and Cash Equivalents                      | \$ 557,465        | \$ 29,932               | \$ 11,473        | \$ -            |
| Other Receivables                              | -                 | -                       | -                | 2,362           |
| Notes Receivable                               | 164,202           | -                       | -                | -               |
| <b>TOTAL ASSETS</b>                            | <b>\$ 721,667</b> | <b>\$ 29,932</b>        | <b>\$ 11,473</b> | <b>\$ 2,362</b> |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                   |                         |                  |                 |
| <i>Liabilities:</i>                            |                   |                         |                  |                 |
| Accounts Payable                               | \$ 2,400          | \$ -                    | \$ -             | \$ 2,362        |
| Unearned Grant Revenue                         | -                 | -                       | -                | -               |
| <i>Total Liabilities</i>                       | 2,400             | -                       | -                | 2,362           |
| <i>Fund Balances:</i>                          |                   |                         |                  |                 |
| Nonspendable:                                  |                   |                         |                  |                 |
| Notes Receivable                               | 164,202           | -                       | -                | -               |
| Restricted for:                                |                   |                         |                  |                 |
| Elections                                      | -                 | -                       | -                | -               |
| Legal  | -                 | -                       | -                | -               |
| Judicial                                       | -                 | -                       | -                | -               |
| Public Safety                                  | -                 | 29,932                  | 11,473           | -               |
| Records Management                             | -                 | -                       | -                | -               |
| Sheriff  | -                 | -                       | -                | -               |
| Community Development                          | 555,065           | -                       | -                | -               |
| Other Purposes                                 | -                 | -                       | -                | -               |
| <i>Total Fund Balances</i>                     | 719,267           | 29,932                  | 11,473           | -               |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 721,667</b> | <b>\$ 29,932</b>        | <b>\$ 11,473</b> | <b>\$ 2,362</b> |

Total  
Nonmajor  
Funds

---

\$ 1,445,050  
2,362  

---

164,202

\$ 1,611,614

\$ 12,649  

---

37,734  

---

50,383

164,202

35,228

183,852

207,721

44,443

242,673

77,171

555,065

---

50,876

---

1,561,231

\$ 1,611,614

GONZALES COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE – NONMAJOR FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

|   | Special Revenue             |                 |                   |                  |
|---|-----------------------------|-----------------|-------------------|------------------|
|   | Senate<br>Bill 22<br>Grants | Probate         | Law<br>Library    | Election<br>Fund |
| <b>REVENUES</b>   |                             |                 |                   |                  |
| Fines and Forfeitures                                       | \$ -                        | \$ -            | \$ -              | \$ -             |
| Charges for Services  | -                           | 395             | 11,284            | -                |
| Interest Income   | 11,665                      | -               | -                 | -                |
| Grants and Donations  | 613,027                     | -               | -                 | -                |
| <b>TOTAL REVENUES</b>                                       | <u>624,692</u>              | <u>395</u>      | <u>11,284</u>     | <u>-</u>         |
| <b>EXPENDITURES</b>   |                             |                 |                   |                  |
| Current:  |                             |                 |                   |                  |
| Administration  | -                           | 500             | -                 | -                |
| Legal   | 177,329                     | -               | 1,362             | -                |
| Judicial  | -                           | -               | -                 | -                |
| Public Safety   | 10,425                      | -               | -                 | -                |
| Health  | -                           | -               | -                 | -                |
| Capital Outlay  | 436,938                     | -               | -                 | -                |
| <b>TOTAL EXPENDITURES</b>                                   | <u>624,692</u>              | <u>500</u>      | <u>1,362</u>      | <u>-</u>         |
| Excess (Deficiency) in Revenue<br>Over (Under) Expenditures | -                           | (105)           | 9,922             | -                |
| <b>BEGINNING FUND BALANCE</b>                               | -                           | 1,359           | 134,125           | 17,979           |
| <b>ENDING FUND BALANCE</b>                                  | <u>\$ -</u>                 | <u>\$ 1,254</u> | <u>\$ 144,047</u> | <u>\$ 17,979</u> |

