

LA SALLE COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
December 31, 2007

Combining and Individual Fund Statements and Schedules:

- 47. Combining Balance Sheet Road and Bridge Funds
- 48. Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Road and Bridge Funds
- 49. Combining Statement of Fiduciary Net Assets
- 50. Combining Statement of Changes in Assets and Liabilities
- 52. Combining Balance Sheet - Non-major Governmental Funds
- 54. Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds

Schedules of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual:

- 56. Narcotics Fund
- 57. County Parks
- 58. Courthouse Security
- 59. Sheriff Storage and Towing

FINANCIAL SECTION

La Salle County, Texas
Annual Financial Report
For the Fiscal Year Ended December 31, 2007

TABLE OF CONTENTS

FINANCIAL SECTION

1. Independent Auditor's Report
3. Management's Discussion and Analysis

Basic Financial Statements:

Government-wide Financial Statements:

12. Statement of Net Assets
13. Statement of Activities

Fund Financial Statements:

14. Balance Sheet - Governmental Funds
15. Reconciliation of the Government Funds
16. Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
17. Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
18. Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
20. Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Encinal Jail Fund
21. Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Road and Bridge Fund
22. Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - County Jail Fund
23. Statement of Fiduciary Net Assets - Fiduciary Funds
24. Notes to the Financial Statements

Required Supplementary Information:

46. Schedule of Funding Progress - Public Employees Retirement System

WAYNE R. BEYER
CERTIFIED PUBLIC ACCOUNTANT

442 WEST OAKLAWN
P.O. BOX 366 830/569-8781 FAX 830/569-6776
PLEASANTON, TEXAS 78064

111 NORTH ODEM
830/569-8781 FAX 830/569-6776
SINTON, TEXAS 78387

INDEPENDENT AUDITOR'S REPORT

To the Commissioner's Court
LaSalle County, Texas

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of LaSalle County, Texas, as of and for the year ended December 31, 2007, which collectively comprise LaSalle County, Texas's basic financial statements as listed in the table of contents. These financial statements are the responsibility of LaSalle County, Texas's management. My responsibility is to express opinions on these financial statements based on my audit.

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

In my 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 aggregate remaining fund information of LaSalle County, Texas, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, the Encino Jail Fund, the Road and Bridge Fund, and the County Jail Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, the non-major budgetary comparison information, and the required supplementary information on pages 3 through 11, 56 through 59, and 46, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the management's discussion and analysis and the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise LaSalle County, Texas's basic financial statements. The combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and schedules and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



WAYNE R. BEYER
Certified Public Accountant
Pleasanton, Texas
September 25, 2008

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of La Salle County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of La Salle County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation.

The government-wide financial statements include only La Salle County, Texas itself (known as the primary government),

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. La Salle County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

La Salle County, Texas maintains twenty-six (26) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the Encinal jail fund, the county jail fund, and the road and bridge funds, all of which are considered to be major funds. Data from the other twenty-two (22) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

La Salle County, Texas adopts an annual appropriated budget for its General Fund, County Jail, Road and Bridge Fund, and Encinal Jail Fund. A budgetary comparison statement has been provided for the General Fund, Road and Bridge Fund, County Jail Fund, and Encinal Jail Fund and all the other special revenue funds for which budgets were adopted.

The basic governmental fund financial statements can be found on pages 14-23 of this report.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-45 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning La Salle County, Texas's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 46 of this report.

The combining statements referred to earlier in connection with major road and bridge funds and non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 47-55 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 56-59 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of La Salle County, Texas, assets exceeded liabilities by \$3,748,306 at the close of the most recent fiscal year.

