NEW ISSUE
BOOK-ENTRY-ONLY

OFFICIAL STATEMENT
April 28, 2025

Ratings:
S&P AG Insured: "AA"
S&P Underlying: "AA-"

(See "NOTE INSURANCE" and "OTHER PERTINENT INFORMATION – Ratings" herein.)

In the opinion of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes (defined below) is excludable from gross income of the holders thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and will not constitute a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals. Bond Counsel is of the further opinion that in the case of certain corporate holders of the Notes, all or a portion of the interest on the Notes may be included in the calculation of the alternative minimum tax imposed on certain corporations as a result of the inclusion of interest on the Notes in adjusted financial statement income.

$11,780,000
GONZALES COUNTY, TEXAS
TAX NOTES, SERIES 2025

Interest to accrue from the Delivery Date **Due: as shown on page ii**

Principal on the Gonzales County, Texas (the "County") $11,780,000 Tax Notes, Series 2025 (the "Notes") is payable to the registered owner upon presentation at maturity at the designated office of the paying agent/registrar (the "Paying Agent/Registrar"), initially BOKF, NA, Dallas, Texas. The Notes will be issued in denominations of $5,000 or integral multiples thereof within a maturity. Interest on the Notes will accrue from the Delivery Date (defined below) and will be payable February 15 and August 15 of each year, commencing February 15, 2026, until maturity, calculated on the basis of a 360-day year consisting of twelve 30-day months, to the registered owner appearing on the registration records of the Paying Agent/Registrar on the "Record Date" (hereinafter defined). The County intends to utilize the Book-Entry-Only System of The Depository Trust Company ("DTC") but reserves the right on its behalf or on behalf of DTC to discontinue such system. Such Book-Entry-Only System will affect the method and timing of payment and the method of transfer of the Notes. See "BOOK-ENTRY-ONLY SYSTEM."

AUTHORITY FOR ISSUANCE: The Notes are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapter 1431, Texas Government Code, as amended, and an order (the "Order") authorizing the issuance of the Notes adopted on April 28, 2025, by the Commissioners Court (the "Court") of the County (see "THE NOTES – Authority for Issuance").

PURPOSE: Proceeds of the Notes will be used for the purpose of (1) constructing renovations to the Gonzales County Annex Building; (2) constructing renovations to the County's Randle Rather Building; and (3) paying the costs of issuance of the Notes. See "THE NOTES – Purpose".

SECURITY FOR PAYMENT: The Notes are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the County. See "THE NOTES – Security and Source of Payment."

NOTE INSURANCE: The scheduled payment of principal of and interest on the Notes when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Notes by Assured Guaranty, Inc.

ASSURED GUARANTY

OPTIONAL REDEMPTION: The Notes are not subject to optional redemption prior to stated maturity.

SEE MATURITY SCHEDULE ON INSIDE COVER PAGE

The Notes are offered for delivery when, as and if issued, and received by the underwriter named below (the "Underwriter"), and subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by Bickerstaff Heath Delgado Acosta LLP, Austin, Texas, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Norton Rose Fulbright US LLP, Austin, Texas. It is expected the Notes will be available for delivery through the services of DTC, New York, New York, on or about May 27, 2025 (the "Delivery Date").

SAMCO CAPITAL

MATURITY SCHEDULE

$11,780,000
TAX NOTES, SERIES 2025
CUSIP No. Prefix[1]: 381820

Maturity Date	Principal Amount	Interest Rate	Initial Yield	CUSIP No. Suffix[1]
02/15/2026	$1,330,000	5.000%	3.210%	CE7
02/15/2027	1,530,000	5.000%	3.270%	CF4
02/15/2028	1,610,000	5.000%	3.330%	CG2
02/15/2029	1,695,000	5.000%	3.390%	CH0
02/15/2030	1,780,000	5.000%	3.480%	CJ6
02/15/2031	1,870,000	5.000%	3.550%	CK3
02/15/2032	1,965,000	5.000%	3.610%	CL1

(Interest to accrue from the Delivery Date)

The Notes are not subject to optional redemption prior to stated maturity.

[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Underwriter, the County or the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein.

GONZALES COUNTY

414 St. Joseph Street
Gonzales, Texas 78629

COMMISSIONERS COURT

Hon. Patrick C. Davis
County Judge

Anton Matias
Commissioner, Precinct 1

Donnie R. Brzozowski
Commissioner, Precinct 2

Roy Staton
Commissioner, Precinct 3

Collie Boatright
Commissioner, Precinct 4

ADMINISTRATION

Shawna Lehnert	County Auditor
Sheryl Barborak	County Treasurer
Lona Ackman	County Clerk
Crystal Cedillo	Tax Assessor-Collector

CONSULTANTS AND ADVISORS

Certified Public Accountants	Armstrong, Vaughn & Associates, P.C. Universal City, Texas
Bond Counsel	Bickerstaff Heath Delgado Acosta LLP Austin, Texas
Financial Advisor	RBC Capital Markets, LLC Houston, Texas

FOR MORE INFORMATION CONTACT:

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County Auditor
Gonzales County, Texas
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Gonzales, Texas 78629
(830) 672-6397

Chris W. Allen
Managing Director
RBC Capital Markets, LLC
609 Main Street, Suite 3600
Houston, Texas 77002
(713) 651-3338

USE OF INFORMATION IN OFFICIAL STATEMENT

This Official Statement, which includes the cover page and the appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from sources which are considered to be reliable, but such information is not guaranteed as to the accuracy or completeness and is not to be construed as a representation by the Underwriter. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described. See "CONTINUING DISCLOSURE OF INFORMATION" herein for a description of the County's undertaking to provide certain information on a continuing basis.

Assured Guaranty Inc. ("AG") makes no representation regarding the Notes or the advisability of investing in the Notes. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted here from, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "NOTE INSURANCE" and "APPENDIX E - Specimen Municipal Bond Insurance Policy".

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION MAY NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE NOTES DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE NOTES ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE NOTES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE NOTES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NEITHER THE COUNTY, THE FINANCIAL ADVISOR, NOR THE UNDERWRITER MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM OR WITH RESPECT TO ANY INFORMATION CONCERNING THE BOND INSURER OR ITS MUNICIPAL BOND GUARANTY POLICY AS DESCRIBED HEREIN (OR INCORPORATED BY REFERENCE) UNDER THE CAPTION "NOTE INSURANCE" AND "BOND INSURANCE GENERAL RISKS".

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. SEE "OTHER PERTINENT INFORMATION - FORWARD-LOOKING STATEMENTS" HEREIN.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in Rule 15c2-12.

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OFFICIAL STATEMENT

relating to

$11,780,000
GONZALES COUNTY, TEXAS
TAX NOTES, SERIES 2025

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Gonzales County, Texas (the "County") of its $11,780,000 Tax Notes, Series 2025 (the "Notes"). The County is a political subdivision of the State of Texas and operates under the statutes and the Constitution of the State of Texas.

Included in this Official Statement are descriptions of the Notes, and certain information about the County and its finances. All financial and other information presented in this Official Statement has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the County or the Financial Advisor.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. A copy of the final Official Statement pertaining to the Notes will be submitted to the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the County's undertaking to provide certain information on a continuing basis.

THE NOTES

General Description

The Notes will be dated May 27, 2025 (the "Dated Date"), and will be issued in fully-registered form, in denominations of $5,000 or any integral multiple thereof within a maturity. Interest on the Notes will accrue from the Delivery Date (as defined on the front cover hereof) and interest will be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2026, until stated maturity. Interest on the Notes will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Notes will mature on the dates and in the amounts as set forth on the cover page hereof.

Principal and interest will be paid by BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). Subject to the requirements associated with the use of the Book-Entry-Only System (see "BOOK-ENTRY-ONLY SYSTEM" herein), interest will be paid by check dated as of the interest payment date and mailed first class, postage paid, on or before each interest payment date by the Paying Agent/Registrar to the registered owners (the "Owners") appearing on the registration books of the Paying Agent/Registrar on the Record Date (herein defined), or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense, of such Owner. Principal will be paid to the Owners at maturity upon presentation and surrender of the Notes to the Paying Agent/Registrar. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the County where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorize to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. The County will initially use the Book-Entry Only System of The Depository Trust Company ("DTC"), New York, New York, in regard to the issuance, payment and transfer of the Notes. Such system will affect the timing and method of payment of the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

Authority for Issuance

The Notes are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapter 1431, Texas Government Code, as amended, and an order (the "Order") authorizing the issuance of the Notes adopted on April 28, 2025, by the Commissioners Court (the "Court") of the County.

Purpose

Proceeds of the Notes will be used for the purpose of (1) constructing renovations to the Gonzales County Annex Building; (2) constructing renovations to the County's Randle Rather Building; and (3) paying the costs of issuance of the Notes.

Security and Source of Payment

The Notes are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the County.

Legality

The Notes are offered when, as and if issued, subject to the approval of legality by the Attorney General of the State of Texas and Bickerstaff Heath Delgado Acosta LLP, Austin, Texas, Bond Counsel. See "LEGAL MATTERS" herein.

Redemption Provisions

The Notes are not subject to optional redemption prior to stated maturity.

Defeasance of Notes

The Order provides for the defeasance of the Notes when payment of the principal of and premium, if any, on Notes, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or otherwise), is provided by irrevocably depositing with a paying agent, in trust (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amounts and at such times to ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Notes, or (C) combination of money and Defeasance Securities together so certified sufficient to make such payments. The Order provides that "Defeasance Securities" means (1) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (2) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent and, (4) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Notes. The County has additionally reserved the right, subject to satisfying the requirements of (A) and (B) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the County moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Notes shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Notes have been made as described above, all rights of the County to take any other action amending the terms of the Notes are extinguished.

Amendments

The County may amend the Order without the consent of or notice to any Owners in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the County may, with the written consent of the holders of a majority in aggregate principal amount of the Notes then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Order; except that, without the consent of the Owners of all the Notes affected, no such amendment, addition, or rescission may (1) make any change in the maturity of any of the outstanding Notes; (2) reduce the rate of interest borne by any of the outstanding Notes; (3) reduce the amount of the principal payable on any outstanding Notes; (4) modify the terms of payment or of interest on outstanding Notes or any of them or impose any condition with respect to such payment; (5) give any preference to any Note over any other Note; or (6) change the minimum percentage amount of the Notes necessary to be held by registered owners for consent to such amendment.

Defaults and Remedies

If the County (i) defaults in the payment of the principal, premium, if any, or interest on the Notes, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in the Order and the continuation thereof for 30 days after the County has received written notice of such defaults, the registered owners may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the Notes, if there is no other available remedy at law to compel performance of the Notes or the Order and the County’s obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Notes in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the Noteholders upon any failure of the County to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. Texas counties are generally immune from suits for money damages for breach of contracts under the doctrine of sovereign immunity. The Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in “clear and unambiguous” language. Because it is unclear whether the Texas legislature has effectively waived the County’s sovereign immunity from a suit for money damages, Noteholders may not be able to bring such a suit against the County for breach of the Notes or the Order. Even if a judgment against the County could be obtained, it could not be enforced by direct levy and execution against the County’s property. Further, the registered owners cannot themselves foreclose on property within the County or sell property within the County to enforce the tax lien on taxable property to pay the principal of and interest on the Notes. Furthermore, the County is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Noteholders of an entity which has sought protection under Chapter 9. Therefore, should the County avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Order and the Notes are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

Record Date

The record date ("Record Date") for determining the person to whom the interest is payable on the Notes on any interest payment date means the last business day of the month next preceding the date that each interest payment is due. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which must be 15 days after the Special Record Date) will be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Note appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Paying Agent/Registrar

The initial Paying Agent/Registrar for the Notes is BOKF, NA, Dallas, Texas. In the Order, the County retains the right to replace the Paying Agent/Registrar for the Notes If the Paying Agent/Registrar is replaced by the County, the Paying Agent/Registrar, promptly upon the appointment of its successor, is required to deliver the registration records to the successor Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the County shall be a commercial bank, trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Notes, the County shall promptly cause a written notice of such change to be sent to each registered owner of the Notes affected by the change, by United States mail, first class, postage prepaid, which notice shall give the address for the new Paying Agent/Registrar.

Future Registration

In the event the use of the "Book-Entry-Only System" for the Notes should be discontinued, printed Notes will be delivered to the registered owners of the Notes and thereafter such Notes may be transferred, registered and assigned on the registration books only upon their presentation and surrender to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner except for any tax or other governmental charges required to be paid with respect to such registration and transfer. The Notes may be assigned by the execution of an assignment form on the Notes or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Notes will be delivered by the Paying Agent/Registrar in lieu of the Notes being transferred or exchanged at the designated office of the Paying Agent/Registrar or sent by United States registered mail to the new registered owner at the owner's request, risk and expense. To the extent possible, new Notes issued in an exchange or transfer of Notes will be delivered to the registered owner or assignee of the owner in not more than three (3) business days after the receipt of the Notes to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Notes registered and delivered in an exchange or transfer shall be in denominations of $5,000 of principal amount for any one maturity or any integral multiple thereof and for a like aggregate principal amount as the Notes surrendered for exchange or transfer (see "BOOK-ENTRY-ONLY SYSTEM" herein).

Limitation on Transfer of Notes

Neither the County nor the Paying Agent/Registrar shall be required to transfer or exchange any Note during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

Mutilated, Destroyed, Lost, or Stolen Notes

If any Note is mutilated, destroyed, stolen or lost, a new Note in the same principal amount as the Note so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Note, such new Note will be delivered only upon surrender and cancellation of such mutilated Note. In the case of any Note issued in lieu of and in substitution for a Note which has been destroyed, stolen or lost, such new Note will be delivered only (a) upon filing with the County and the Paying Agent/Registrar evidence satisfactory to them that such Note has been destroyed, stolen or lost and proof of the ownership thereof, and (b) upon furnishing the County and the Paying Agent/Registrar with indemnity satisfactory to them. The person requesting the authentication and delivery of a new Note must pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

Payment Record

The County has never defaulted on the payment of its bonded indebtedness.

SOURCES AND USES OF PROCEEDS

The following table shows the estimated sources and uses of the proceeds of the Notes:

Sources:		
	Principal Amount of the Notes	$ 11,780,000.00
	Reoffering Premium/Discount	641,302.55
	Total Sources of Funds	**$ 12,421,302.55**
Uses:		
	Deposit to Project Fund	$ 12,200,000.00
	Costs of Issuance, Underwriter's Discount, and Note Insurance	221,302.55
	Total Uses of Funds	**$ 12,421,302.55**

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Notes is to be transferred and how the principal of, premium, if any, and interest on the Notes are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The County, the Financial Advisor and the Underwriter believe the source of such information to be reliable but take no responsibility for the accuracy or completeness thereof.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each stated maturity of the Notes, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities Notes. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

All payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the County or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, physical certificates for the Notes are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates for the Notes will be printed and delivered to DTC.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Notes are in Book-Entry-Only form, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Notes, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, payment or notices that are to be given to registered owners under the Order will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by, the County, the Financial Advisor or the Underwriter.

NOTE INSURANCE

Note Insurance Policy

Concurrently with the issuance of the Notes, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Notes. The Policy guarantees the scheduled payment of principal of and interest on the Notes when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of Notes insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On October 18, 2024, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Capitalization of AG

At December 31, 2024:

- The policyholders' surplus of AG was approximately $3,524 million.

- The contingency reserve of AG was approximately $1,392 million.

- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,424 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the Securities and Exchange Commission (the "SEC") on February 28, 2025 that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Notes shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "NOTE INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Notes or the advisability of investing in the Notes. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted here from, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "NOTE INSURANCE".