Special Revenue

| Attorney<br>Hot Check | County<br>Clerk<br>Records | District<br>Clerk<br>Records | Mediation | Records<br>Management | Digital<br>Records |
|-----------------------|----------------------------|------------------------------|-----------|-----------------------|--------------------|
| \$ -                  | \$ -                       | \$ -                         | \$ -      | \$ -                  | \$ -               |
| -                     | 88,390                     | 9,123                        | 20        | 20                    | 190                |
| -                     | 3,448                      | -                            | -         | -                     | -                  |
| -                     | -                          | -                            | -         | -                     | -                  |
| -                     | 91,838                     | 9,123                        | 20        | 20                    | 190                |
| -                     | 161,160                    | -                            | -         | -                     | -                  |
| -                     | -                          | -                            | -         | -                     | -                  |
| -                     | -                          | -                            | -         | -                     | -                  |
| -                     | -                          | -                            | -         | -                     | -                  |
| -                     | -                          | -                            | -         | -                     | -                  |
| -                     | 161,160                    | -                            | -         | -                     | -                  |
| -                     | (69,322)                   | 9,123                        | 20        | 20                    | 190                |
| 125                   | 221,878                    | 21,383                       | 50        | 8,810                 | 7,563              |
| \$ 125                | \$ 152,556                 | \$ 30,506                    | \$ 70     | \$ 8,830              | \$ 7,753           |

GONZALES COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE – NONMAJOR FUNDS (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

|   | Special Revenue |                |                  |                       |
|---|-----------------|----------------|------------------|-----------------------|
|   | Chapter<br>19   | Child<br>Abuse | HAVA             | Parks and<br>Wildlife |
| <b>REVENUES</b>   |                 |                |                  |                       |
| Fines and Forfeitures                                       | \$ -            | \$ -           | \$ -             | \$ 1,578              |
| Charges for Services  | -               | -              | -                | -                     |
| Interest Income   | -               | -              | 557              | -                     |
| Grants and Donations  | -               | 48             | -                | -                     |
| <b>TOTAL REVENUES</b>                                       | <u>-</u>        | <u>48</u>      | <u>557</u>       | <u>1,578</u>          |
| <b>EXPENDITURES</b>   |                 |                |                  |                       |
| Current:  |                 |                |                  |                       |
| Administration  | -               | -              | 1,653            | -                     |
| Legal   | -               | -              | -                | -                     |
| Judicial  | -               | -              | -                | -                     |
| Public Safety   | -               | -              | -                | -                     |
| Health  | -               | -              | -                | 1,679                 |
| Capital Outlay  | -               | -              | -                | -                     |
| <b>TOTAL EXPENDITURES</b>                                   | <u>-</u>        | <u>-</u>       | <u>1,653</u>     | <u>1,679</u>          |
| Excess (Deficiency) in Revenue<br>Over (Under) Expenditures | -               | 48             | (1,096)          | (101)                 |
| <b>BEGINNING FUND BALANCE</b>                               | <u>6</u>        | <u>-</u>       | <u>18,339</u>    | <u>229</u>            |
| <b>ENDING FUND BALANCE</b>                                  | <u>\$ 6</u>     | <u>\$ 48</u>   | <u>\$ 17,243</u> | <u>\$ 128</u>         |

Special Revenue

| Supplemental<br>Guardianship<br>Fee | Vital<br>Statistics | Judge's<br>Supplement | Courthouse<br>Security | Justice<br>Building<br>Security | Clerk<br>of the<br>Court |
|-------------------------------------|---------------------|-----------------------|------------------------|---------------------------------|--------------------------|
| \$ -                                | \$ -                | \$ -                  | \$ 26,916              | \$ 6,927                        | \$ -                     |
| -                                   | 1,820               | -                     | -                      | -                               | 16,637                   |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| 2,370                               | -                   | -                     | -                      | -                               | -                        |
| <u>2,370</u>                        | <u>1,820</u>        | <u>-</u>              | <u>26,916</u>          | <u>6,927</u>                    | <u>16,637</u>            |
| -                                   | 2,076               | 2,337                 | -                      | -                               | -                        |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| -                                   | -                   | -                     | 30,962                 | 1,504                           | -                        |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| -                                   | -                   | -                     | -                      | -                               | -                        |
| <u>-</u>                            | <u>2,076</u>        | <u>2,337</u>          | <u>30,962</u>          | <u>1,504</u>                    | <u>-</u>                 |
| 2,370                               | (256)               | (2,337)               | (4,046)                | 5,423                           | 16,637                   |
| 27,030                              | 21,357              | 6,976                 | 18,158                 | 18,923                          | 43,556                   |
| <u>\$ 29,400</u>                    | <u>\$ 21,101</u>    | <u>\$ 4,639</u>       | <u>\$ 14,112</u>       | <u>\$ 24,346</u>                | <u>\$ 60,193</u>         |