A portion of La Salle County, Texas's net assets (29 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. La Salle County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although La Salle County, Texas's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

LA SALLE COUNTY, TEXAS NET ASSETS

	Governmental Activities		Total	
	2007	2006	2007	2006
Current and other Assets	\$4,282,586	\$4,063,008	\$4,282,586	\$4,063,008
Capital Assets	3,538,883	3,525,576	3,538,883	3,525,576
Total Assets	7,821,469	7,588,584	7,821,469	7,588,584
Long-term liabilities	2,550,598	2,545,945	2,550,598	2,545,945
Other liabilities	1,522,565	1,418,729	1,522,565	1,418,729
Total Liabilities	4,073,163	3,964,674	4,073,163	3,964,674
Invested in Capital Assets, Net of Related debt	1,075,060	1,040,766	1,075,060	1,040,766
Restricted	176,686	82,321	176,686	82,321
Unrestricted	2,496,560	2,500,823	2,496,560	2,500,823
Total Net Assets	\$3,748,306	\$3,623,910	\$3,748,306	\$3,623,910

An additional portion of La Salle County, Texas's net assets (5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$2,496,560) may be used to meet the governments on going obligations to citizens and creditors. At the end of the current fiscal year, La Salle County, Texas reported a positive balance in all three parts of the governmental activities net assets. For the prior fiscal year, La Salle County, Texas reported a positive balance in all three parts of the governmental activities net assets.

Governmental activities:

Governmental activities increased La Salle County, Texas's net assets by \$124,396, thereby accounting for 100 percent of the total increase in the net assets of La Salle County, Texas.

**LA SALLE COUNTY, TEXAS
CHANGE IN NET ASSETS**

	Governmental Activities		Total	
	2007	2006	2007	2006
Revenues:				
Program Revenues:				
Charges for Services	\$3,072,255	\$3,057,801	\$3,072,255	\$3,057,801
Operating Grants and Contributions	448,617	605,236	448,617	605,236
Capital Grants and Contributions	167,894	1,334,931	167,894	1,334,931
General Revenues:				
Maintenance and Operations Taxes	2,324,447	2,006,680	2,324,447	2,006,680
Other Taxes	2,657	2,994	2,657	2,994
Unrestricted investment earnings	2,746	23,326	2,746	23,326
Miscellaneous	233,567	485,940	233,567	485,940
Total Revenue	6,252,183	7,516,908	6,252,183	7,516,908
Expenses:				
General Administration	614,755	671,732	614,755	671,732
Judicial	265,370	293,342	265,370	293,342
Legal	147,945	125,767	147,945	125,767
Financial Administration	354,265	313,245	354,265	313,245
Public Facilities	372,574	163,705	372,574	163,705
Public Safety	2,625,244	3,357,319	2,625,244	3,357,319
Public Transportation	1,211,832	1,227,101	1,211,832	1,227,101
Culture and Recreation	33,751	62,517	33,751	62,517
Health and Welfare	340,850	1,245,114	340,850	1,245,114
Conservation - Agriculture	27,943	29,166	27,943	29,166
Interest and Fiscal Charges	133,258	152,928	133,258	152,928
Total Expenses	6,127,787	7,641,936	6,127,787	7,641,936
Increase in net assets before transfers and special items	124,396	(125,028)	124,396	(125,028)
Transfers	0	0	0	0
Increase in Net Assets	124,396	(125,028)	124,396	(125,028)
Net Assets at 12/31/2006	3,623,910	3,748,938	3,623,910	3,748,938
Net Assets at 12/31/2007	\$3,748,306	\$3,623,910	\$3,748,306	\$3,623,910

The governments net assets increased by \$124,396 during the current fiscal year. The major reason the unreserved fund balance increased by \$201,927 is because the decrease in revenues were offset by an even larger decrease in expenses. Operating grants and capital grants decreased by \$156,619 and \$1,167,037, respectively, while ad valorem taxes increased by \$317,767. The miscellaneous revenues decreased by \$252,373. The overall decrease on expenses was \$1,514,149. The reduction was uniform throughout the expense functions.

Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Government activities:				
General Administration	\$614,755	\$99,289	\$0	\$0
Judicial	265,370	962,345	38,545	
Legal	147,945			
Financial Administration	354,265	59,938		
Public Facilities	372,574			167,894
Public Safety	2,625,244	1,570,502	203,339	
Public Transportation	1,211,832	377,944	61,078	
Culture and Recreation	33,751			
Health and Welfare	340,850	2,237	145,655	
Conservation - Agriculture	27,943			
Interest and Fiscal Charges	133,258			
Total government activities	<u>\$6,127,787</u>	<u>\$3,072,255</u>	<u>\$448,617</u>	<u>\$167,894</u>

Revenues by source - Governmental Activities

	2006	
	REVENUES	%
Charges for Services	\$3,072,255	49.14%
Operating Grants and Contributions	448,617	7.18%
Capital Grants and Contributions	167,894	2.69%
Maintenance and Operations Taxes	2,324,447	37.18%
Other Taxes	2,657	0.04%
Unrestricted Investment Earnings	2,746	0.04%
Miscellaneous	233,567	3.74%
	<u>\$6,252,183</u>	<u>100.00%</u>

For the most part, with the exceptions listed above, increases or decreases in expenses closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Government's Funds

As noted earlier, La Salle County, Texas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

The focus of La Salle County, Texas's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing La Salle County, Texas's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, La Salle County, Texas's governmental funds reported combined ending fund balances of \$819,881, an increase of \$201,927 in comparison with the prior year. Approximately 78 percent of this total amount (\$643,195) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for Construction (\$176,686).

The general fund is the chief operating fund of La Salle County, Texas. At the end of the current fiscal year, unreserved fund balance of the general fund was \$37,300, while total fund balance reached \$37,300. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 1 percent of total general fund expenditures, while total fund balance represents 1 percent of that same amount. The fund balance of La Salle County, Texas general fund increased by \$156,592 during the current fiscal year. Key factors in this increase are as follows: A decrease in expenditures of \$277,260.

At the end of the current fiscal year, unreserved fund balance of the road and bridge fund was \$25,882, while total fund balance reached \$25,882. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 2 percent of total road and bridge fund expenditures, while total fund balance represents 2 percent of that same amount. The fund balance of La Salle County, Texas road and bridge fund decreased by \$6,239 during the current fiscal year. This decrease is immaterial.

At the end of the current fiscal year, unreserved fund balance of the Encinal jail fund was \$543,826, while total fund balance reached \$543,826. As a measure of the Encinal jail fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 335 percent of total Encinal jail fund expenditures, while total fund balance represents 335 percent of that same amount. The fund balance of La Salle County, Texas Encinal jail fund increased by \$273,323 during the current fiscal year. The major reason for the increase in fund balance was the increase in revenue of \$94,601 and the decrease in expenditures of \$123,366. The fund balance of La Salle County, Texas Encinal jail fund increased by \$95,356 during the prior fiscal year.

At the end of the current fiscal year, unreserved fund balance of the County jail fund was \$66,972, while total fund balance reached \$66,972. As a measure of the County jail fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 06 percent of total County jail fund expenditures, while total fund balance represents 06 percent of that same amount. The fund balance of La Salle County, Texas County jail fund decreased by \$104,127 during the current fiscal year. The major reason for the decrease in fund balance was the decrease in revenue of \$142,187. The property taxes decreased by \$119,171 and the charges for services decreased by \$20,176. The fund balance of La Salle County, Texas County jail fund increased by \$1,095 during the prior fiscal year.

Budgetary Highlights

There were no differences between the original budget and the final amended budget for the County Jail fund. The general fund budget decreased by \$70,499 and the decreased were pro-rata throughout the expenditure functions. The Encinal Jail fund budget increased by \$163,500 with the major increase being various expenditure categories such as training, professional services, and a transfer out of \$40,000 to the road and bridge fund. The road and bridge fund budget increased by \$26,804. This increase was immaterial.

Capital Asset and Debt Administration

Capital assets:

La Salle County, Texas's investment in capital assets for its governmental activities as of December 31, 2007, amounts to \$3,538,883 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total increase in La Salle County, Texas's investment in capital assets for the current fiscal year was .38 percent.