BOND INSURANCE GENERAL RISKS

General . . . In the event of default of the payment of principal or interest with respect to the Notes when all or some becomes due, any owner of the Notes shall have a claim under the applicable Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory redemption, if applicable, or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy will not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory prepayment of the Notes by the County which is recovered by the County from the Note owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the County unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may reserve the right to direct and to consent to any remedies available to the holders of the Notes and the Insurer's consent may be required in connection with amendments to the Order for the Notes.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Notes are payable solely from the moneys received by the Paying Agent/Registrar pursuant to the Order for the Notes. In the event the Insurer becomes obligated to make payments with respect to the Notes, no assurance is given that such event will not adversely affect the market price of the Notes or the marketability (liquidity) for the Notes.

The long-term ratings on the Notes are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Notes insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Notes or the marketability (liquidity) for the Notes.

The obligations of the Insurer are contractual obligations of the Insurer and in an event of default by the Insurer, the remedies available to the Paying Agent/Registrar may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the County nor the Underwriter have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the County to pay the principal of and interest on the Notes and the claims paying ability of the Insurer, particularly over the life of the investment.

Claims-Paying Ability and Financial Strength of Municipal Bond Insurers . . . Moody's Investor Services Inc., S&P Global Ratings and Fitch Ratings, Inc. have, since 2008, downgraded the claims-paying ability and financial strength of providers of municipal bond insurance on multiple occasions. Additional downgrades or negative change in the rating outlook for these bond insurers is possible. In addition, certain events in the credit markets have had substantial negative effect on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims paying ability of such bond insurers, including any insurer of the Notes. Thus, when making an investment decision, potential investors should carefully consider the ability of the Insurer to pay principal and interest on the Notes and the claims paying ability of the Insurer, particularly over the life of the investment.

CONVENING OF TEXAS LEGISLATURE

The 89th Texas legislative session commenced on January 14, 2025, and will adjourn on June 2, 2025. During this time, the Texas Legislature may enact laws that materially affect the County and its finances. The County can make no prediction as to the outcome of this legislative session but intends to monitor applicable legislation related thereto.

AD VALOREM PROPERTY TAXATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Reference is made to Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Valuation of Taxable Property

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board ("Appraisal Review Board") responsible for appraising property for all taxing units within the County. The appraisal of property within the County is the responsibility of the Gonzales Central Appraisal District (the "Appraisal District"). Except as described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three years. A taxing unit may require annual review at its own expense and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property (the "10% Homestead Cap"). The 10% increase is cumulative, meaning the maximum increase is 10% times the number of years since the property was last appraised.

On July 13, 2023, during the Second Special Session, the 88th Texas Legislature passed Senate Bill 2 ("SB 2"), which, among other things, includes provisions that prohibit an appraisal district from increasing the appraised value of real property during the 2024 tax year on non-homestead properties (the "subjected property") whose appraised values are not more than $5 million dollars (the "maximum property value") to an amount not to exceed the lesser of: (1) the market value of the subjected property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the subjected property for the preceding tax year; (b) the appraised value of the subjected property for the preceding tax year; and (c) the market value of all new improvements to the subjected property (collectively, the "appraisal cap"). After the 2024 tax year, through December 31, 2026, the maximum property value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the maximum property value.

State law provides those eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity ("Productivity Value"). The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the County, in establishing their tax rolls and tax rates. See "AD VALOREM PROPERTY TAXATION – Issuer and Taxpayer Remedies".

State Mandated Homestead Exemptions

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the market value of all homesteads (but not less than $5,000) and (2) an additional exemption of at least $3,000 of the appraised value of the homesteads of persons 65 years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

Local Option Freeze for the Elderly and Disabled

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

Personal Property

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

Freeport and Goods-in-Transit Exemptions

Certain goods detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990, and has not subsequently taken official action to exempt Freeport Property. Decisions to continue to tax Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal. Certain goods, principally inventory, that are stored for the purposes of assembling, storing, manufacturing, processing or fabricating the goods in a location that is not owned by the owner of the goods and are transferred from that location to another location within 175 days ("Goods-in-Transit"), are exempt from ad valorem taxation unless a taxing unit takes official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax Goods-in-Transit beginning the following tax year. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include special inventories such as motor vehicles or boats in a dealer's retail inventory. A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

Other Exempt Property

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

Temporary Exemption For Qualified Property Damaged By A Disaster

The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the governor to be a disaster area following a disaster and is at least 15 percent physically damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. Except in situations where the territory is declared a disaster on or after the date the taxing unit adopts a tax rate for the year in which the disaster declaration is issued, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the governor declares the area to be a disaster area. The Texas Legislature amended Section 11.35, Tax Code, to clarify that "damage" for purposes of such statute is limited to "physical damage".

Tax Increment Reinvestment Zones

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "tax increment". During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

Tax Abatement Agreements

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

For a discussion of how the various exemptions described above are applied by the County, see "AD VALOREM PROPERTY TAXATION – County Application of the Property Tax Code" herein.

Chapter 381 Agreements

The County is authorized, pursuant to Chapter 381, Texas Local Government Code, as amended ("Chapter 381"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the County. In accordance with a program established pursuant to Chapter 381, the County may make loans or grants of public funds for economic development purposes, however no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the County. The County may contract with the federal government, the State, another political subdivision, a nonprofit organization or any other entity, including private entities, for the administration of such a program.

Public Hearing and Maintenance and Operation Tax Rate Limitations

The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional $500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"foregone revenue amount" means the greater of zero or the amount expressed in dollars calculated according to the following formula: the voter-approval tax rate in the applicable preceding tax year less the unused increment rate for that preceding tax year, less the actual tax rate, then multiplied by the taxing unit's current total value in the applicable preceding tax year.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted). Certain counties for which certain expenditures for indigent legal defense or certain hospital expenditures exceed the amount for such expenditures for the preceding tax year, may increase their no-new-revenue tax rate proportionately with such expenditures in the manner provided by the Property Tax Code.

"special taxing unit" means a county for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value.

“unused increment rate” means the greater of (i) zero; or (ii) the sum of the foregone revenue amount for each of the tax years 2022 through 2024 divided by the current total value.

“voter-approval tax rate” means the maintenance and operations tax rate that will produce the prior year’s maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the “unused increment rate”.

The County’s tax rate consists of two components: (1) rates for funding of maintenance and operations expenditures in the current year, which may additionally include the Road and Bridge Maintenance Tax and the Farm-to-Market Road and Flood Control Tax, if levied (collectively, the “maintenance and operations tax rate”), and (2) a rate for funding debt service in the current year (the “debt service tax rate”). Under State law, the assessor for the County must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the County to the Commissioners Court by August 1 or as soon as practicable thereafter.

The County must annually calculate and prominently post on its internet website and submit to the County tax assessor-collector its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller. The Commissioners Court must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the County, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If the County fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the County for the preceding tax year.

As described below, the Property Tax Code provides that if a county adopts a tax rate that exceeds the voter-approval tax rate or, in certain cases, the de minimis rate, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A county may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until the county appraisal district has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the county has held a public hearing on the proposed tax increase.

If a county’s adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the county must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a county does not qualify as a special taxing unit, if a county’s adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the county’s voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the county would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any county located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such county’s total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the County’s ability to set a debt service tax rate in each year sufficient to pay debt service on all of the County’s tax-supported debt obligations, including the Notes.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

Debt Tax Rate Limitations

Article VIII, Section 9 of the Texas Constitution imposes a limit of $0.80 per $100 assessed valuation for all purposes of a county’s General Fund, Permanent Improvement Fund, Road and Bridge Fund and Jury Fund, including debt service on bonds or other debt issued against such funds. Administratively, the Attorney General of Texas will not approve limited tax obligations in an amount which produces debt service requirements exceeding that which can be paid from $0.40 of the foregoing $0.80 maximum tax rate, as calculated at the time of issuance. **The Notes are limited tax obligations subject to the $0.80 tax limitation**.

Article III, Section 52 of the Texas Constitution authorizes the County to levy a direct, continuing ad valorem tax on all taxable property within the County, without limit as to rate or amount to pay the principal of and interest on the County’s road bonds if approved by the voters in the County. The principal amount of unlimited tax road bonds issued by the County and outstanding at any point in time, aggregated with outstanding unlimited tax debt of certain road districts located within the County cannot exceed 25% of the assessed valuation of all real property located in the County.

Article VIII, Section 9 of the Texas Constitution and State statute authorize the County to levy a special Road and Bridge Fund Tax (the “Road and Bridge Maintenance Tax”) in an amount not to exceed $0.15 per $100 assessed valuation, no part of which may be used for debt service, if approved by the voters.

Article VIII, Section 1-a of the Texas Constitution and State statute permit the County to levy a tax for Farm-to-Market Road and Flood Control purposes (the "Farm-to-Market Road and Flood Control Tax") in an amount not to exceed $0.30 per $100 assessed valuation after the mandatory $3,000 homestead exemption, if approved by the voters. There is no allocation prescribed by statutes between debt service and maintenance.

Section 1301.003, Texas Government Code, as amended, limits the amount of limited tax obligations of counties issued pursuant to such authority for those certain purposes as follows:

Courthouse	2% of Taxable Assessed Valuation
Jail	1 1/2% of Taxable Assessed Valuation
Courthouse and Jail	3 1/2% of Taxable Assessed Valuation
Bridge	1 1/2% of Taxable Assessed Valuation

County and Taxpayer Remedies

Under certain circumstances, the County and its taxpayers may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the County may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value equal to or in excess of the current year "minimum eligibility amount," as determined by the State Comptroller, and situated in a county with a population of 1.2 million or more as of the most recent federal decennial census may additionally protest the determinations of the Appraisal District directly to a three-member special panel of the Appraisal Review Board, selected by a State district judge, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at $61,349,201 for the 2025 tax year and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the County and provides for taxpayer referenda that could result in the repeal of certain tax increases (See "AD VALOREM PROPERTY TAXATION – Public Hearing and Maintenance and Operation Tax Rate Limitations".) The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The County is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) of delinquent tax, penalty and interest collected if imposed by the County. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the County may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

County's Rights in the Event of Tax Delinquencies

Taxes levied by the County are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all State and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each local taxing unit, including the County, having power to tax the property. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes.

At any time after taxes on property become delinquent, the County may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the County must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two (2) years after the purchaser's deed issued at the foreclosure sale is filed in the County records) or by bankruptcy proceedings which restrict the collection of taxpayer debts.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

See “AD VALOREM TAX PROCEDURES – Temporary Exemption for Qualified Property Damaged by a Disaster” for further information related to a discussion of the applicability of this section of the Property Tax Code.

County Application of the Property Tax Code

See “Appendix A – Table 1” for the total amounts of the exemptions described below.

The County does not grant a local option exemption of the market value of all residence homesteads.

The County does not grant a local option exemption of the market value of the residence homestead of persons 65 years of age or older.

The County does grant a local option freeze on taxes for persons 65 years of age or older or disabled persons.

The County does permit split payments, and discounts are not allowed.

The County does not grant an exemption for Freeport Property.

The County does not grant an exemption for Goods-in-Transit.

The County does not participate in a TIRZ.

The County has adopted a tax abatement policy.

INVESTMENT POLICIES

Investments

The County invests funds in instruments authorized by the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (the “PFIA”), in accordance with investment policies approved by the Commissioners Court. Both state law and the County's investment policies are subject to change.

Legal Investments

Under Texas law, the County is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their respective successors; (8) interest-bearing banking deposits, other than those described by clause (7), if (A) the funds invested in the banking deposits are invested through (i) a broker with a main office or branch office in this State that the County selects from a list the governing body or designated investment committee of the County adopts as required by Section 2256.025 of the Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the County selects; (B) the broker or depository institution as described in clause (8)(A), above, arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the County's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing County appoints as the County's custodian of the banking deposits issued for the County's account: (i) the depository institution selected as described by Paragraph (A); (ii) an entity described by Section 2257.041(d) of the Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3), (9) certificates of deposit or share certificates (i) meeting the requirements of the PFIA that are issued by or through an institution that either has its main office or a branch in Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund (or their respective successors), or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and amount provided by law for County deposits or, (ii) where the funds are invested by the County through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the County as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the County; (iii) the broker or the depository institution selected by the County arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the County; (iv) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (v) the County appoints the depository institution selected under (ii) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3- 3) as custodian for the County with respect to the certificates of deposit issued for the account of the County; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations permitted under the PFIA, and require the securities being purchased by the County or cash held by the County to be pledged to the County, held in the County’s name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that are continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the County, held in the County's name and deposited at the time the investment is made with the County or a third party designated by the County; (iii) a loan made under the program is placed through either a primary government securities dealer (as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003) or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less; (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (13) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (14) no-load money market mutual funds registered with and regulated by the SEC that provide the County with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, and that comply with SEC Rule 2a-7; and (15) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations described in this paragraph or (ii) have a duration of less than one year and an investment portfolio limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

The County may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The County may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the County retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the County must do so by order, ordinance, or resolution.

The County is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under Texas law, the County is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for County funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All County funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the County's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the County's investment officers must submit an investment report detailing: (1) the investment position of the County, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest County funds without express written authority from the Commissioners Court.

Additional Provisions

Under State law, the County is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Commissioners Court; (4) require the qualified representative of firms offering to engage in an investment transaction with the County to: (a) receive and review the County's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the County and the business organization that are not authorized by the County's investment policy (except to the extent that this authorization (i) is dependent on an analysis of the makeup of the County's entire portfolio, (ii) requires an interpretation of subjective investment standards, or (iii) relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the County and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the County's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the County's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the County.

Current Investments

See Table 11 in Appendix A for a description of the County's investments.

EMPLOYEES' BENEFITS

The County provides a contributory retirement plan through the Texas County and District Retirement System (TCDRS), covering substantially all qualifying employees. In 2023, employees contributed 7.00% of their gross wages to the plan. The County's contribution rate, determined actuarially each year, was 15.23% for calendar year 2022 and 14.57% for calendar year 2023.

For the calendar year 2023, the County's covered payroll totaled $8,899,848. During fiscal year 2023, the County contributed $1,573,983 to the pension plan on behalf of employees.

For additional details, refer to the County's audited financial statements in Appendix C.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Notes are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Notes by municipalities or other political subdivisions or public agencies of the State of Texas, the PFIA requires that the Notes be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency. See "OTHER PERTINENT INFORMATION - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Notes are legal investments for state banks, savings banks, trust companies with at least $1 million of capital, and savings and loan associations. The Notes are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

The County has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities, or which might limit the suitability of the Notes for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Notes for such purposes. The County has made no review of laws in other states to determine whether the Notes are legal investments for various institutions in those states.

LEGAL MATTERS

The delivery of the Notes is subject to the approval of the Attorney General of Texas to the effect that the Notes are valid and legally binding obligations of the County payable from the proceeds of an annual ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the County, and the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Notes is excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein. The form of Bond Counsel's opinion is attached hereto as Appendix D. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Notes is contingent upon the sale and delivery of the Notes. The legal opinion of Bond Counsel will accompany the Notes deposited with DTC or will be printed on the definitive Notes in the event of the discontinuance of the Book-Entry-Only System.