GONZALES COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – NONMAJOR FUNDS (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

|   | Special Revenue                 |                    |                   |                                |
|---|---------------------------------|--------------------|-------------------|--------------------------------|
|   | County<br>Records<br>Management | Language<br>Access | Court<br>Reporter | Justice<br>Court<br>Technology |
| <b>REVENUES</b>   |                                 |                    |                   |                                |
| Fines and Forfeitures                                       | \$ -                            | \$ -               | \$ -              | \$ 24,977                      |
| Charges for Services  | 253                             | 2,007              | 8,280             | -                              |
| Interest Income   | -                               | -                  | -                 | -                              |
| Grants and Donations  | -                               | -                  | -                 | -                              |
| <b>TOTAL REVENUES</b>                                       | <u>253</u>                      | <u>2,007</u>       | <u>8,280</u>      | <u>24,977</u>                  |
| <b>EXPENDITURES</b>   |                                 |                    |                   |                                |
| Current:  |                                 |                    |                   |                                |
| Administration  | -                               | -                  | -                 | -                              |
| Legal   | -                               | -                  | -                 | -                              |
| Judicial  | 24,522                          | 2,770              | 3,339             | 22,369                         |
| Public Safety   | -                               | -                  | -                 | -                              |
| Health  | -                               | -                  | -                 | -                              |
| Capital Outlay  | -                               | -                  | -                 | -                              |
| <b>TOTAL EXPENDITURES</b>                                   | <u>24,522</u>                   | <u>2,770</u>       | <u>3,339</u>      | <u>22,369</u>                  |
| Excess (Deficiency) in Revenue<br>Over (Under) Expenditures | (24,269)                        | (763)              | 4,941             | 2,608                          |
| <b>BEGINNING FUND BALANCE</b>                               | <u>46,196</u>                   | <u>2,466</u>       | <u>15,984</u>     | <u>41,413</u>                  |
| <b>ENDING FUND BALANCE</b>                                  | <u>\$ 21,927</u>                | <u>\$ 1,703</u>    | <u>\$ 20,925</u>  | <u>\$ 44,021</u>               |

Special Revenues

| Court<br>Technology | Appellant<br>Judicial | Sheriff<br>Revenues | SCAAP<br>Grant   | Constable 3<br>Forfeiture | Attorney<br>Forfeiture |
|---------------------|-----------------------|---------------------|------------------|---------------------------|------------------------|
| \$ 595              | \$ 1,613              | \$ 37,406           | \$ -             | \$ -                      | \$ 36,826              |
| -                   | -                     | -                   | -                | -                         | -                      |
| -                   | -                     | 1,828               | -                | -                         | 1,070                  |
| -                   | -                     | -                   | 15,080           | -                         | -                      |
| <u>595</u>          | <u>1,613</u>          | <u>39,234</u>       | <u>15,080</u>    | <u>-</u>                  | <u>37,896</u>          |
| -                   | -                     | -                   | -                | -                         | -                      |
| -                   | -                     | -                   | -                | -                         | 32,779                 |
| -                   | 1,365                 | -                   | 11,636           | -                         | -                      |
| -                   | -                     | 23,646              | -                | -                         | -                      |
| -                   | -                     | -                   | -                | -                         | -                      |
| -                   | -                     | -                   | -                | -                         | -                      |
| <u>-</u>            | <u>1,365</u>          | <u>23,646</u>       | <u>11,636</u>    | <u>-</u>                  | <u>32,779</u>          |
| 595                 | 248                   | 15,588              | 3,444            | -                         | 5,117                  |
| <u>9,111</u>        | <u>1,743</u>          | <u>61,583</u>       | <u>42,665</u>    | <u>2,990</u>              | <u>34,563</u>          |
| <u>\$ 9,706</u>     | <u>\$ 1,991</u>       | <u>\$ 77,171</u>    | <u>\$ 46,109</u> | <u>\$ 2,990</u>           | <u>\$ 39,680</u>       |