The county did not have any significant improvement projects during the current fiscal year and at December 31, 2007.

LA SALLE COUNTY, TEXAS CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Total	
	2007	2006	2007	2006
Land	\$104,343	\$104,343	\$104,343	\$104,343
Building and improvements	2,284,392	2,346,624	2,284,392	2,346,624
Machinery and equipment	1,150,148	1,074,609	1,150,148	1,074,609
Infrastructure	0	0	0	0
Total	\$3,538,883	\$3,525,576	\$3,538,883	\$3,525,576

Additional information on La Salle County, Texas's capital assets can be found in note IV C on page 36 of this report.

Long-term debt:

At the end of the current fiscal year, La Salle County, Texas had the following bonded debt.

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
Certificate of Obligation, Series 2002	\$1,640,000		\$100,000	\$1,540,000	\$105,000
TAN, Series 2003	170,000		170,000	0	0
	<u>1,810,000</u>	<u>0</u>	<u>270,000</u>	<u>1,540,000</u>	<u>105,000</u>
Grand Total	<u>\$1,810,000</u>	<u>\$0</u>	<u>\$270,000</u>	<u>\$1,540,000</u>	<u>\$105,000</u>

La Salle County, Texas's total bonded debt decreased by \$270,000 (15 percent) during the current fiscal year. The key factor in this decrease was the payment of Certificate of Obligation bonds for the year of \$100,000 and the payoff of the Tax Anticipation Notes of \$170,000. The County did not secure any new bonded debt in the 2007 year.

Additional information on La Salle County, Texas's long term debt can be found in note IV F on pages 38-40 of this report.

The County has secured new projects in the 2008 year. Please refer to the subsequent events note V. C. on page 42 of this report.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with an overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Treasurer's office, 100 Courthouse, Cotulla, Texas 78014.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LA SALLE COUNTY, TEXAS
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2007

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and Cash Equivalents	\$2,053,293	\$2,053,293
Receivables (net of allowance for uncollectibles)	2,229,293	2,229,293
Capital assets not being depreciated:		
Land	104,343	104,343
Total Capital assets being depreciated, net		
Building and Improvements	2,284,392	2,284,392
Machinery and Equipment	1,150,148	1,150,148
Infrastructure	0	0
Total Assets	<u>\$7,821,469</u>	<u>\$7,821,469</u>
LIABILITIES:		
Accounts Payable	\$243,846	\$243,846
Bank Overdraft	34,983	34,983
Accrued Wages Payables	21,723	21,723
Accrued Interest Payable	14,797	14,797
Unearned Revenues - Advanced Tax Collections	1,207,216	1,207,216
Noncurrent Liabilities:		
Due within one year	333,650	333,650
Due in more than one year	2,216,948	2,216,948
Total Liabilities	<u>4,073,163</u>	<u>4,073,163</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,075,060	1,075,060
Restricted for:		
Construction	176,686	176,686
Unrestricted	2,496,560	2,496,560
Total Net Assets	<u>\$3,748,306</u>	<u>\$3,748,306</u>

The accompanying notes are an integral part of this statement.