Though it represents the Financial Advisor from time to time in matters unrelated to the issuance of the Notes, Bond Counsel was engaged by, and only represents, the County. Except as noted below, Bond Counsel did not take part in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein except that in its capacity as Bond Counsel, such firm has reviewed the information appearing under captions "THE NOTES" (except for the information under the subcaptions "Payment Record" and "Defaults and Remedies"), "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS", "LEGAL MATTERS", "TAX MATTERS," "OTHER PERTINENT INFORMATION - Registration and Qualification of Notes of Sale," "OTHER PERTINENT INFORMATION - The Notes as Legal Investments in Texas," and "CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance With Prior Undertakings"), and such firm is of the opinion that the information relating to the Notes and legal matters contained under such captions is an accurate and fair description of the laws and legal issues addressed therein, and with respect to the Notes, such information conforms to the Order. Certain legal matters will be passed upon for the Underwriter by Norton Rose Fulbright US LLP, Austin, Texas, counsel for the Underwriter, whose compensation is contingent on the delivery of the Notes.

The various legal opinions to be delivered concurrently with the delivery of the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues expressly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

TAX MATTERS

Opinion

On the date of initial delivery of the Notes, Bickerstaff Heath Delgado Acosta LLP, Bond Counsel to the County, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Notes for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Notes will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the County will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Notes. See Appendix D - Form of Opinion of Bond Counsel.

In the opinion of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes (defined below) is excludable from gross income of the holders thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and will not constitute a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals. Bond Counsel is of the further opinion that in the case of certain corporate holders of the Notes, all or a portion of the interest on the Notes may be included in the calculation of the alternative minimum tax imposed on certain corporations as a result of the inclusion of interest on the Notes in adjusted financial statement income.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The opinion of Bond Counsel to the County is conditioned on compliance by the County with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the County has not been retained to monitor compliance with these requirements subsequent to the issuance of the Notes.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Notes.

A ruling was not sought from the Internal Revenue Service by the County with respect to the Notes or the facilities financed or refinanced with the proceeds of the Notes. Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the representations of the County that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Notes, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the County as the taxpayer and the Noteholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Notes may be less than the principal amount thereof or one or more periods for the payment of interest on the Notes may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Notes"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Note, and (ii) the initial offering price to the public of such Original Issue Discount Note would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Notes less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Note in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Note equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Note prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Note in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Note was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Note is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Notes and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Note for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Note.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Notes which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Notes should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Notes and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Notes.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Notes. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE NOTES.

Interest on the Notes may be includable in certain corporation’s “adjusted financial statement income” determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Notes, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Notes, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount Notes" to the extent such gain does not exceed the accrued market discount of such Notes; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Notes under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Notes will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient’s federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Notes under Federal or state law and could affect the market price or marketability of the Notes. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE OF INFORMATION

In the Order, the County has made the following agreement for the benefit of the holders and beneficial owners of the Notes. The County is required to observe the agreement for so long as it remains an "obligated person" with respect to the Notes, within the meaning of the Securities and Exchange Commission's Rule 15c2-12 (the "Rule"). Under the agreement, the County will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, where it will be available to the general public, free of charge, at www.emma.msrb.org.

Annual Reports

The County will provide certain updated financial information and operating data annually to the MSRB. The information to be updated includes financial information and operating data with respect to the County of the general type included in this Official Statement in Appendix A under Tables 1 through 5 and 7 through 11 (the "Annual Financial Information"). The County will additionally provide financial statements of the County (the "Financial Statements") that will be (i) prepared in accordance with the accounting principles described in Appendix C of this Official Statement or such other accounting principles as the County may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in Appendix C and (ii) audited, if the County commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The County will update and provide the Annual Financial Information within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2025. The County may provide the Financial Statements earlier, including at the time it provides its Annual Financial Information, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the County shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available.

The County may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule.

The County's current fiscal year end is September 30. Accordingly, the Annual Financial Information must be provided by March 31 in each year, and the Financial Statements must be provided by September 30 of each year, unless the County changes its fiscal year. If the County changes its fiscal year, it will notify the MSRB of the change.

Notice of Occurrence of Certain Events

The County will also provide notice of any of the following events with respect to the Notes to the MSRB in a timely manner (but not in excess of ten (10) business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (7) modifications to rights of holders of the Notes, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Notes, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the County; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) the appointment of a successor or additional trustee or change of name of the trustee, if material; (15) incurrence of a "Financial Obligation" of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties. Neither the Notes nor the Order make any provision for liquidity enhancement, credit enhancement, or require the funding of debt service reserves.

For these purposes, (a) any event described in clause (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under the state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County, and (b) the County intends the words used in the immediately preceding clauses (15) and (16) and in the definition of Financial Obligation above to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

Notice of Failure to Timely File

The County also will notify the MSRB through EMMA, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with the provisions described above.

Availability of Information

All information and documentation filing required to be made by the County in accordance with its undertaking made for the Notes will be made with the MSRB in electronic format in accordance with MSRB guidelines, by and through EMMA. Access to such filings will be provided, without charge to the general public, by the MSRB through EMMA at www.emma.msrb.org.

Limitations and Amendments

The County has agreed to update information and to provide notices of certain events only as described above. The County has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The County makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Notes at any future date. The County disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of the Notes may seek a writ of mandamus to compel the County to comply with its agreement. No default by the County with respect to its continuing disclosure agreement shall constitute a breach of or default under the Order for purposes of any other provision of the Order. Nothing in this paragraph is intended or shall act to disclaim, waive, or otherwise limit the duties of the County under federal and state securities laws. The County's undertakings and agreements are subject to appropriation of necessary funds and to applicable legal restrictions.

The County's continuing disclosure agreement may be amended by the County from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell the Notes in the primary offering of the Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of the Order that authorizes such an amendment) of the outstanding Notes consent to such amendment or (b) a person that is unaffiliated with the County (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Notes. The County may also amend or repeal the provisions of the continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Notes in the primary offering of the Notes. If the County amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Undertakings

During the last five years, the County has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

OTHER PERTINENT INFORMATION

The Notes as Legal Investments in Texas

Section 1201.041, Texas Government Code, provides that the Notes are (1) negotiable instruments, (2) investment securities to which Chapter 8, Business & Commerce Code, applies, and (3) legal and authorized investments for insurance companies, fiduciaries or trustees and the sinking funds of a municipality or other political subdivision or public agency of the State of Texas. Additionally, with respect to the Notes, Section 271.051 of the Texas Local Government Code provides that Notes of obligation approved by the Attorney General of Texas are: (1) legal authorized investments for banks, savings banks, trust companies, and savings and loan associations, insurance companies, fiduciaries, trustees, and guardians, and sinking funds of municipalities, counties, school districts, or other political corporations or subdivisions of the State, and (2) eligible to secure deposits of any public funds of the State, municipalities, school and other political subdivisions of the State, and are legal security for those deposits to the extent of the market value. For the Notes to be eligible investments for municipalities, political subdivisions or public agencies of Texas, the Public Funds Investment Act, Texas Government Code, Chapter 2256, provides that a rating of at least "A" as to investment quality must be assigned by a national rating agency. See "OTHER PERTINENT INFORMATION – Ratings" herein. The Texas Finance Code also contains provisions that, subject to the prudent investor standard, provide for the Notes to be legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. Furthermore, the Notes are eligible to secure the deposits of any public funds of the State of Texas, its agencies and its political subdivisions and are legal security for those deposits to the extent of their market value. The County has made no investigation of other laws, rules, regulations, or investment criteria which might apply to such institutions or entities, or which might limit the suitability of the Notes for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Notes for such purposes. No review by the County has been made of the laws in other states to determine whether the Notes are legal investments for various institutions in those states.

Ratings

The Notes have been assigned an underlying rating of “AA-” by S&P Global Ratings (“S&P”). The scheduled payment of principal of and interest on the Notes when due will be guaranteed under a municipal bond insurance policy to be issued by AG. The Notes are rated “AA” (stable outlook) by S&P by virtue of the municipal bond insurance policy. AG’s financial strength is rated “AA/Stable Outlook” by S&P. An explanation of the significance of such ratings may be obtained from S&P. The ratings of the Notes reflects only the view of S&P at the time the ratings are given, and the County makes no representations as to the appropriateness of the ratings. There is no assurance that the ratings will continue for any given period of time, or that the ratings will not be revised downward or withdrawn entirely by S&P, if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Notes.

Registration and Qualification of Notes for Sale

The sale of the Notes has not been registered under the Securities Act of 1933, as amended, in reliance upon the exception provided thereunder by Section 3(a)(2); and the Notes have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Notes been qualified under the securities acts of any jurisdiction. The County assumes no responsibility for qualification of the Notes under the securities laws of any jurisdiction in which the Notes may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Notes shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions in such other jurisdictions.

It is the obligation of the Underwriter to register or qualify the sale of the Notes under the securities laws of any jurisdiction which so requires. The County agrees to cooperate, at the Underwriter’s written request and sole expense, in registering or qualifying the Notes or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the County shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

Litigation

In the opinion of various officials of the County, there is no litigation or other proceeding pending against or, to their knowledge, threatened against the County in any court, agency, or administrative body (either state or federal) wherein an adverse decision would materially adversely affect the financial condition of the County.

Authenticity of Financial Information

The financial data and other information contained herein have been obtained from the County’s records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and the Order contained in this Official Statement are made subject to all of the provisions of such statutes, documents and the Order. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of the information herein. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates, and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

Underwriting

The Underwriter has agreed, subject to certain conditions, to purchase the Notes from the County at the initial offering prices to the public as shown on page ii of this Official Statement, less an underwriting discount of $69,430.91. The Underwriter will be obligated to purchase all of the Notes if any Notes are purchased. The Notes to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing the Notes into investment trusts) at prices lower than the public offering prices of such Notes, and such public offering prices may be changed, from time to time, by the Underwriter.

SAMCO Capital Markets Inc., the Underwriter of the Notes, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, SAMCO Capital Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, SAMCO Capital Markets Inc. will compensate Fidelity for its selling efforts.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of their its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Financial Advisor

RBC Capital Markets, LLC (the "Financial Advisor") is employed as Financial Advisor to the County. The fees paid the Financial Advisor for services rendered in connection with the issuance and sale of the Notes are based on the amount of Notes actually issued, sold and delivered, and therefore such fees are contingent on the sale and delivery of the Notes.

The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

Cybersecurity Risks

The County relies on its information systems to provide security for processing, transmission and storage of confidential personal, health-related, credit and other information. It is possible that the County's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the County and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the County may incur significant costs to remediate possible injury to the affected persons, and the County may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the County's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Potential Impact of Natural Disaster

The County could be impacted by high winds, heavy rains, and flooding caused by hurricane, tornado, tropical storm, or other adverse weather events. In the event that a natural disaster should damage or destroy improvements and personal property in the County, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the assessed taxable value of the County and an increase in the County's tax rates. See "AD VALOREM PROPERTY TAXATION – Valuation of Taxable Property" and "AD VALOREM PROPERTY TAXATION – Temporary Exemption for Qualified Property Damaged by a Disaster." There can be no assurance that a casualty will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the County that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could be a lengthy period in which assessed values in the County would be adversely affected. There can be no assurance the County will not sustain damage from meteorological events.

Use of Information in Official Statement

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Forward-Looking Statements

The statements contained in this Official Statement, and any other information provided by the County, that are not purely historical, are forward-looking statements, including statements regarding the County's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the County on the date hereof, and the County assumes no obligation to update any such forward-looking statements. It is important to note that the County's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Neither the information on, nor accessed through, such website is incorporated by reference, either expressly or by implication, into this Official Statement.

Concluding Statement

The information set forth herein has been obtained from the County's records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and the Order contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and the Order. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

The Order approved the form and content of this Official Statement, and any addenda, supplement, or amendment thereto, and authorize its further use in the reoffering of the Notes by the Underwriter.

GONZALES COUNTY, TEXAS

/s/ Hon. Patrick C. Davis, County Judge

ATTEST:

/s/ Lona Ackman, County Clerk

APPENDIX A

Financial Information Regarding Gonzales County, Texas

FINANCIAL INFORMATION REGARDING
GONZALES COUNTY, TEXAS

Table 1-Valuations, Exemptions and Tax Supported Debt

2024/25 Market Value as of July 30, 2024	$ 12,144,929,900
Less Exemptions/Reductions at 100% Market Value	
Productivity Loss	$ 4,037,262,640
Homestead Cap	28,137,756
23.231 Cap	389,020,497
Exempt Property	311,416,472
Abatement Loss	508,050
Solar/Wind Power	87,750
TCEQ/Pollution Control	7,413,640
Disabled Veterans	19,734,230
Total	$ 4,793,581,035
2024/25 Net Taxable Assessed Valuation	$ 7,351,348,865
County Funded Debt Payable from Ad Valorem Taxes (as of September 30, 2025):	
Tax Notes	$ 11,780,000
Total Indebtedness Payable from Ad Valorem Taxes	$ 11,780,000
Ratio County Funded Debt 2024/2025 Net Taxable Assessed Valuation	0.16%

Estimated Population		19,930
Per Capita Taxable Assessed Valuation	$	368,858
Per Capita Debt Payable from Ad Valorem Taxes	$	591

Source: The County and the County's Annual Financial Report for the Fiscal Year Ended 2024.
Population Source: U.S. Census Bureau.

Table 2 - Taxable Assessed Valuation by Category

	Taxable Appraised Value for Fiscal Year Ended September 30					
	2025		2024		2023	
Category	**Value**	**% of Total**	**Value**	**% of Total**	**Value**	**% of Total**
Real Residential, Single Family	$ 600,506,170	7.70%	$ 562,907,510	9.11%	$ 493,287,970	10.36%
Real Residential, Multi Family	15,948,690	0.20%	15,793,670	0.26%	12,962,270	0.27%
Real, Vacant Lots/Tracts	24,317,460	0.31%	25,957,230	0.42%	17,436,940	0.37%
Real Property, Qualified Open Space Land	365,043,124	4.68%	218,189,620	3.53%	192,735,370	4.05%
Rural Property	596,413,486	7.65%	709,365,680	11.48%	644,306,260	13.53%
Commercial Property	511,544,430	6.56%	493,148,960	7.98%	444,427,000	9.33%
Minerals And Oils	4,909,030,270	62.97%	3,409,411,663	55.15%	2,274,355,900	47.76%
Tangible Personal Property	-	0.00%	-	0.00%	-	0.00%
Real and Tangible Personal Utilities	377,999,170	4.85%	354,214,060	5.73%	290,106,600	6.09%
Personal Property Commercial	320,865,080	4.12%	321,930,080	5.21%	323,641,530	6.80%
Mobile Homes & Other Tangible Personal Prope	68,956,740	0.88%	66,051,580	1.07%	62,257,870	1.31%
Intangible Personal Property	-	0.00%	-	0.00%	-	0.00%
Real Property: Residential Inventory	-	0.00%	-	0.00%	1,452,670	0.03%
Special Inventory	5,326,690	0.07%	4,741,780	0.08%	4,788,860	0.10%
Total Appraised Value Before Exemptions	**$ 7,795,951,310**	**100.00%**	**$ 6,181,711,833**	**100.00%**	**$ 4,761,759,240**	**100.00%**
Less: Total Exemptions/ Reductions	**(444,602,445)**		**(68,943,693)**		**(113,282,340)**	
Net Taxable Assessed Value	**$ 7,351,348,865**		**$ 6,112,768,140**		**$ 4,648,476,900**	

	Taxable Appraised Value for Fiscal Year Ended September 30			
	2022		2021	
Category	**Value**	**% of Total**	**Value**	**% of Total**
Real Residential, Single Family	$ 425,160,910	14.11%	$ 385,732,580	11.47%
Real Residential, Multi Family	12,381,680	0.41%	11,188,060	0.33%
Real, Vacant Lots/Tracts	13,891,410	0.46%	12,763,430	0.38%
Real Property, Qualified Open Space Land	181,604,080	6.03%	174,968,490	5.20%
Rural Property	548,906,370	18.21%	470,049,700	13.98%
Commercial Property	362,132,690	12.01%	332,665,290	9.89%
Minerals And Oils	1,122,328,730	37.24%	1,649,745,480	49.05%
Tangible Personal Property	-	0.00%	-	0.00%
Real and Tangible Personal Utilities	300,962,730	9.98%	280,145,810	8.33%
Mobile Homes & Other Tangible Personal Prope	41,432,920	1.37%	39,206,950	1.17%
Intangible Personal Property	-	0.00%	-	0.00%
Real Property: Residential Inventory	924,490	0.03%	1,104,490	0.03%
Special Inventory	4,434,940	0.15%	5,590,076	0.17%
Total Appraised Value Before Exemptions	**$ 3,014,160,950**	**100.00%**	**$ 3,363,160,356**	**100.00%**
Less: Total Exemptions/ Reductions	**(58,540,990)**		**(26,820,310)**	
Net Taxable Assessed Value	**$ 2,955,619,960**		**$ 3,336,340,046**	

Source: Property tax reports provided by the Gonzales County Appraisal District.