GONZALES COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE – NONMAJOR FUNDS (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

|   | Special Revenue   |                                |                  | Capital        |
|---|-------------------|--------------------------------|------------------|----------------|
|   | Revolving<br>Loan | Law<br>Enforcement<br>Training | Jury<br>Fund     | CDBG<br>Grant  |
| <b>REVENUES</b>   |                   |                                |                  |                |
| Fines and Forfeitures                                       | \$ -              | \$ -                           | \$ -             | \$ -           |
| Charges for Services  | -                 | -                              | 3,204            | -              |
| Interest Income   | 19,408            | 117                            | -                | -              |
| Grants and Donations  | -                 | 8,861                          | -                | 155,158        |
| <b>TOTAL REVENUES</b>                                       | <u>19,408</u>     | <u>8,978</u>                   | <u>3,204</u>     | <u>155,158</u> |
| <b>EXPENDITURES</b>   |                   |                                |                  |                |
| Current:  |                   |                                |                  |                |
| Administration  | 2,400             | -                              | -                | 84,284         |
| Legal   | -                 | -                              | -                | -              |
| Judicial  | -                 | -                              | -                | -              |
| Public Safety   | -                 | 7,298                          | -                | -              |
| Health  | -                 | -                              | -                | -              |
| Capital Outlay  | -                 | -                              | -                | 70,874         |
| <b>TOTAL EXPENDITURES</b>                                   | <u>2,400</u>      | <u>7,298</u>                   | <u>-</u>         | <u>155,158</u> |
| Excess (Deficiency) in Revenue<br>Over (Under) Expenditures | 17,008            | 1,680                          | 3,204            | -              |
| <b>BEGINNING FUND BALANCE</b>                               | <u>702,259</u>    | <u>28,252</u>                  | <u>8,269</u>     | <u>-</u>       |
| <b>ENDING FUND BALANCE</b>                                  | <u>\$ 719,267</u> | <u>\$ 29,932</u>               | <u>\$ 11,473</u> | <u>\$ -</u>    |

Total  
Nonmajor  
Funds

---

\$ 136,838  
141,623  
38,093  
794,544  

---

1,111,098

254,410  
211,470  
98,467  
41,369  
1,679  
507,812  

---

1,115,207

(4,109)

1,565,340  

---

\$ 1,561,231

GONZALES COUNTY  
 COMPARATIVE BALANCE SHEETS  
 GENERAL FUND  
 SEPTEMBER 30, 2025 AND 2024

|   | 2025                     | 2024                     |
|---|--------------------------|--------------------------|
| <b>ASSETS</b>   |                          |                          |
| Cash and Cash Equivalents   | \$ 5,197,988             | \$ 5,338,120             |
| Certificates of Deposit   | 5,222,525                | 4,988,472                |
| Ad Valorem Taxes Receivable (net)   | 1,397,090                | 1,377,293                |
| Other Receivables   | 291,692                  | -                        |
| Prepaid Items   | 93,241                   | 78,387                   |
| <b>TOTAL ASSETS</b>   | <b>\$ 12,202,536</b>     | <b>\$ 11,782,272</b>     |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                          |                          |
| <i>Liabilities:</i>   |                          |                          |
| Accounts Payable  | \$ 543,952               | \$ 536,970               |
| Accrued Wages   | 444,591                  | 319,139                  |
| Unearned Revenue  | 5,000                    | 6,698                    |
| <i>Total Liabilities</i>  | <i>993,543</i>           | <i>862,807</i>           |
| <br><i>Deferred Inflows of Resources:</i>                                     |                          |                          |
| Unavailable Property Tax Revenues   | 1,397,090                | 1,377,293                |
| <br><i>Fund Balances:</i>   |                          |                          |
| Nonspendable:   |                          |                          |
| Prepaid Items   | 93,241                   | 78,387                   |
| Unassigned  | 9,718,662                | 9,463,785                |
| <i>Total Fund Balance</i>   | <i>9,811,903</i>         | <i>9,542,172</i>         |
| <br><b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <br><b>\$ 12,202,536</b> | <br><b>\$ 11,782,272</b> |