LA SALLE COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and	Revenue and
					Changes in	Changes in
				Net Assets	Net Assets	
Primary government						
Government activities:						
General Administration	\$614,755	\$99,289	\$0	\$0	(\$515,466)	(\$515,466)
Judicial	265,370	962,345	38,545		735,520	735,520
Legal	147,945				(147,945)	(147,945)
Financial Administration	354,265	59,938			(294,327)	(294,327)
Public Facilities	372,574			167,894	(204,680)	(204,680)
Public Safety	2,625,244	1,570,502	203,339		(851,403)	(851,403)
Public Transportation	1,211,832	377,944	61,078		(772,810)	(772,810)
Culture and Recreation	33,751				(33,751)	(33,751)
Health and Welfare	340,850	2,237	145,655		(192,958)	(192,958)
Conservation - Agriculture	27,943				(27,943)	(27,943)
Interest and Fiscal Charges	133,258				(133,258)	(133,258)
Total government activities	<u>6,127,787</u>	<u>3,072,255</u>	<u>448,617</u>	<u>167,894</u>	<u>(2,439,021)</u>	<u>(2,439,021)</u>
Total Primary Government	<u>\$6,127,787</u>	<u>\$3,072,255</u>	<u>\$448,617</u>	<u>\$167,894</u>	<u>(2,439,021)</u>	<u>(2,439,021)</u>
General Revenues						
Property Taxes, Levies for General Purposes					2,324,447	2,324,447
Other Taxes					2,657	2,657
Unrestricted Investment Earnings					2,746	2,746
Miscellaneous					233,567	233,567
Total General Revenues and Transfers					<u>2,563,417</u>	<u>2,563,417</u>
Change in Net assets					124,396	124,396
Net Assets - Beginning - Restated					3,623,910	3,623,910
Net Assets - Ending					<u>\$3,748,306</u>	<u>\$3,748,306</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

LA SALLE COUNTY, TEXAS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 DECEMBER 31, 2007

	General Fund	Encinal Jail	Road and Bridge	County Jail	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$1,057,842	\$206,321	\$294,370	\$0	\$494,760	\$2,053,293
Receivables (net of allowance for uncollectibles)	1,466,100	27,278	328,698	126,831	4,232	1,953,139
Due from Other Funds		314,167	18,149		151,466	483,782
Total Assets	\$2,523,942	\$547,766	\$641,217	\$126,831	\$650,458	\$4,490,214
LIABILITIES AND FUND BALANCES:						
Liabilities						
Accounts Payable	\$152,913	\$3,940	\$28,030	\$31,961	\$27,002	\$243,846
Due to Other Funds	39,505		15,783	17,575	410,919	483,782
Bank Overdraft			9,583	4,944	20,456	34,983
Accrued Wages Payable	10,786		4,159	5,379	1,399	21,723
Tax Anticipation Note Payable						0
Unearned Revenues	2,283,438		557,780		44,781	2,885,999
Total Liabilities	2,486,642	3,940	615,335	59,859	504,557	3,670,333
Fund Balances:						
Restricted For:						
Construction					176,686	176,686
Unreserved, Reported in General Fund	37,300					37,300
Special Revenue Funds		543,826	25,882	66,972	(30,785)	605,895
Total Fund Balance	37,300	543,826	25,882	66,972	145,901	819,881
Total Liabilities and Fund Balances	\$2,523,942	\$547,766	\$641,217	\$126,831	\$650,458	\$4,490,214

The accompanying notes are an integral part of this statement.

LA SALLE COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2007

Total Fund Balances - governmental funds balance sheet	\$819,881
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	3,538,883
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	276,154
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	1,678,783
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(2,565,395)
Net assets of governmental activities - statement of net assets	<u>\$3,748,306</u>

The accompanying notes are an integral part of this statement.