Table 3 - Valuation and Tax Supported Debt History

Fiscal Year Ended 09/30	Net Taxable Assessed Valuation	Bonded Debt History	Ratio of Debt to Assessed Valuation
2016	$ 3,776,543,600	$ 205,000	0.01%
2017	2,653,015,880	210,000	0.01%
2018	2,840,411,350	220,000	0.01%
2019	2,878,364,300	230,000	0.01%
2020	3,671,841,760	235,000	0.01%
2021	3,336,340,046	-	0.00%
2022	2,955,619,960	-	0.00%
2023	4,648,476,900	-	0.00%
2024	6,112,768,140	-	0.00%
2025	7,351,348,865	12,200,000 (1)	0.17%

(1) Includes Tax Notes.

Table 4 - Tax Rate, Levy and Collection History

Tax Year	Assessed Valuation	Tax Rate	Tax Levy	% Collections Current	% Collections Total (2)
2015	$ 3,776,543,600	$0.3449	$ 13,006,386	99.24%	99.25%
2016	2,653,015,880	$0.5086	13,320,729	98.97%	98.98%
2017	2,840,411,350	$0.4785	13,426,893	99.27%	99.28%
2018	2,878,364,300	$0.4784	13,575,854	99.58%	99.58%
2019	3,671,841,760	$0.3809	13,878,420	99.61%	99.62%
2020	3,336,340,046	$0.3839	14,066,839	99.45%	99.45%
2021	2,955,619,960	$0.4391	14,291,897	99.23%	99.24%
2022	4,648,476,900	$0.3071	14,214,932	99.05%	99.09%
2023	6,112,768,140	$0.2420	14,766,185	98.78%	98.83%
2024	7,351,348,865	$0.2032	14,927,098	95.55% (1)	96.19% (1)

(1) As of April 20, 2025.

(2) Total includes penalties and other amounts.

Source: The County and County Audited Financial Statements.

Table 5 - Ten Largest Taxpayers

Name of Taxpayer	Nature of Property	2024/25 Taxable Assessed Valuation	Percent of Total
EOG Resources Inc.	Oil & Gas	$ 2,337,941,467	31.80%
Baytex Energy USA Inc	Oil & Gas	546,550,020	7.43%
Marathon Oil EF LLC	Oil & Gas	295,806,572	4.02%
BYK USA	Chemical Plant	119,644,220	1.63%
Verdun Oil & Gas LLC	Oil & Gas Drilling Services/Equipment	105,132,040	1.43%
Holmes Food Inc.	Food Packaging/Processing	65,281,770	0.89%
Barnhart Ranch Minerals LP	Commercial Building	63,980,428	0.87%
Zarvona Energy LLC	Oil & Gas	62,265,180	0.85%
Baptist Foundation of Texas	Commercial Building	56,279,536	0.77%
Enterprise Crude Pipeline LLC	Oil & Gas Pipeline	54,862,870	0.75%
		$ 3,707,744,103	50.44%

Source: Property tax reports provided by Gonzales County Appraisal District and State of Texas Comptroller of Public Accounts.

As shown in the table above, the total combined top ten taxpayers in the County currently account for over 50% of the County's tax base, with the top taxpayer accounting for over 30% of the County's tax base alone. In addition, a portion of the County's assessed valuation is comprised of industries related to oil and gas, which are subject to fluctuation in terms of market valuation and availability, and the valuation of windmills and wind farms within the State, as determined by respective appraisal districts, have been subject to litigation related to the taxable value of such property. Accordingly, the County makes no representation regarding the continued valuation of any of the property listed in the above table or the generation of future tax revenues therefrom. If any major taxpayer (or a combination of taxpayers) were to default in the payment of taxes due to economic conditions resulting difficulty, the ability of the County to timely pay debt service on the Notes will be dependent on its ability to enforce and liquidate its tax lien (which, in the event of bankruptcy, certain laws

Table 6 - Estimated Overlapping Debt Statement

Taxing Body	Amount	As of	Percentage Overlapping	Amount Overlapping
Cuero ISD	$ 41,785,000	03/31/2025	13.80%	$ 5,766,330
Gonzales ISD	64,385,000	03/31/2025	97.97%	63,077,985
Gonzales County [(1)]	11,780,000	04/28/2025	100.00%	11,780,000
Gonzales, City of	11,705,000	03/31/2025	100.00%	11,705,000
Moulton ISD	9,930,000	03/31/2025	19.13%	1,899,609
Nixon-Smiley CISD	37,630,000	03/31/2025	95.17%	35,812,471
Shiner ISD	7,037,000	03/31/2025	20.04%	1,410,215
Waelder ISD	6,620,000	03/31/2025	88.92%	5,886,504
Waelder, City of	-	03/31/2025	100.00%	-
Yoakum ISD	51,675,000	03/31/2025	8.04%	4,154,670
Total Direct and Overlapping Debt				$ 141,492,783

Ratio Direct and Overlapping Debt to Taxable Assessed Valuation	1.92%
Ratio Direct and Overlapping Debt to Total Assessed Valuation	1.17%
Per Capita Direct and Overlapping Overlapping Debt	$ 7,099

(1) Includes the Tax Notes.

Source: Municipal Advisory Council of Texas.

Table 7 - Outstanding Unlimited Tax General Obligation Debt Service Requirements

The County has no outstanding unlimited tax bonds.

Authorized but Unissued Unlimited Tax General Obligation Bonds

The County has no authorized but unissued unlimited tax bonds.

Table 8 - Outstanding Limited Tax General Obligation Debt Service Requirements

Fiscal Year Ended 09/30	Tax Notes Principal	Interest	Total
2026	$ 1,330,000	$ 683,367	$ 2,013,367
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
	$ 11,780,000	**$ 2,326,867**	**$ 14,106,867**

Table 9 - Tax Adequacy for Limited Tax Bonds

2024/25 Taxable Assessed Valuation for Debt Service	$ 7,351,348,865
Estimated Maximum Debt Service for the FYE September 30, 2025	$ 2,018,125
Indicated Interest and Sinking Fund Tax Rate	$ 0.028
Indicated Interest and Sinking Fund Tax Levy	$ 2,059,311
Estimated 98% Tax Collections	$ 2,018,125

Table 10 - General Fund Revenues and Expenditures

	Fiscal Years Ended September 30				
	2024	2023	2022	2021	2020
Revenues:					
Ad Valorem Taxes	$ 10,551,343	$ 9,021,736	$ 9,492,421	$ 8,741,196	$ 9,611,474
Sales Taxes	3,076,073	2,810,733	2,441,350	1,692,147	2,323,146
Fines and Forfeitures	828,356	772,126	904,956	1,060,344	951,781
Charges for Services	689,361	660,158	524,375	573,669	560,036
Licenses, Permits, and Fees	143,783	118,894	140,526	119,981	111,849
Interest Income	569,132	374,552	113,704	65,784	114,912
Miscellaneous	299,308	107,454	148,676	180,842	125,297
Grants and Donations	154,559	359,511	3,745,728	92,235	564,369
Total Revenues	**$ 16,311,915**	**$ 14,225,164**	**$ 17,511,736**	**$ 12,526,198**	**$ 14,362,864**
Expenditures:					
Administration	$ 3,147,037	$ 2,945,177	$ 4,247,288	$ 2,603,246	$ 2,458,769
Legal - County Attorney	795,905	649,243	687,511	669,436	615,050
Judicial	1,382,982	1,375,701	1,277,998	1,187,784	1,170,287
Finance	1,249,264	1,192,737	1,095,859	1,035,613	1,084,528
Facilities - Courthouse	1,095,252	659,157	649,972	498,529	673,323
Public Safety	7,871,112	7,123,388	6,514,448	6,026,290	5,608,091
Health - Indigent Services	3,200	4,860	3,290	3,440	3,200
Conservation	191,332	175,665	153,270	155,738	147,408
Capital Outlay	701,751	869,851	793,523	503,775	713,771
Total Expenditures	**$ 16,437,835**	**$ 14,995,779**	**$ 15,423,159**	**$ 12,683,851**	**$ 12,474,427**
Excess/(Deficiency) of Revenues Over Expenditures	$ (125,920)	$ (770,615)	$ 2,088,577	$ (157,653)	$ 1,888,437
Other Financing Sources	-	-	-	-	68,212
Other Financing (Uses)	-	-	-	-	-
Beginning Fund Balance	9,668,092	10,438,707	8,350,130	8,507,783	6,551,134
Ending Fund Balance	**$ 9,542,172**	**$ 9,668,092**	**$ 10,438,707**	**$ 8,350,130**	**$ 8,507,783**

Source: The County's Certified Audited Financial Reports

Table 11 - Current General Fund Investments (as of January 31, 2025)

Investment Description	Total Invested	Percent
TexPool	$ 2,552,904	33.56%
CDs - South Star Bank	5,052,952	66.44%
	$ 7,605,856	100.00%

Source: The County's Investment Report Dated 01/31/2025.

APPENDIX B

General Information Regarding the County and Its Economy

GENERAL INFORMATION REGARDING GONZALES COUNTY, TEXAS AND ITS ECONOMY

Location

Gonzales County, established in 1836, is located in south-central Texas, encompassing approximately 1,070 square miles. The county seat, the City of Gonzales, is situated about 70 miles east of San Antonio, 60 miles south of Austin, and 130 miles west of Houston. The terrain features gently rolling plains with elevations ranging from 300 to 600 feet above sea level, offering fertile lands ideal for agriculture. The area is strategically positioned near key highways, including U.S. Routes 87, 90, and 183, facilitating convenient access to major urban centers within a two-hour drive.

Historically, Gonzales County was inhabited by Native American tribes such as the Karankawa, Tonkawa, and Comanche. The County's namesake, the City of Gonzales, was established in 1825 as the capital of Green DeWitt's colony and played a pivotal role in the Texas Revolution, notably as the site of the Battle of Gonzales in 1835. In the mid-19th century, European settlers transformed the County into an agricultural hub, focusing on crops like cotton and livestock. As the 20th century unfolded, the County diversified its economy to include oilfield services and light manufacturing while maintaining its significant agricultural contributions.

Population

Year	Gonzales County	City of Gonzales
2024	20,044	7,257
2023	19,930	7,221
2020	19,653	7,165
2010	19,807	7,237
2000	18,628	7,202
1990	17,205	6,720

Source: U.S. Census Bureau

Economy

Gonzales County has a diverse economy with key industries including manufacturing, agriculture, and healthcare. Agriculture remains a cornerstone of the local economy, with significant contributions from cattle ranching, poultry farming, and crop production, including corn and sorghum. The City of Gonzales, serving as the County seat, is home to significant businesses such as Adams Extract & Spice, Purina, Tyson, and Kitchen Pride Mushroom Farm, reflecting a strong manufacturing and agricultural presence. The healthcare and social assistance sector is also prominent, employing a substantial portion of the workforce. The retail trade area of Gonzales encompasses nearly 30,000 residents and is projected to grow by 3.6% over the next five years, indicating a positive trend for local commerce. Additionally, the county's strategic location—approximately one hour from Austin and San Antonio and two hours from Houston—enhances its appeal for business and tourism, contributing to economic growth.

Historical Employment Data

	2024	2023	2022	2021	2020
Labor Force	9,444	9,224	9,375	9,344	9,576
Employed	9,132	8,944	9,097	9,028	9,077
Unemployed	312	280	278	316	499
Unemployment Percentage	3.3%	3.0%	3.0%	3.4%	5.2%

Source: U.S. Bureau of Labor Statistics

Comparative Unemployment Rates

	2024	2023	2022	2021	2020
Gonzales County	3.3%	3.0%	3.0%	3.4%	5.2%
State of Texas	4.1%	3.9%	4.1%	4.5%	6.9%
United States of America	4.2%	3.7%	3.5%	3.9%	6.7%

Source: U.S. Bureau of Labor Statistics

Climate

Gonzales County experiences a humid subtropical climate characterized by hot, humid summers and mild winters. Average high temperatures peak around 95°F in July and August, while winter lows in January average near 39°F. The county receives approximately 35 inches of rainfall annually, with precipitation fairly evenly distributed throughout the year. Snowfall is rare, averaging less than 0.1 inches annually. Residents enjoy about 217 sunny days per year, slightly above the U.S. average of 205 days. The growing season spans approximately 276 days, supporting a diverse range of agricultural activities.

Higher Education

Within a 150-mile radius of Gonzales County residents have access to several institutions of higher learning. Notably, Texas State University in San Marcos offers a comprehensive range of undergraduate and graduate programs, emphasizing research and community engagement. Additionally, Texas Lutheran University in Seguin provides diverse academic offerings with a focus on liberal arts education. Within Gonzales County itself, Victoria College's Gonzales Center serves the community by offering day, night, and online classes, as well as financial aid assistance. This center emphasizes workforce readiness and provides dual-credit courses for local high school students. The proximity to these institutions allows residents of Gonzales County access to diverse higher education options.

Transportation

Gonzales County benefits from a well-connected transportation network, including highways, railroads, and public transit. Key roadways serving the area include U.S. Highway 90 Alternate, State Highway 80, and State Highway 97, enabling convenient travel within the county and connecting residents to major cities such as San Antonio, Austin, and Houston. The county also maintains an extensive network of Farm-to-Market roads, providing essential access to rural areas and supporting agricultural industries. The Texas and Gonzales Railway (TXGN) facilitates freight transportation, primarily serving local industries and businesses. Public transportation services are available through RTRANSIT, offering curb-to-curb transit tailored to community needs, including specialized options for those with mobility challenges. Collectively, these transportation resources support the county's economic vitality and enhance residents' quality of life.

Recreation/Miscellaneous

Gonzales County offers residents and visitors a diverse range of outdoor recreational amenities. Independence Park stands out as a premier destination, featuring playgrounds, picnic areas, a rodeo arena, ball fields, basketball and volleyball courts, and a swimming pool. Its scenic trails along the Guadalupe River provide opportunities for fishing, kayaking, and canoeing. In addition, Lake Wood Park offers camping opportunities with both RV and tent sites, picnic areas shaded by pecan trees, and a dedicated playground for children. For golf enthusiasts, the Independence Golf Course—located within the park—provides a charming nine-hole public course set among mature pecan groves.

History and culture are equally celebrated in the county, which is home to several museums that showcase local heritage. Visitors can explore the Gonzales Memorial Museum, the historic 1887 Gonzales County Jail Museum, the 1885 J.B. Wells House & Museum, and the Pioneer Village Living History Center. Moreover, residents have easy access to nature beyond the county lines; for example, nearby Palmetto State Park (located just outside of Gonzales County near Luling) offers a unique blend of dense vegetation and wetlands, along with hiking and biking trails, camping facilities, and water activities along the San Marcos River such as fishing, swimming, kayaking, and paddleboarding.