GONZALES COUNTY  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 GENERAL FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2025 AND 2024

|  | 2025                | 2024                |
|--|---------------------|---------------------|
| <b>REVENUES</b>  |                     |                     |
| Ad Valorem Taxes   | \$ 11,199,342       | \$ 10,551,343       |
| Sales Taxes  | 3,002,966           | 3,076,073           |
| Fines and Forfeitures  | 941,976             | 828,356             |
| Charges for Services   | 858,924             | 689,361             |
| Licenses, Permits, and Fees  | 148,372             | 143,783             |
| Interest Income  | 478,910             | 569,132             |
| Misc Income  | 198,625             | 299,308             |
| Grants and Donations   | 1,103,386           | 154,559             |
| <b>TOTAL REVENUES</b>  | <b>17,932,501</b>   | <b>16,311,915</b>   |
| <b>EXPENDITURES</b>  |                     |                     |
| <i>Current:</i>  |                     |                     |
| Administration   | 3,102,246           | 3,147,037           |
| Legal  | 887,983             | 795,905             |
| Judicial   | 1,568,080           | 1,382,982           |
| Finance  | 1,280,988           | 1,249,264           |
| Facilities   | 650,767             | 1,095,252           |
| Public Safety  | 8,686,724           | 7,871,112           |
| Health   | 10,400              | 3,200               |
| Conservation   | 191,970             | 191,332             |
| Capital Outlay   | 1,334,760           | 701,751             |
| <b>TOTAL EXPENDITURES</b>  | <b>17,713,918</b>   | <b>16,437,835</b>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 218,583             | (125,920)           |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                     |                     |
| Proceeds from the Sale of Assets                                     | 51,148              | -                   |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                          | <b>51,148</b>       | <b>-</b>            |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | 269,731             | (125,920)           |
| <b>BEGINNING FUND BALANCE</b>  | 9,542,172           | 9,668,092           |
| <b>ENDING FUND BALANCE</b>   | <b>\$ 9,811,903</b> | <b>\$ 9,542,172</b> |



GONZALES COUNTY  
 COMPARATIVE BALANCE SHEETS  
 ROAD AND BRIDGE FUND  
 SEPTEMBER 30, 2025 AND 2024

|   | 2025                | 2024                 |
|---|---------------------|----------------------|
| <b>ASSETS</b>   |                     |                      |
| Cash and Cash Equivalents   | \$ 4,933,455        | \$ 6,481,683         |
| Certificates of Deposit   | 4,017,474           | 3,837,316            |
| Prepaid Items   | 25,084              | 27,499               |
| <b>TOTAL ASSETS</b>   | <b>\$ 8,976,013</b> | <b>\$ 10,346,498</b> |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b>           |                     |                      |
| <i>Liabilities:</i>   |                     |                      |
| Accounts Payable  | \$ 280,238          | \$ 487,509           |
| Accrued Wages   | 106,344             | 74,765               |
| <i>Total Liabilities</i>  | <i>386,582</i>      | <i>562,274</i>       |
| <br><i>Fund Balances:</i>   |                     |                      |
| Nonspendable:   |                     |                      |
| Prepaid Items   | 25,084              | 27,499               |
| Committed for:  |                     |                      |
| Road and Bridge Maintenance   |                     |                      |
| Precinct 1  | 2,279,131           | 2,395,065            |
| Precinct 2  | 2,112,411           | 2,454,206            |
| Precinct 3  | 2,057,439           | 2,327,376            |
| Precinct 4  | 2,115,366           | 2,580,078            |
| <i>Total Fund Balance</i>   | <i>8,589,431</i>    | <i>9,784,224</i>     |
| <br><b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES AND<br/>FUND BALANCES</b> | <b>\$ 8,976,013</b> | <b>\$ 10,346,498</b> |

GONZALES COUNTY  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND  
 BALANCE – ROAD AND BRIDGE FUND  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2025 AND 2024

|   | Precinct 1   | Precinct 2   | Precinct 3   | Precinct 4   |
|---|--------------|--------------|--------------|--------------|
| <b>REVENUES</b>   |              |              |              |              |
| Ad Valorem Taxes  | \$ 1,263,931 | \$ 1,155,280 | \$ 834,102   | \$ 369,588   |
| Licenses, Permits, and Fees   | 202,159      | 196,130      | 182,698      | 196,998      |
| Interest Income   | 108,690      | 106,888      | 104,009      | 106,662      |
| Misc Income   | 16,798       | 13,141       | 13,366       | 32,467       |
| <b>TOTAL REVENUES</b>   | 1,591,578    | 1,471,439    | 1,134,175    | 705,715      |
| <b>EXPENDITURES</b>   |              |              |              |              |
| <i>Current:</i>   |              |              |              |              |
| Public Transportation   | 1,480,881    | 1,626,201    | 1,340,379    | 1,124,558    |
| Capital Outlay  | 275,437      | 313,578      | 64,601       | 56,486       |
| Debt Service:   |              |              |              |              |
| Principal   | 1,770        | 50,864       | 1,771        | -            |
| Interest  | 7            | 1,937        | 6            | -            |
| <b>TOTAL EXPENDITURES</b>   | 1,758,095    | 1,992,580    | 1,406,757    | 1,181,044    |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUS OVER (UNDER)<br/>EXPENDITURES</b> | (166,517)    | (521,141)    | (272,582)    | (475,329)    |
| <b>OTHER FINANCING<br/>SOURCES (USES) (OFS)</b>                         |              |              |              |              |
| Sale of Capital Assets  | 49,899       | 24,020       | 156,857      | 10,000       |
| <b>TOTAL OFS</b>  | 49,899       | 24,020       | 156,857      | 10,000       |
| <b>NET CHANGE IN<br/>FUND BALANCE</b>                                   | \$ (116,618) | \$ (497,121) | \$ (115,725) | \$ (465,329) |
| <b>BEGINNING FUND BALANCE</b>   |              |              |              |              |
| <b>ENDING FUND BALANCE</b>  |              |              |              |              |

| Fund Totals         |                     |
|---------------------|---------------------|
| 2025                | 2024                |
| \$ 3,622,901        | \$ 4,168,252        |
| 777,985             | 787,456             |
| 426,249             | 481,320             |
| 75,772              | 176,030             |
| <u>4,902,907</u>    | <u>5,613,058</u>    |
| <br>                |                     |
| 5,572,019           | 4,885,674           |
| 710,102             | 971,391             |
| <br>                |                     |
| 54,197              | 174,004             |
| 2,158               | 6,374               |
| <u>6,338,476</u>    | <u>6,037,443</u>    |
| <br>                |                     |
| (1,435,569)         | (424,385)           |
| <br>                |                     |
| <u>240,776</u>      | <u>52,306</u>       |
| <u>240,776</u>      | <u>52,306</u>       |
| <br>                |                     |
| (1,194,793)         | (372,079)           |
| <br>                |                     |
| <u>9,784,224</u>    | <u>10,156,303</u>   |
| <u>\$ 8,589,431</u> | <u>\$ 9,784,224</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, 2025, 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 9, 2026.

***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.

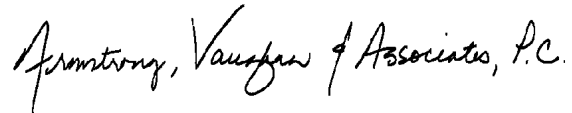
### ***Report on Compliance and Other Matters***

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*.

### **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 9, 2026



INDEPENDENT AUDITOR'S REPORT

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH TEXAS GRANT MANAGEMENT  
STANDARDS

County Commissioners  
Gonzales County

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited Gonzales County's compliance with the types of compliance requirements identified as subject to audit in the Texas Grant Management Standards (TxGMS) that could have a direct and material effect on each of Gonzales County's major state programs for the year ended September 30, 2025. Gonzales County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Gonzales County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2025.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of TxGMS. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Gonzales County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of Gonzales County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Gonzales County's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Gonzales County's compliance based on our audit. 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, *Government Auditing Standards*, and the TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Gonzales County's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Gonzales County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Gonzales County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the TxGMS, but not for the purpose of expressing an opinion on the effectiveness of Gonzales County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

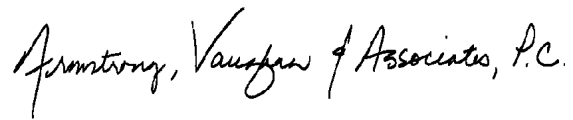
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the TxGMS. Accordingly, this report 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 9, 2026