APPENDIX C

Gonzales County, Texas Annual Financial Report for the Year Ended September 30, 2024

GONZALES COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2024

GONZALES COUNTY

COME AND TAKE IT

TEXAS

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 BOATRIGHT
COUNTY ATTORNEY		EDUARDO ESCOBAR
COUNTY TREASURER		SHERYL BARBORAK
COUNTY AUDITOR		BECKY WESTON
TAX ASSESSOR-COLLECTOR		CRYSTAL CEDILLO
COUNTY CLERK		LONA ACKMAN
DISTRICT CLERK		JANICE SUTTON
SHERIFF		KEITH SCHMIDT

GONZALES COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of changes and contributions for net pension liability and total other post-employment benefit liability as referred to in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2025 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.

Armstrong, Vaughan & Associates, P.C.
April 23, 2025

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, 2024. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's total net position was \$40.6 million at September 30, 2024, a decrease of \$1.1 million.

- During the year, the County's governmental expenses were \$1.1 million more than the \$23.1 million generated in general and program revenues for governmental activities. The total cost of the County's programs increased 16.8% from the prior year. Personnel were provided cost of living adjustments. In addition, changes to the retiree insurance benefits added costs of \$1.7 million to 2024.

- The general fund reported a fund balance this year of \$9.5 million, a decrease of \$125 thousand. This was compared to a budgeted reduction in fund balance of \$3.6 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

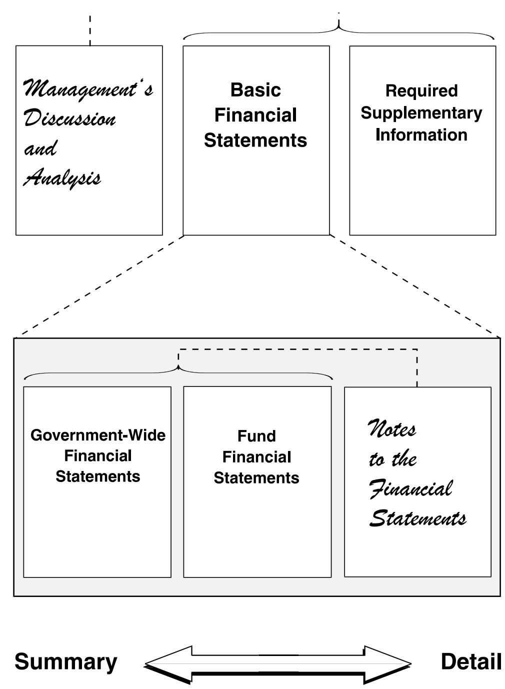
This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- 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 statement*s*.

- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.

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



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

Government-Wide Statements

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

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

- Over time, increases or decreases in the County's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in the County's tax base.
- The government-wide financial statements of the County include the *Governmental activities*. All of the County's basic services are included here, such as administration, public safety and public transportation. Property taxes, sales taxes and charges for services finance most of these activities.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

- The Commissioners' Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

- *Fiduciary funds*—The County collects and holds funds for various other entities such as property taxes for other governments, vehicle registrations for the State and court settlements for minors. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the County's government-wide financial statements because they are not resources for the County to use on operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's combined net position was $40.6 million at September 30, 2024. (See Table A-1).

Table A-1

County's Net Position

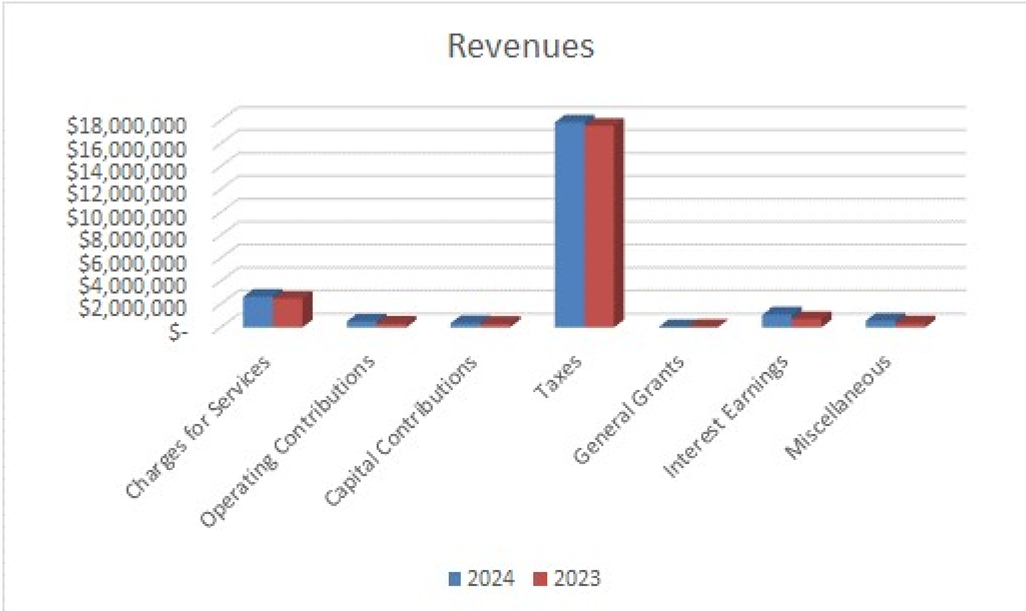
	Governmental Activities 2024	Governmental Activities 2023	Percentage Change
Assets:			
Current Assets	$ 23,703,435	$ 23,777,316	(0.3)
Other Assets	22,069,457	21,906,430	0.7
Total Assets	45,772,892	45,683,746	0.2
Deferred Outflows of Resources:	1,856,776	2,516,667	(26.2)
Liabilities:			
Current Liabilities	1,807,436	1,485,592	21.7
Long-term Liabilities	4,859,878	4,559,503	6.6
Total Liabilities	6,667,314	6,045,095	10.3
Deferred Inflows of Resources:	318,115	364,194	(12.7)
Net Position:			
Net Investment in Capital Assets	21,783,680	21,419,900	1.7
Restricted	1,565,340	1,648,469	(5.0)
Unrestricted	17,295,219	18,722,755	(7.6)
Total Net Position	$ 40,644,239	$ 41,791,124	(2.7)

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

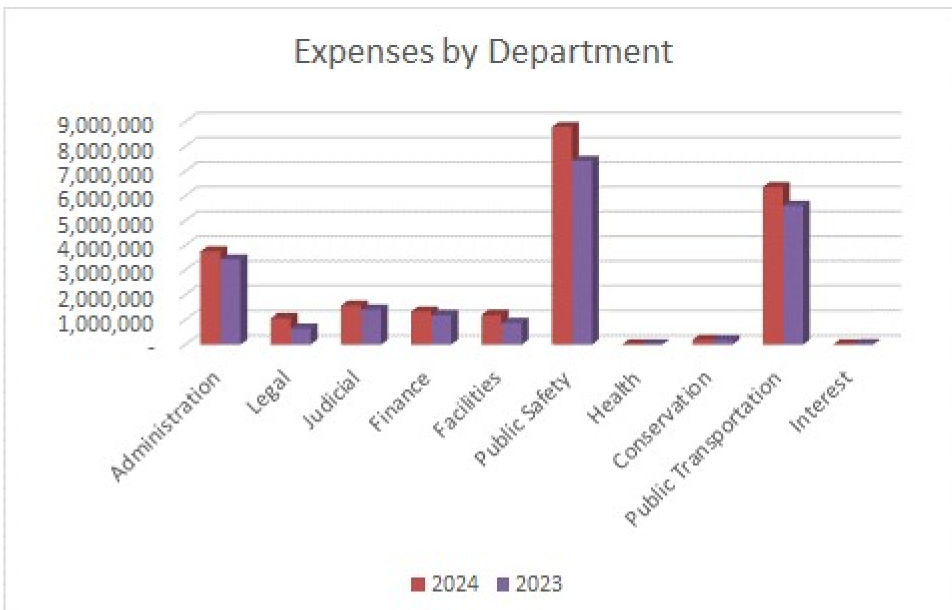
Governmental Activities

Table A-2 summarizes the changes in the County's net position for 2024 and 2023 fiscal years.

	Governmental Activities		Percentage
	2024	2023	Change
Program Revenues:			
Charges for Services	$ 2,641,024	$ 2,446,771	7.9
Operating Grants and Contributions	526,884	323,672	62.8
Capital Contributions	369,262	293,806	25.7
General Revenues:			
Taxes	17,828,947	17,517,049	1.8
General Grants	26,877	35,506	(24.3)
Interest Earnings	1,090,223	706,896	54.2
Miscellaneous	591,422	348,113	69.9
TOTAL REVENUES	23,074,639	21,671,813	6.5
Progam Expenses:			
Administration	3,747,431	3,423,092	9.5
Legal	1,061,245	647,605	63.9
Judicial	1,556,719	1,392,449	11.8
Finance	1,318,134	1,178,482	11.9
Facilities	1,192,051	875,054	36.2
Public Safety	8,785,752	7,412,051	18.5
Health	5,000	4,860	2.9
Conservation	193,374	179,987	7.4
Public Transportation	6,355,444	5,597,746	13.5
Interest	6,374	19,650	(67.6)
TOTAL EXPENSES	24,221,524	20,730,976	16.8
Change in Net Position	(1,146,885)	940,837	(221.9)
Beginning Net Position	41,791,124	40,850,287	
Ending Net Position	$ 40,644,239	$ 41,791,124	



In 2024, revenues increased $1.4 million across most revenue streams. Taxes increased only 1.8%.



Expenses increased 16.8% and were largely the result of cost of living adjustments for personnel and the expansion of the retiree insurance benefit. This was spread across all departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2024, the County had invested $42.4 million in buildings, infrastructure and equipment. In 2024, the County purchased several vehicles and is continuing work on annex building repairs and radio towers. (See Table A-3.)

Table A-3

County's Capital Assets

	Governmental Activities 2024	Governmental Activities 2023	Total Percentage Change
Land	$ 186,058	$ 47,735	289.8
Buildings and Improvements	16,276,965	16,191,084	0.5
Vehicles and Equipment	20,340,746	18,756,974	8.4
Infrastructure	4,955,060	4,955,060	0.0
Construction in Progress	654,591	234,654	179.0
Totals at Historical Cost	42,413,420	40,185,507	5.5
Accumulated Depreciation	(20,535,185)	(18,497,048)	11.0
Net Capital Assets	$ 21,878,235	$ 21,688,459	0.9

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, 2024, the County had $95 thousand in long term debt outstanding as shown in Table A-4. No new debt was entered into during 2024. More detailed information about the County's debt is presented in the notes to the financial statements.

Table A-4

County's Long-Term Debt

	Governmental Activities 2024	Governmental Activities 2023	Total Percentage Change
Notes Payable	$ 94,555	$ 268,559	(64.8)
Total Long-Term Debt	$ 94,555	$ 268,559	(64.8)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types increased $1.3 million to $23.1 million. Additional funding through Senate Bill 22 and interest income accounted for the largest changes. Similarly, governmental expenditures increased $2.2 million to $23.7 million. The cost of living adjustments mentioned previously was the largest reason. Governmental fund balances decreased $581 thousand to $20.9 million.

Budgetary Highlights

General Fund
The County's actual expenditures in the General Fund were $1.5 million less than final budgeted amounts and no departments were over budget. Revenues were higher than the budget by $2.0 million, primarily from better than expected property and sales tax collections. Fund balance decreased $126 thousand compared to a budgeted reduction in fund balance of $3.6 million.

Road and Bridge Fund
The County's actual expenditures in the Road and Bridge Fund were $1.0 million less than final budgeted amounts and revenues were $0.4 million more. The Road and Bridge Fund balance decreased $0.4 million compared to a budgeted reduction of $1.8 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2024-2025 budget includes a decrease in property tax rates from $0.2420 to $0.2032. However, the decrease in rate is expected to raise slightly more property tax revenues (less than 1%) because of new property and increases in valuations. Expenditures in the general fund are expected to increase approximately 4% from 2023-2024 spending levels. Road and bridge expenditures are expected to remain largely the same. The County does not anticipate significant changes to County services or operations. Planning has begun on courthouse and annex repairs and construction is expected in 2025.

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.

GONZALES COUNTY

COME AND TAKE IT

TEXAS

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, 2024

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 13,394,468
Certificates of Deposit	8,825,788
Ad Valorem Taxes Receivable (net)	1,377,293
Prepaid Expenses	105,886
Total Current Assets	23,703,435
Other Assets:	
Notes Receivable	191,222
Capital Assets (Net)	21,878,235
Total Other Assets	22,069,457
TOTAL ASSETS	45,772,892
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Other Post Employment Benefit Outflows	369,926
Deferred Pension Related Outflows	1,486,850
TOTAL DEFERRED OUTFLOWS	$ 1,856,776

See accompanying notes to basic financial statements.

GONZALES COUNTY
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2024

	Governmental Activities
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 1,099,267
Accrued Wages	393,904
Unearned Revenue	132,460
Accrued Compensated Absences	127,608
Current Maturities of Long-term Debt	54,197
Total Current Liabilities	1,807,436
Long-term Liabilities:	
Long-term Debt (Net of Current)	40,358
Accrued Compensated Absences	191,411
Net Pension Liability	1,722,195
Total Other Post Employment Benefits Liability	2,905,914
Total Long-term Liabilities	4,859,878
TOTAL LIABILITIES	6,667,314
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Related Inflows	16,562
Deferred Other Post Employment Benefits Inflows	301,553
TOTAL DEFERRED INFLOWS	318,115
NET POSITION	
Net Investment in Capital Assets	21,783,680
Restricted for:	
Elections	36,324
Legal	168,813
Judicial	179,793
Public Safety	39,511
Records Management	327,187
Sheriff	61,583
Community Development	702,259
Other	49,870
Unrestricted	17,295,219
TOTAL NET POSITION	$ 40,644,239

See accompanying notes to basic financial statements.

GONZALES COUNTY

COME AND TAKE IT

TEXAS

GONZALES COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		Program Revenues			Net Revenue (Expense) and Change in Net Position
Functions and Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary Government:					
Governmental Activities:					
Administration	$ 3,747,431	$ 342,104	$ 23,512	$ 369,262	$ (3,012,553)
Legal	1,061,245	15,195	175,000	-	(871,050)
Judicial	1,556,719	712,674	16,668	-	(827,377)
Finance	1,318,134	613,666	-	-	(704,468)
Facilities	1,192,051	-	-	-	(1,192,051)
Public Safety	8,785,752	53,734	311,704	-	(8,420,314)
Health	5,000	24,485	-	-	19,485
Conservation	193,374	632	-	-	(192,742)
Public Transportation	6,355,444	878,534	-	-	(5,476,910)
Interest	6,374	-	-	-	(6,374)
Total Primary Government	$ 24,221,524	$ 2,641,024	$ 526,884	$ 369,262	(20,684,354)
General Revenues:					
Taxes					
Ad Valorem Taxes					14,752,874
Sales Taxes					3,076,073
General Grants					26,877
Interest and Investment Earnings					1,090,223
Miscellaneous					591,422
Total General Revenues					19,537,469
Change in Net Position					(1,146,885)
Net Position at Beginning of Year					41,791,124
Net Position at End of Year					$ 40,644,239

See accompanying notes to basic financial statements.