GONZALES COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

A. Summary of Auditor's Results

1. Financial Statements

|  |                     |
|--|---------------------|
| Type of auditor's report issued:                         | <u>Unmodified</u>   |
| Internal control over financial reporting:               |                     |
| Any material weaknesses identified?                      | ___ Yes <u>X</u> No |
| Any significant deficiencies identified?                 | ___ Yes <u>X</u> No |
| Noncompliance material to financial<br>Statements noted? | ___ Yes <u>X</u> No |

2. State Awards

|   |                     |
|---|---------------------|
| Internal control over major programs:   |                     |
| Any material weaknesses identified?   | ___ Yes <u>X</u> No |
| Any significant deficiencies identified?  | ___ Yes <u>X</u> No |
| Type of auditor's report issued on compliance for<br>major programs:                                  | <u>Unmodified</u>   |
| Any audit findings disclosed that are required to be<br>reported in accordance with Uniform Guidance? | ___ Yes <u>X</u> No |
| Identification of major programs:   |                     |
| <u>Name of State Programs</u>   |                     |
| Rural Law Enforcement Grant   |                     |
| Texas Historic Courthouse Preservation Program  |                     |
| Dollar threshold used to distinguish between<br>Type A and type B Programs:                           | <u>\$1,000,000</u>  |
| Auditee qualified as low-risk auditee?  | ___ Yes <u>X</u> No |

B. Financial Statement Findings  
 NONE

C. Prior Audit Findings  
 NONE

D. State Award Findings and Questioned Costs  
 NONE

GONZALES COUNTY  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

| State Grantor/<br>Pass-Through Grantor/<br>Program Title     | Grant<br>Number | State<br>Expenditures   |
|--|-----------------|-------------------------|
| <b>TEXAS DEPARTMENT OF MOTOR VEHICLES</b>                    |                 |                         |
| <i>Passed through Travis County</i>                          |                 |                         |
| Motor Vehicle Crime Prevention Authority Task Force          | N/A             | \$ 59,689               |
| <b>TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES</b>              |                 | <u>59,689</u>           |
| <br><b>TEXAS INDIGENT DEFENSE COMMISSION</b>                 |                 |                         |
| <i>Direct Program</i>  |                 |                         |
| Formula Grant  | N/A             | 24,616                  |
| <b>TOTAL TEXAS INDIGENT DEFENSE COMMISSION</b>               |                 | <u>24,616</u>           |
| <br><b>TEXAS HISTORICAL COMMISSION</b>                       |                 |                         |
| <i>Direct Program</i>  |                 |                         |
| Texas Historic Courthouse Preservation Program               | N/A             | 674,476                 |
| <b>TOTAL TEXAS HISTORICAL COMMISSION</b>                     |                 | <u>674,476</u>          |
| <br><b>TEXAS COMPTROLLER OF PUBLIC ACCOUNTS</b>              |                 |                         |
| <i>Direct Program</i>  |                 |                         |
| Rural Law Enforcement Grant                                  | N/A             | 613,027                 |
| Law Enforcement Officer Standards and Education Fund (LEOSE) | N/A             | 8,861                   |
| <b>TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS</b>            |                 | <u>621,888</u>          |
| <br><b>TEXAS GOVERNOR</b>                                    |                 |                         |
| <i>Direct Program</i>  |                 |                         |
| Local Border Security Program                                | N/A             | 54,995                  |
| Rifle Resistant Body Armor                                   | N/A             | 16,215                  |
| Operation Lone Star  | N/A             | 216,152                 |
| <b>TOTAL TEXAS GOVERNOR</b>                                  |                 | <u>287,362</u>          |
| <br><b>TOTAL EXPENDITURES OF STATE AWARDS</b>                |                 | <br><u>\$ 1,668,031</u> |

GONZALES COUNTY  
NOTES TO THE SCHEDULES OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

The accompanying schedules of expenditures of state awards include the grant activity of the County and is presented on the modified accrual basis of accounting. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenue in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable.

State grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenue until earned.

The information in these schedules is presented in accordance with the requirements of TxGMS.

The County did not charge indirect costs to state grants.