GONZALES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Major Fund General Fund	Major Fund Road & Bridge	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 5,338,120	$ 6,481,683	$ 1,574,667	$ 13,394,470
Certificates of Deposit	4,988,472	3,837,316	-	8,825,788
Ad Valorem Taxes Receivable (net)	1,377,293	-	-	1,377,293
Notes Receivable	-	-	191,222	191,222
Prepaid Items	78,387	27,499	-	105,886
TOTAL ASSETS	$ 11,782,272	$ 10,346,498	$ 1,765,889	$ 23,894,659
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 536,970	$ 487,509	$ 200,549	$ 1,225,028
Accrued Wages	319,139	74,765	-	393,904
Unearned Revenue	6,698	-	-	6,698
Total Liabilities	862,807	562,274	200,549	1,625,630
Deferred Inflows of Resources:				
Unavailable Revenues - Property Taxes	1,377,293	-	-	1,377,293
Fund Balances:				
Nonspendable:				
Prepaid Items	78,387	27,499	-	105,886
Notes Receivable	-	-	191,222	191,222
Restricted for:				
Elections	-	-	36,324	36,324
Legal	-	-	168,813	168,813
Judicial	-	-	179,793	179,793
Public Safety	-	-	39,511	39,511
Records Management	-	-	327,187	327,187
Sheriff	-	-	61,583	61,583
Community Development	-	-	511,037	511,037
Other	-	-	49,870	49,870
Committed for:				
Road and Bridge Maintenance	-	9,756,725	-	9,756,725
Unassigned	9,463,785	-	-	9,463,785
Total Fund Balances	9,542,172	9,784,224	1,565,340	20,891,736
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 11,782,272	$ 10,346,498	$ 1,765,889	$ 23,894,659

See accompanying notes to basic financial statements.

GONZALES COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 20,891,736
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		21,878,235
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.		(94,558)
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)	(1,722,195)	
Pension Related Deferred Outflows	1,486,850	
Pension Related Deferred Inflows	(16,562)	(251,907)
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	(2,905,914)	
OPEB Related Deferred Outflows	369,926	
OPEB Related Deferred Inflows	(301,553)	(2,837,541)
Other liabilities are not due and payable in the current period, and therefore, not reported in the funds.		
Accrued Compensated Absences	(319,019)	(319,019)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.		1,377,293
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ 40,644,239

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, 2024

	Major Fund General Fund	Major Fund Road & Bridge	Other Nonmajor Funds	Total Governmental Funds
REVENUES				
Ad Valorem Taxes	$ 10,551,343	$ 4,168,252	$ -	$ 14,719,595
Sales Taxes	3,076,073	-	-	3,076,073
Fines and Forfeitures	828,356	-	94,362	922,718
Charges for Services	689,361	-	210,188	899,549
Licenses, Permits, and Fees	143,783	787,456	-	931,239
Interest Income	569,132	481,320	39,773	1,090,225
Misc Income	299,308	176,030	-	475,338
Grants and Donations	154,559	-	791,575	946,134
TOTAL REVENUES	16,311,915	5,613,058	1,135,898	23,060,871
EXPENDITURES				
Current:				
Administration	3,147,037	-	385,335	3,532,372
Legal	795,905	-	184,874	980,779
Judicial	1,382,982	-	123,504	1,506,486
Finance	1,249,264	-	-	1,249,264
Facilities	1,095,252	-	-	1,095,252
Public Safety	7,871,112	-	9,809	7,880,921
Health	3,200	-	2,119	5,319
Conservation	191,332	-	-	191,332
Public Transportation	-	4,885,674	-	4,885,674
Capital Outlay	701,751	971,391	513,386	2,186,528
Debt Service:				
Principal	-	174,004	-	174,004
Interest	-	6,374	-	6,374
TOTAL EXPENDITURES	16,437,835	6,037,443	1,219,027	23,694,305
Excess (Deficiency) in Revenue Over (Under) Expenditures	(125,920)	(424,385)	(83,129)	(633,434)
OTHER FINANCING SOURCES (OFS)				
Sale of Capital Assets	-	52,306	-	52,306
TOTAL OFS	-	52,306	-	52,306
Net Change in Fund Balance	(125,920)	(372,079)	(83,129)	(581,128)
BEGINNING FUND BALANCE	9,668,092	10,156,303	1,648,469	21,472,864
ENDING FUND BALANCE	$ 9,542,172	$ 9,784,224	$ 1,565,340	$ 20,891,736

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, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (581,128)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay	2,417,184	
Depreciation Expense	(2,227,408)	189,776
The issuance of long-term debt (e.g. bonds and capital leases) provide current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report interest expense and compensated absences when they are due and payable, while the statement of activities recognizes interest expense and compensated absences when incurred.		
Principal Payments on Long-term Debt	174,004	
Change in Compensated Absences	14,284	188,288
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	729,133	
Other Post-employement Benefit Plan	(1,706,233)	(977,100)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		33,279
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		$ (1,146,885)

See accompanying notes to basic financial statements.

GONZALES COUNTY
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	$ 2,359,088
TOTAL ASSETS	2,359,088
LIABILITIES	
Accounts Payable	1
TOTAL LIABILITIES	1
NET POSITION	
Restricted for:	
Individuals, Organizations and other Governments	2,359,087
TOTAL NET POSITION	$ 2,359,087

See accompanying notes to basic financial statements.

GONZALES COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Custodial Funds
ADDITIONS	
Ad Valorem Tax Collections for Other Governments	$ 69,399,707
Condemnations	1,000
Motor Vehicle Collections for the State	6,349,183
Excess Tax Sale Proceeds	30,984
Inmate Deposits	394,833
Cash Bonds	153,258
Oil Lease Revenues on Behalf of Others	161,552
Property Seizures	46,135
Court Settlements Held for Minors	1,383
Interest Income	2,937
TOTAL ADDITIONS	76,540,972
DEDUCTIONS	
Property Tax Distributions to Other Governments	69,240,852
Motor Vehicle Distributions to the State	6,384,237
Cash Bond Refunds and Forfeitures	145,719
Excess Tax Payouts to Property Owners	139,723
Condemnation Disbursements	111,000
Oil Lease Distributions to Property Owners	16,107
Refunds to Inmates	367,421
Property Seizure Refunds and Forfeitures	88,768
Jail Commissary Purchases for Inmates	73,265
Other Distributions	7,633
TOTAL DEDUCTIONS	76,574,725
Net Increase (Decrease) in Fiduciary Net Position	(33,753)
BEGINNING NET POSITION	2,392,840
ENDING NET POSITION	$ 2,359,087

See accompanying notes to basic financial statements.

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 and gonzalesfiredistrict.org.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

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

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

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

4. CASH AND CASH EQUIVALENTS

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

5. INVESTMENTS

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

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

6. ACCOUNTS RECEIVABLE/REVENUE RECOGNITION

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2023 and past due after January 31, 2024. 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.

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

7. PREPAID ITEMS

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

8. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

9. CAPITAL ASSETS

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

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

10. COMPENSATED ABSENCES

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

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

11. UNAVAILABLE/UNEARNED REVENUE

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

12. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

13. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt (including 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.

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

15. NET POSITION

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

16. FUND BALANCES

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

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

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

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

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

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

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

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

17. USE OF ESTIMATES

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

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

18. COMPARATIVE DATA/RECLASSIFICATIONS

Comparative data for the prior year (where provided) includes certain reclassifications to conform to the 2024 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, 2024, the County's investments consisted of $7,952,728 in Texpool, a AAAm rated local government investment pool. The investment is reported in cash and equivalents at $1 per share, which approximates fair value.

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

NOTE C -- RECEIVABLES

Receivables for the County as of September 30, 2024 are as follows:

	General Fund
Ad Valorem Taxes	$ 1,530,326
Allowance for Doubtful Accounts	(153,033)
Total Other Receivables	$ 1,377,293

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, 2023, upon which the fiscal 2024 levy was based, was $6.1 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, 2024, was $0.2420 per $100 of assessed value. Generally, the County may only increase the maintenance and operations tax levy 3.5% each year without first obtaining voter approval.

NOTE E -- NOTES RECEIVABLE

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

Year Ending September 30,	Principal	Interest	Total
2025	$ 51,494	$ 1,548	$ 53,042
2026	27,866	1,270	29,136
2027	28,146	990	29,136
2028	28,428	708	29,136
2029	28,714	422	29,136
2030	26,574	133	26,707
	$ 191,222	$ 5,071	$ 196,293

NOTE F -- CAPITAL ASSETS

Capital asset activity in the governmental funds for the year ended September 30, 2024, was as follows:

	Balance 10/1/2023	Additions	Disposals/ Transfers	Balance 9/30/2024
Governmental Activities				
Land	$ 47,735	$ 138,323	$ -	$ 186,058
Buildings and Improvements	16,191,084	85,881	-	16,276,965
Vehicles and Equipment	18,756,974	1,773,043	(189,271)	20,340,746
Infrastructure	4,955,060	-	-	4,955,060
Construction in Progress	234,654	419,937	-	654,591
	40,185,507	2,417,184	(189,271)	42,413,420
Less Accumulated Depreciation				
Buildings and Improvements	(7,760,085)	(384,918)	-	(8,145,003)
Vehicles and Equipment	(10,478,887)	(1,594,737)	189,271	(11,884,353)
Infrastructure	(258,076)	(247,753)	-	(505,829)
	(18,497,048)	(2,227,408)	189,271	(20,535,185)
Governmental Activities, Net	$ 21,688,459	$ 189,776	$ -	$ 21,878,235

Land and Construction in Progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

Administration	$ 223,395
Legal	11,665
Judicial	2,100
Finance	5,073
Facilities	232,914
Public Safety	594,140
Conservation	1,235
Public Transportation	1,156,886
Total Depreciation Expense - Governmental Activities	$ 2,227,408

NOTE G -- LONG-TERM DEBT

Changes in long-term debt were as follows:

	Balance 10/1/2023	Additions	Reductions	Balance 9/30/2024
Governmental Activities:				
Notes Payable	$ 268,559	$ -	$ (174,004)	$ 94,555
Compensated Absences	333,303	119,037	(133,321)	319,019
Net Pension Liability (asset)	3,311,134	4,519,936	(6,108,875)	1,722,195
Total OPEB Liability	953,688	1,989,052	(36,826)	2,905,914
Total Government	$ 4,866,684	$ 6,628,025	$ (6,453,026)	$ 5,041,683

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

NOTE H -- NOTES PAYABLE

	Balance 10/1/2023	Additions	Reductions	Balance 9/30/2024	Due Within One Year
Governmental Activities:					
Notes Payable	$ 268,559	$ -	$ (174,004)	$ 94,555	$ 54,197
Total Government	$ 268,559	$ -	$ (174,004)	$ 94,555	$ 54,197

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

Year Ending September 30,	Principal	Interest	Total
2025	$ 54,197	$ 1,954	$ 56,151
2026	40,358	540	40,898
Total	$ 94,555	$ 2,494	$ 97,049

NOTE I -- PENSION PLAN

Plan Description

The County participates as one of 870 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 14.57% and 14.45% for the calendar years of 2023 and 2024, 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.

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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	106
Inactive Employees Entitled to but Not Yet Receiving Benefits	121
Active employees	162
	389

Net Pension Liability

The County's net pension liability (NPL) was measured as of December 31, 2023 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, 2023 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	9.9 Years
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average including inflation
Investment Rate of Return	7.60% gross (7.50% net of expenses)
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

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:

Asset Class	Target Allocation	Geometric Real Rate of Return
U.S. Equities	11.5%	4.75%
Global Equity	2.5%	4.75%
International Developed Markets	5.0%	4.75%
International Emerging Markets	6.0%	4.75%
Investment Grade Bonds	3.0%	2.35%
Strategic Credit	9.0%	3.65%
Direct Lending	16.0%	7.25%
Distressed Debt	4.0%	6.90%
REIT Equities	2.0%	4.10%
Master Limited Partnerships (MLPs)	2.0%	5.20%
Private Real Estate Partnerships	6.0%	5.70%
Private Equity	25.0%	7.75%
Hedge Funds	6.0%	3.25%
Cash Equivalents	2.0%	0.60%
	100%	

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).

NOTE I -- PENSION PLAN (Continued)

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

	Discount Rate 6.60%	Discount Rate 7.60%	Discount Rate 8.60%
Net Pension Liability (Asset)	$ 7,169,256	$ 1,722,195	$ (2,840,608)

Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2023:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2022	$ 38,168,479	$ 34,857,345	$ 3,311,134
Changes for the year:			
Service Cost	1,381,460	-	1,381,460
Interest	2,946,312	-	2,946,312
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	171,616	-	171,616
Changes of Assumptions	-	-	-
Refund of Contributions	(142,960)	(142,960)	-
Benefit Payments	(1,451,592)	(1,451,592)	-
Administrative Expense	-	(20,548)	20,548
Contributions - Employee	-	631,874	(631,874)
Net Investment Income	-	3,837,109	(3,837,109)
Contributions - Employer	-	1,594,290	(1,594,290)
Other Changes	-	45,602	(45,602)
Net Changes	2,904,836	4,493,775	(1,588,939)
Balance at December 31, 2023	$ 41,073,315	$ 39,351,120	$ 1,722,195

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.

NOTE I -- PENSION PLAN (Continued)

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

For the year ended September 30, 2024, the County recognized pension expense of $983,297. Also as of September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ 128,712	$ 16,562
Changes in Actuarial Assumptions	1,556	-
Differences Between Projected and Actual Investment Earnings	237,984	-
Contributions Subsequent to the Measurement Date	1,118,598	-
	$ 1,486,850	$ 16,562

Deferred outflows of resources in the amount of $1,118,598 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, 2024. 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,	
2024	$ (171,890)
2025	(48,308)
2026	804,578
2027	(232,690)
2028	-
Thereafter	-
	$ 351,690

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. In previous years, the benefit stopped at age 65. Dependents are not allowed on the plan.

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

Membership in the plan at December 31, 2023, 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

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	3.77%
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

NOTE J -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

The TOL of the County's retiree insurance benefit is calculated using a discount rate of 3.77% 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:

	1% Decrease	Healthcare Trend Rate	1% Increase
Total OPEB Liability	$ 2,760,736	$ 2,905,914	$ 3,079,054

	1% Decrease	Discount Rate 3.77%	1% Increase
Total OPEB Liability	$ 3,268,196	$ 2,905,914	$ 2,596,264

The County's Total OPEB Liability (TOL) is based on the above actuarial factors and an actuarial valuation date of December 31, 2023. The TOL was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2022	$ 953,688
Changes for the year:	
Service Cost	60,115
Interest	39,457
Change of Benefit Terms	1,684,121
Difference Between Expected and Actual Experience	(17,822)
Changes in Assumptions or Other Inputs	205,359
Benefit Payments	(19,004)
Net Changes	1,952,226
Balance at December 31, 2023	$ 2,905,914

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.

NOTE J -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

For the year ended September 30, 2024, the County recognized OPEB expense of $1,789,569. In addition, the following deferred inflows and outflows were reported as of September 30, 2024 related to the benefit:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	$ 289,787	$ 176,078
Changes in Experience	1,286	125,475
Contributions Subsequent to the Measurement Date	78,853	-
	$ 369,926	$ 301,553

Deferred outflows of resources in the amount of $78,853 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, 2024. 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,	
2024	$ 5,876
2025	5,876
2026	4,285
2027	4,191
2028	6,592
Thereafter	(37,300)
	$ (10,480)

NOTE K – TAX ABATEMENTS

The County provides tax abatements to incentivize development and provide economic growth in the County. As of September 30, 2024, 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, 2024, the County rebated $168,963 in property taxes.

NOTE L -- RISK MANAGEMENT

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

NOTE M -- LITIGATION

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

NOTE N -- COMMITMENT

The County has entered into an architectural contract for the renovations to the annex and courthouse. The total is expected to be $876 thousand. As of September 30, 2024, $21 thousand had been incurred, leaving an estimated commitment of $856 thousand.

NOTE O -- SUBSEQUENT EVENT

In 2025, the County has begun the process of issuing debt to fund the renovations and construction of the courthouse and annex. The County expects to issue $12 million in notes in May 2025.

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, 2024

	Budget Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Ad Valorem Taxes	$ 9,577,388	$ 9,577,388	$ 10,551,343	$ 973,955
Sales Taxes	2,537,166	2,537,166	3,076,073	538,907
Fines and Forfeitures	763,333	763,333	828,356	65,023
Charges for Services	639,646	639,646	689,361	49,715
Licenses, Permits, and Fees	103,864	103,864	143,783	39,919
Interest Income	390,000	390,000	569,132	179,132
Misc Income	85,389	85,389	299,308	213,919
Grants and Donations	88,190	221,771	154,559	(67,212)
TOTAL REVENUES	14,184,976	14,318,557	16,311,915	1,993,358
EXPENDITURES				
Current:				
Administration				
County Judge	317,038	317,038	303,658	13,380
County Clerk	691,407	691,407	634,856	56,551
Veteran's Service	48,819	48,819	29,088	19,731
Nondepartmental	1,618,800	1,601,295	1,446,874	154,421
Elections	306,990	313,503	265,352	48,151
Human Resources	-	39,457	35,959	3,498
District Clerk	445,006	445,006	431,250	13,756
Legal - County Attorney	795,736	807,471	795,905	11,566
Judicial				
County Court	209,778	209,778	165,873	43,905
District Court	297,725	343,624	324,133	19,491
Justices of the Peace	951,215	951,215	892,976	58,239
Finance				
County Auditor	465,742	465,742	455,829	9,913
County Treasurer	112,522	112,522	107,604	4,918
Tax Assessor	710,309	710,309	685,831	24,478
Facilities - Courthouse	764,207	1,095,337	1,095,252	85
Public Safety				
Jail	3,294,613	3,304,849	2,905,425	399,424
Constables	658,774	689,371	638,683	50,688
DPS	107,922	107,922	102,443	5,479
County Sheriff	4,281,802	4,409,317	3,937,417	471,900
Code Enforcement	282,333	290,174	287,144	3,030
Health - Indigent Services	5,000	5,000	3,200	1,800
Conservation	193,433	196,061	191,332	4,729
Capital Outlay	739,500	758,052	701,751	56,301
TOTAL EXPENDITURES	17,298,671	17,913,269	16,437,835	1,475,434
NET CHANGE IN FUND BALANCE	(3,113,695)	(3,594,712)	(125,920)	3,468,792
BEGINNING FUND BALANCE	9,668,092	9,668,092	9,668,092	-
ENDING FUND BALANCE	$ 6,554,397	$ 6,073,380	$ 9,542,172	$ 3,468,792

GONZALES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL – ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Ad Valorem Taxes	$ 3,868,126	$ 3,868,126	$ 4,168,252	$ 300,126
Licenses, Permits, and Fees	835,316	835,316	787,456	(47,860)
Interest Income	310,000	310,000	481,320	171,320
Misc Income	184,376	184,376	176,030	(8,346)
TOTAL REVENUES	5,197,818	5,197,818	5,613,058	415,240
EXPENDITURES				
Current:				
Public Transportation				
Precinct 1	1,518,157	1,519,924	1,197,978	321,946
Precinct 2	1,686,051	1,670,808	1,487,771	183,037
Precinct 3	1,360,904	1,441,518	1,222,320	219,198
Precinct 4	1,298,729	1,240,568	977,605	262,963
Capital Outlay:				
Precinct 1	242,000	240,233	235,967	4,266
Precinct 2	283,272	391,622	391,006	616
Precinct 3	125,500	105,386	100,260	5,126
Precinct 4	175,000	245,072	244,158	914
Debt Service:				
Principal	174,248	174,248	174,004	244
Interest	6,376	6,376	6,374	2
TOTAL EXPENDITURES	6,870,237	7,035,755	6,037,443	998,312
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,672,419)	(1,837,937)	(424,385)	1,413,552
OTHER FINANCING SOURCES (OFS)				
Proceeds from Sale of Capital Assets	435	51,935	52,306	371
TOTAL OFS	435	51,935	52,306	371
NET CHANGE IN FUND BALANCE	(1,671,984)	(1,786,002)	(372,079)	1,413,923
BEGINNING FUND BALANCE	10,156,303	10,156,303	10,156,303	-
ENDING FUND BALANCE	$ 8,484,319	$ 8,370,301	$ 9,784,224	$ 1,413,923

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

COME AND TAKE IT

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

Total Pension Liability	2014	2015	2016
Service Cost	$ 743,601	$ 857,720	$ 976,508
Interest (on the Total Pension Liability)	1,294,712	1,401,918	1,507,148
Changes of Benefit Terms	-	(138,275)	-
Change of Assumptions	-	188,450	-
Difference between Expected and Actual Experience	(80,324)	(272,441)	76,858
Benefit Payments, Including Refunds of Employee Contributions	(693,130)	(737,771)	(807,317)
Net Change in Total Pension Liability	1,264,859	1,299,601	1,753,197
Total Pension Liability - Beginning	15,959,360	17,224,219	18,523,820
Total Pension Liability - Ending	$ 17,224,219	$ 18,523,820	$ 20,277,017

Plan Fiduciary Net Position	2014	2015	2016
Contributions - Employer	$ 968,268	$ 961,758	$ 1,028,452
Contributions - Employee	413,741	458,249	490,058
Net Investment Income	912,845	(73,671)	1,152,169
Benefit Payments, Including Refunds of Employee Contributions	(693,130)	(737,771)	(807,317)
Administrative Expense	(10,918)	(10,993)	(12,548)
Other	(76,139)	36,147	97,321
Net Change	1,514,667	633,719	1,948,135
Beginning Plan Fiduciary Net Postion	13,386,669	14,901,336	15,535,055
Ending Plan Fiduciary Net Postion	$ 14,901,336	$ 15,535,055	$ 17,483,190
Net Pension Liability (Asset) - Ending	$ 2,322,883	$ 2,988,765	$ 2,793,827
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.51%	83.87%	86.22%
Covered Payroll	$ 5,910,589	$ 6,546,416	$ 7,000,833
Net Pension Liability as a Percentage of Covered Payroll	39.30%	45.65%	39.91%

Total Pension Liability						
2017	2018	2019	2020	2021	2022	2023
$ 990,850	$ 1,129,030	$ 1,265,880	$ 1,320,784	$ 1,377,530	$ 1,346,132	$ 1,381,460
1,682,545	1,973,009	2,387,337	2,572,099	2,573,955	2,752,787	2,946,312
1,690,735	2,969,418	(94,940)	(2,527,916)	-	-	-
76,452	-	-	1,897,866	6,227	-	-
65,142	84,408	(62,566)	160,827	(62,377)	(1,935)	171,616
(1,011,109)	(1,106,606)	(1,251,318)	(1,288,615)	(1,446,540)	(1,577,629)	(1,594,552)
3,494,615	5,049,259	2,244,393	2,135,045	2,448,795	2,519,355	2,904,836
20,277,017	23,771,632	28,820,891	31,065,284	33,200,329	35,649,124	38,168,479
$ 23,771,632	$ 28,820,891	$ 31,065,284	$ 33,200,329	$ 35,649,124	$ 38,168,479	$ 41,073,315

Plan Fiduciary Net Position						
2017	2018	2019	2020	2021	2022	2023
$ 1,486,847	$ 1,619,911	$ 1,304,437	$ 1,493,545	$ 1,417,342	$ 1,500,952	$ 1,594,290
517,897	533,652	549,252	587,806	576,334	591,039	631,874
2,567,918	(380,351)	3,567,296	2,677,267	6,515,035	(2,180,068)	3,837,109
(1,011,109)	(1,106,606)	(1,251,318)	(1,288,617)	(1,446,540)	(1,577,629)	(1,594,552)
(13,995)	(17,451)	(19,737)	(21,494)	(19,715)	(20,427)	(20,548)
13,184	33,307	23,704	26,027	23,590	102,870	45,602
3,560,742	682,462	4,173,634	3,474,534	7,066,046	(1,583,263)	4,493,775
17,483,190	21,043,932	21,726,394	25,900,028	29,374,562	36,440,608	34,857,345
$ 21,043,932	$ 21,726,394	$ 25,900,028	$ 29,374,562	$ 36,440,608	$ 34,857,345	$ 39,351,120
$ 2,727,700	$ 7,094,497	$ 5,165,256	$ 3,825,767	$ (791,484)	$ 3,311,134	$ 1,722,195
88.53%	75.38%	83.37%	88.48%	102.22%	91.32%	95.81%
$ 7,398,525	$ 7,623,603	$ 7,846,463	$ 8,397,228	$ 8,233,350	$ 8,443,409	$ 9,026,772
36.87%	93.06%	65.83%	45.56%	-9.61%	39.22%	19.08%

GONZALES COUNTY

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

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
2015*	840,560	961,758	(121,198)	6,546,416	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 SEVEN CALENDAR (PLAN) YEARS

Total OPEB Liability	2017	2018	2019
Service Cost	$ 65,297	$ 73,199	$ 75,259
Interest	33,606	30,883	34,898
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	(4,436)	(108,782)
Changes in Assumptions or Other Inputs	31,349	(27,275)	86,640
Benefit Payments	(92,944)	(73,483)	(58,100)
Net Change in Total Pension Liability	37,308	(1,112)	29,915
Total OPEB Liability - Beginning	895,870	933,178	932,066
Total OPEB Liability - Ending	$ 933,178	$ 932,066	$ 961,981
Covered-Employee Payroll	$ 6,921,726	$ 6,343,791	$ 7,039,189
Total OPEB Liability as a Percentage of Covered-Employee Payroll	13.48%	14.69%	13.67%
Discount Rate	3.31%	3.71%	2.75%

Changes in Benefit Terms: None
2023: Changes to OPEB eligibilities and adding a $300 subsidy at age 65.

Changes in Assumptions:
2021: Discount rate changed, attribution for service period changed to Gonzales County only
Attribution for service period changed to Gonzales County only
Updates to demographic and salary increase assumptions
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.

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

Total OPEB Liability			
2020	2021	2022	2023
$ 79,492	$ 80,492	$ 79,036	$ 60,115
26,982	22,005	20,669	39,457
-	-	-	1,684,121
(5,441)	(74,988)	1,636	(17,822)
62,181	40,505	(211,269)	205,359
(41,096)	(48,179)	(40,318)	(19,004)
122,118	19,835	(150,246)	1,952,226
961,981	1,084,099	1,103,934	953,688
$ 1,084,099	$ 1,103,934	$ 953,688	$ 2,905,914
$ 8,200,137	$ 7,482,981	$ 7,408,820	$ 8,715,786
13.22%	14.75%	12.87%	33.34%
2.00%	1.84%	4.05%	3.77%

GONZALES COUNTY

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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, 2024

	Special Revenue			
	Senate Bill 22 Grants	Probate	Law Library	Election Fund
ASSETS				
Cash and Cash Equivalents	$ 193,879	$ 1,359	$ 134,125	$ 17,979
Notes Receivable	-	-	-	-
TOTAL ASSETS	$ 193,879	$ 1,359	$ 134,125	$ 17,979
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 68,118	$ -	$ -	$ -
Unearned Grant Revenue	125,761	-	-	-
Total Liabilities	193,879	-	-	-
Fund Balances:				
Nonspendable:				
Notes Receivable	-	-	-	-
Restricted for:				
Elections	-	-	-	17,979
Legal	-	-	134,125	-
Judicial	-	1,359	-	-
Public Safety	-	-	-	-
Records Management	-	-	-	-
Sheriff	-	-	-	-
Community Development	-	-	-	-
Other Purposes	-	-	-	-
Total Fund Balances	-	1,359	134,125	17,979
TOTAL LIABILITIES AND FUND BALANCES	$ 193,879	$ 1,359	$ 134,125	$ 17,979

Special Revenue					
Attorney Hot Check	County Clerk Records	District Clerk Records	Mediation	Records Management	Digital Records
$ 125	$ 224,378	$ 21,383	$ 50	$ 8,810	$ 7,563
-	-	-	-	-	-
$ 125	$ 224,378	$ 21,383	$ 50	$ 8,810	$ 7,563
$ -	$ 2,500	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	2,500	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
125	-	-	-	-	-
-	-	-	50	-	-
-	-	-	-	-	-
-	221,878	21,383	-	8,810	7,563
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
125	221,878	21,383	50	8,810	7,563
$ 125	$ 224,378	$ 21,383	$ 50	$ 8,810	$ 7,563

GONZALES COUNTY
COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)
SEPTEMBER 30, 2024

	Special Revenue			
	Chapter 19	Child Abuse	HAVA	Parks and Wildlife
ASSETS				
Cash and Cash Equivalents	$ 6	$ -	$ 18,483	$ 229
Notes Receivable	-	-	-	-
TOTAL ASSETS	$ 6	$ -	$ 18,483	$ 229
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ -	$ -	$ 144	$ -
Unearned Grant Revenue	-	-	-	-
Total Liabilities	-	-	144	-
Fund Balances:				
Nonspendable:				
Notes Receivable	-	-	-	-
Restricted for:				
Elections	6	-	18,339	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Records Management	-	-	-	-
Sheriff	-	-	-	-
Community Development	-	-	-	-
Other Purposes	-	-	-	229
Total Fund Balances	6	-	18,339	229
TOTAL LIABILITIES AND FUND BALANCES	$ 6	$ -	$ 18,483	$ 229

Special Revenue					
Supplemental Guardianship Fee	Vital Statistics	Judge's Supplement	Courthouse Security	Justice Building Security	Specialty Court
$ 27,030	$ 21,357	$ 6,976	$ 18,158	$ 18,923	$ -
-	-	-	-	-	-
$ 27,030	$ 21,357	$ 6,976	$ 18,158	$ 18,923	$ -
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,030	-	-	18,158	18,923	-
-	-	-	-	-	-
-	21,357	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,976	-	-	-
27,030	21,357	6,976	18,158	18,923	-
$ 27,030	$ 21,357	$ 6,976	$ 18,158	$ 18,923	$ -

GONZALES COUNTY
COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)
SEPTEMBER 30, 2024

	Special Revenue			
	County Records Management	Language Access	Court Reporter	Justice Court Technology
ASSETS				
Cash and Cash Equivalents	$ 46,196	$ 2,466	$ 16,134	$ 41,748
Notes Receivable	-	-	-	-
TOTAL ASSETS	$ 46,196	$ 2,466	$ 16,134	$ 41,748
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ -	$ -	$ 150	$ 335
Unearned Grant Revenue	-	-	-	-
Total Liabilities	-	-	150	335
Fund Balances:				
Nonspendable:				
Notes Receivable	-	-	-	-
Restricted for:				
Elections	-	-	-	-
Legal	-	-	-	-
Judicial	-	2,466	15,984	41,413
Public Safety	-	-	-	-
Records Management	46,196	-	-	-
Sheriff	-	-	-	-
Community Development	-	-	-	-
Other Purposes	-	-	-	-
Total Fund Balances	46,196	2,466	15,984	41,413
TOTAL LIABILITIES AND FUND BALANCES	$ 46,196	$ 2,466	$ 16,134	$ 41,748

Special Revenues					
Court Technology	Appelant Judicial	Sheriff Revenues	SCAAP Grant	Indigent Health	Attorney Forfeiture
$ 9,111	$ 1,743	$ 61,583	$ 43,806	$ -	$ 34,563
-	-	-	-	-	-
$ 9,111	$ 1,743	$ 61,583	$ 43,806	$ -	$ 34,563
$ -	$ -	$ -	$ 1,141	$ -	$ -
-	-	-	-	-	-
-	-	-	1,141	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	34,563
9,111	1,743	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	61,583	-	-	-
-	-	-	-	-	-
-	-	-	42,665	-	-
9,111	1,743	61,583	42,665	-	34,563
$ 9,111	$ 1,743	$ 61,583	$ 43,806	$ -	$ 34,563

GONZALES COUNTY
COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)
SEPTEMBER 30, 2024

	Special Revenue			
	Revolving Loan	Law Enforcement Training	Jury Fund	Constable 3 Forfeiture
ASSETS				
Cash and Cash Equivalents	$ 513,437	$ 28,252	$ 8,269	$ 2,990
Notes Receivable	191,222	-	-	-
TOTAL ASSETS	$ 704,659	$ 28,252	$ 8,269	$ 2,990
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 2,400	$ -	$ -	$ -
Unearned Grant Revenue	-	-	-	-
Total Liabilities	2,400	-	-	-
Fund Balances:				
Nonspendable:				
Notes Receivable	191,222	-	-	-
Restricted for:				
Elections	-	-	-	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	28,252	8,269	2,990
Records Management	-	-	-	-
Sheriff	-	-	-	-
Community Development	511,037	-	-	-
Other Purposes	-	-	-	-
Total Fund Balances	702,259	28,252	8,269	2,990
TOTAL LIABILITIES AND FUND BALANCES	$ 704,659	$ 28,252	$ 8,269	$ 2,990

Special Revenue	Capital	
Clerk of the Court	CDBG Grant	Total Nonmajor Funds
$ 43,556	$ -	$ 1,574,667
-	-	191,222
$ 43,556	$ -	$ 1,765,889
$ -	$ -	$ 74,788
-	-	125,761
-	-	200,549
-	-	191,222
-	-	36,324
-	-	168,813
43,556	-	179,793
-	-	39,511
-	-	327,187
-	-	61,583
-	-	511,037
-	-	49,870
43,556	-	1,565,340
$ 43,556	$ -	$ 1,765,889

GONZALES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue			
	Senate Bill 22 Grants	Probate	Law Library	Election Fund
REVENUES				
Fines and Forfeitures	$ -	$ -	$ -	$ -
Charges for Services	-	380	10,301	15,323
Interest Income	8,164	-	-	-
Grants and Donations	399,774	-	-	-
TOTAL REVENUES	407,938	380	10,301	15,323
EXPENDITURES				
Current:				
Administration	-	-	-	11,925
Legal	176,904	-	1,595	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Health	-	-	-	-
Capital Outlay	231,034	-	-	-
TOTAL EXPENDITURES	407,938	-	1,595	11,925
Excess (Deficiency) in Revenue Over (Under) Expenditures	-	380	8,706	3,398
BEGINNING FUND BALANCE	-	979	125,419	14,581
ENDING FUND BALANCE	$ -	$ 1,359	$ 134,125	$ 17,979

Special Revenue					
Attorney Hot Check	County Clerk Records	District Clerk Records	Mediation	Records Management	Digital Records
$ -	$ -	$ -	$ -	$ -	$ -
-	93,853	8,554	51,790	30	380
-	4,762	-	-	-	-
-	-	-	-	-	-
-	98,615	8,554	51,790	30	380
-	223,197	-	51,740	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	223,197	-	51,740	-	-
-	(124,582)	8,554	50	30	380
125	346,460	12,829	-	8,780	7,183
$ 125	$ 221,878	$ 21,383	$ 50	$ 8,810	$ 7,563

GONZALES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue			
	Chapter 19	Child Abuse	HAVA	Parks and Wildlife
REVENUES				
Fines and Forfeitures	$ -	$ -	$ -	$ 633
Charges for Services	-	-	-	-
Interest Income	-	-	755	-
Grants and Donations	-	-	-	-
TOTAL REVENUES	-	-	755	633
EXPENDITURES				
Current:				
Administration	-	-	1,688	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Health	-	1,800	-	319
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	1,800	1,688	319
Excess (Deficiency) in Revenue Over (Under) Expenditures	-	(1,800)	(933)	314
BEGINNING FUND BALANCE	6	1,800	19,272	(85)
ENDING FUND BALANCE	$ 6	$ -	$ 18,339	$ 229

Special Revenue					
Supplemental Guardianship Fee	Vital Statistics	Judge's Supplement	Courthouse Security	Justice Building Security	Specialty Court
$ -	$ -	$ -	$ 23,514	$ 6,223	$ 6,837
-	1,728	-	-	-	-
-	-	-	-	-	-
2,280	-	-	-	-	-
2,280	1,728	-	23,514	6,223	6,837
-	639	-	-	-	6,837
-	-	-	-	-	-
-	-	-	35,614	2,423	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	639	-	35,614	2,423	6,837
2,280	1,089	-	(12,100)	3,800	-
24,750	20,268	6,976	30,258	15,123	-
$ 27,030	$ 21,357	$ 6,976	$ 18,158	$ 18,923	$ -

GONZALES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue			
	County Records Management	Language Access	Court Reporter	Justice Court Technology
REVENUES				
Fines and Forfeitures	$ -	$ -	$ -	$ 20,830
Charges for Services	417	1,822	7,637	-
Interest Income	-	-	-	-
Grants and Donations	-	-	-	-
TOTAL REVENUES	417	1,822	7,637	20,830
EXPENDITURES				
Current:				
Administration	-	-	-	-
Legal	-	-	-	-
Judicial	25,444	2,400	1,780	20,679
Public Safety	-	-	-	-
Health	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	25,444	2,400	1,780	20,679
Excess (Deficiency) in Revenue Over (Under) Expenditures	(25,027)	(578)	5,857	151
BEGINNING FUND BALANCE	71,223	3,044	10,127	41,262
ENDING FUND BALANCE	$ 46,196	$ 2,466	$ 15,984	$ 41,413

Special Revenues					
Court Technology	Appelant Judicial	Sheriff Revenues	SCAAP Grant	Indigent Health	Attorney Forfeiture
$ 695	$ 1,471	$ 17,075	$ -	$ -	$ 17,084
-	-	-	-	-	-
-	-	1,436	-	818	831
-	-	-	11,550	-	-
695	1,471	18,511	11,550	818	17,915
-	-	-	-	-	-
-	-	-	-	-	6,375
-	1,367	-	14,982	18,815	-
-	-	8,300	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,367	8,300	14,982	18,815	6,375
695	104	10,211	(3,432)	(17,997)	11,540
8,416	1,639	51,372	46,097	17,997	23,023
$ 9,111	$ 1,743	$ 61,583	$ 42,665	$ -	$ 34,563

GONZALES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – NONMAJOR FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue			
	Revolving Loan	Law Enforcement Training	Jury Fund	Constable 3 Forfeiture
REVENUES				
Fines and Forfeitures	$ -	$ -	$ -	$ -
Charges for Services	-	-	2,894	-
Interest Income	22,860	147	-	-
Grants and Donations	-	8,710	-	-
TOTAL REVENUES	22,860	8,857	2,894	-
EXPENDITURES				
Current:				
Administration	2,400	-	-	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	1,509	-	-
Health	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	2,400	1,509	-	-
Excess (Deficiency) in Revenue Over (Under) Expenditures	20,460	7,348	2,894	-
BEGINNING FUND BALANCE	681,799	20,904	5,375	2,990
ENDING FUND BALANCE	$ 702,259	$ 28,252	$ 8,269	$ 2,990

Special Revenue	Capital	
Clerk of the Court	CDBG Grant	Total Nonmajor Funds
$ -	$ -	$ 94,362
15,079	-	210,188
-	-	39,773
-	369,261	791,575
15,079	369,261	1,135,898
-	86,909	385,335
-	-	184,874
-	-	123,504
-	-	9,809
-	-	2,119
-	282,352	513,386
-	369,261	1,219,027
15,079	-	(83,129)
28,477	-	1,648,469
$ 43,556	$ -	$ 1,565,340

GONZALES COUNTY
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	$ 5,338,120	$ 4,601,782
Certificates of Deposit	4,988,472	5,781,989
Ad Valorem Taxes Receivable (net)	1,377,293	1,344,014
Prepaid Items	78,387	60,973
TOTAL ASSETS	$ 11,782,272	$ 11,788,758
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 536,970	$ 506,580
Accrued Wages	319,139	264,153
Unearned Revenue	6,698	5,919
Total Liabilities	862,807	776,652
Deferred Inflows of Resources:		
Unavailable Property Tax Revenues	1,377,293	1,344,014
Fund Balances:		
Nonspendable:		
Prepaid Items	78,387	60,973
Unassigned	9,463,785	9,607,119
Total Fund Balance	9,542,172	9,668,092
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 11,782,272	$ 11,788,758

GONZALES COUNTY
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
REVENUES		
Ad Valorem Taxes	$ 10,551,343	$ 9,021,736
Sales Taxes	3,076,073	2,810,733
Fines and Forfeitures	828,356	772,126
Charges for Services	689,361	660,158
Licenses, Permits, and Fees	143,783	118,894
Interest Income	569,132	374,552
Misc Income	299,308	107,454
Grants and Donations	154,559	359,511
TOTAL REVENUES	16,311,915	14,225,164
EXPENDITURES		
Current:		
Administration	3,147,037	2,945,177
Legal	795,905	649,243
Judicial	1,382,982	1,375,701
Finance	1,249,264	1,192,737
Facilities	1,095,252	659,157
Public Safety	7,871,112	7,123,388
Health	3,200	4,860
Conservation	191,332	175,665
Capital Outlay	701,751	869,851
TOTAL EXPENDITURES	16,437,835	14,995,779
NET CHANGE IN FUND BALANCE	(125,920)	(770,615)
BEGINNING FUND BALANCE	9,668,092	10,438,707
ENDING FUND BALANCE	$ 9,542,172	$ 9,668,092

GONZALES COUNTY

COME AND TAKE IT

TEXAS

GONZALES COUNTY
COMPARATIVE BALANCE SHEETS
ROAD AND BRIDGE FUND
SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	$ 6,481,683	$ 5,781,022
Certificates of Deposit	3,837,316	4,741,987
Prepaid Items	27,499	25,845
TOTAL ASSETS	$ 10,346,498	$ 10,548,854
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 487,509	$ 325,876
Accrued Wages	74,765	66,675
Total Liabilities	562,274	392,551
Fund Balances:		
Nonspendable:		
Prepaid Items	27,499	25,845
Committed for:		
Road and Bridge Maintenance		
Precinct 1	2,395,065	2,635,923
Precinct 2	2,454,206	2,206,811
Precinct 3	2,327,376	2,427,239
Precinct 4	2,580,078	2,860,485
Total Fund Balance	9,784,224	10,156,303
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 10,346,498	$ 10,548,854

GONZALES COUNTY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE – ROAD AND BRIDGE FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	Precinct 1	Precinct 2	Precinct 3	Precinct 4
REVENUES				
Ad Valorem Taxes	$ 881,929	$ 1,795,142	$ 945,896	$ 545,285
Licenses, Permits, and Fees	197,169	209,599	187,969	192,719
Interest Income	119,107	118,728	118,200	125,285
Misc Income	17,329	69,852	17,328	71,521
Grants and Donations	-	-	-	-
TOTAL REVENUES	1,215,534	2,193,321	1,269,393	934,810
EXPENDITURES				
Current:				
Public Transportation	1,197,978	1,487,771	1,222,320	977,605
Capital Outlay	235,968	391,005	100,260	244,158
Debt Service:				
Principal	20,752	102,243	51,009	-
Interest	571	4,618	1,185	-
TOTAL EXPENDITURES	1,455,269	1,985,637	1,374,774	1,221,763
EXCESS (DEFICIENCY) OF REVENUS OVER (UNDER) EXPENDITURES	(239,735)	207,684	(105,381)	(286,953)
OTHER FINANCING SOURCES (USES) (OFS)				
Sale of Capital Assets	-	40,000	11,500	806
TOTAL OFS	-	40,000	11,500	806
NET CHANGE IN FUND BALANCE	$ (239,735)	$ 247,684	$ (93,881)	$ (286,147)
BEGINNING FUND BALANCE				
ENDING FUND BALANCE				

Fund Totals	
2024	2023
$ 4,168,252	$ 5,658,980
787,456	835,101
481,320	307,003
176,030	180,198
-	-
5,613,058	6,981,282
4,885,674	4,617,838
971,391	899,882
174,004	338,313
6,374	19,650
6,037,443	5,875,683
(424,385)	1,105,599
52,306	6,500
52,306	6,500
(372,079)	1,112,099
10,156,303	9,044,204
$ 9,784,224	$ 10,156,303

GONZALES COUNTY

COME AND TAKE IT

TEXAS

COMPLIANCE SECTION

Armstrong, Vaughan & Associates, P. C.
Certified Public Accountants

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, 2024, and the related notes to the financial statements, which collectively comprise Gonzales County's basic financial statements, and have issued our report thereon dated April 23, 2025.

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.

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Report on Compliance and Other Matters

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

We noted certain other matters that were communicated to management in a separate letter dated April 23, 2025.

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,

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

April 23, 2025

GONZALES COUNTY
TEXAS

APPENDIX D

Form of Opinion of Bond Counsel

May 27, 2025

$11,780,000
GONZALES COUNTY, TEXAS
TAX NOTES, SERIES 2025

WE HAVE ACTED AS BOND COUNSEL in connection with the issuance by Gonzales County, Texas (the “County”) of its $11,780,000 aggregate original principal amount of Tax Notes, Series 2025, dated May 27, 2025 (the "Notes").

IN OUR CAPACITY AS BOND COUNSEL, we have examined the Notes for the sole purpose of rendering an opinion with respect to the legality and validity of the Order of the Commissioners Court of the County authorizing the issuance of the Notes (the “Order”) and of the Notes under the Constitution and laws of the State of Texas, and with respect to the excludability of the interest on the Notes from gross income for federal income tax purposes. We have not been requested to investigate or verify, and have not investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the County.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas. We have also examined applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), court decisions, Treasury Regulations, and published rulings of the Internal Revenue Service as we have deemed relevant, a transcript of certified proceedings of the County and other pertinent instruments authorizing and relating to the issuance of the Notes, including: (1) the Order, (2) the registered Initial Note numbered I-1 and (3) the County’s Arbitrage and Tax Certificate.

BASED ON OUR EXAMINATION, we are of the opinion that:

1. The Notes are valid and legally binding obligations of the County enforceable in accordance with their terms, except as their enforceability may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and as may be affected by matters involving the exercise of equitable or judicial discretion.

2. The Notes are secured by and payable from the levy of a direct and continuing annual ad valorem tax upon all taxable property within the County, within the limits prescribed by law, sufficient for said purposes, as provided in the Order.

3. Interest on the Notes is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code and will not constitute a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax.

In rendering this opinion, we have assumed continuing compliance by the County with the covenants contained in the Order and the Arbitrage and Tax Certificate, that it will comply with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the Notes and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the County to comply with such covenants could result in the interest on the Notes being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the Notes.

The opinions set forth above are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. We observe that the County has covenanted in the Order not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Notes as includable in gross income for federal income tax purposes.

Respectfully,

BICKERSTAFF HEATH DELGADO ACOSTA LLP

APPENDIX E

Specimen Municipal Bond Insurance Policy

ASSURED GUARANTY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By ________________________________
Authorized Officer

1633 Broadway, New York, N.Y. 10019 (212) 974-0100