LA SALLE COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2007

	General Fund	Encinal Jail	Road and Bridge	County Jail	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$1,886,996		\$420,600		\$10,000	\$2,317,596
Other	2,657					2,657
Intergovernmental	43,993		61,078		511,440	616,511
Licenses and Permits			325,916		16,000	341,916
Charges for Services	198,969	475,627		905,316	175,178	1,755,090
Fines and Forfeitures	865,247		36,028			901,275
Interest	1,530		592	102	522	2,746
Miscellaneous	50,150		64,039		119,378	233,567
Total Revenues	3,049,542	475,627	908,253	905,418	832,518	6,171,358
EXPENDITURES						
Current:						
General Administration	574,538				15,052	589,590
Judicial	207,114				15,928	223,042
Legal	145,435					145,435
Financial Administration	347,776					347,776
Public Facilities	196,599				936	197,535
Public Safety	1,021,936	162,304		955,080	349,255	2,488,575
Public Transportation			1,324,879		108,406	1,433,285
Culture and Recreation	24,000				1,690	25,690
Health and Welfare	153,817				175,892	329,709
Conservation - Agriculture	27,943					27,943
Capital Projects -						
Capital Outlay and Other					173,616	173,616
Debt Service						
Principal Retirement	26,447		58,323	147,676	37,660	270,106
Interest Retirement	10,590		16,409	98,294	10,955	136,248
Total Expenditures	2,736,195	162,304	1,399,611	1,201,050	889,390	6,388,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	313,347	313,323	(491,358)	(295,632)	(56,872)	(217,192)
OTHER FINANCING SOURCES (USES):						
Other Financing Sources - Capital Lease			419,119			419,119
Operating Transfers In	35,000		122,231	191,505	250	348,986
Operating Transfers Out	(191,755)	(40,000)	(56,231)		(61,000)	(348,986)
Total Other Financing Sources (Uses)	(156,755)	(40,000)	485,119	191,505	(60,750)	419,119
Net Changes in Fund Balances	156,592	273,323	(6,239)	(104,127)	(117,622)	201,927
Fund Balances - Beginning - Restated	(119,292)	270,503	32,121	171,099	263,523	617,954
Fund Balances - Ending	37,300	543,826	25,882	66,972	145,901	819,881

The accompanying notes are an integral part of this statement.

LA SALLE COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 DECEMBER 31, 2007

Net Changes in Fund Balances - total governmental funds	\$201,927
Amounts reported for governmental activities in the statement of net assets ("SNA") 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. This is the amount by which capital outlays exceeded depreciation in the current period.	13,307
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	73,974
(Increase) decrease in Compensated absences from beginning of period to end of period.	(25,640)
(Increase) decrease in Accrued Interest Payable from beginning of period to end of period.	2,991
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	6,851
Increase in loan principal are receipts in the funds but not revenue in the SOA.	(419,119)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	270,105
	<hr/>
Change in net assets of governmental activities - statement of activities	<u>\$124,396</u>

The accompanying notes are an integral part of this statement.

LA SALLE COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Taxes				
Property	\$1,980,726	\$1,980,726	\$1,886,996	(\$93,730)
Other	3,500	3,500	2,657	(843)
Intergovernmental	96,851	96,851	43,993	(52,858)
Charges for Services	301,471	301,471	198,969	(102,502)
Fines and Forfeitures	555,600	555,600	865,247	309,647
Interest	6,000	6,000	1,530	(4,470)
Miscellaneous	107,332	105,601	50,150	(55,451)
Total Revenues	3,051,480	3,049,749	3,049,542	(207)
<i>EXPENDITURES</i>				
Current:				
General Administration				
County Clerk	130,628	151,106	149,052	2,054
County Judge	95,232	100,103	96,581	3,522
Contingencies	199,009	55,300	55,298	2
Elections	13,000	9,379	8,798	581
Non-Departmental	280,647	236,266	261,177	(24,911)
Veterans Service	3,631	3,633	3,632	1
Legal				
County Attorney	113,386	146,446	145,435	1,011
Judicial				
County Court	1,900	240	240	0
District Court	74,379	96,542	95,707	835
Justice of the Peace	112,488	118,741	111,167	7,574
Financial Administration				
Audit Fee	17,500	25,375	25,375	0
County Treasurer	79,087	103,185	101,227	1,958
Tax Assessor-Collector	215,424	223,972	221,174	2,798
Public Facilities				
Courthouse and Yards	148,675	198,526	196,599	1,927
Public Safety				
Ambulance	136,246	137,744	137,130	614
Constables	36,225	51,491	51,339	152
Corrections	9,894	8,545	7,750	795
COPS Grant	68,479	22,522	22,481	41
D.P.S.	34,526	41,465	40,031	1,434
Housing of Inmates	65,000	23,286	23,285	1
Juvenile Probation	111,212	142,440	139,968	2,472
Narcotics Officer	63,292	24,999	12,382	12,617
School Crime Grant	0	73	72	1
Sheriff	574,332	580,143	549,362	30,781
Victim Crime Advocate	38,822	39,022	38,136	886

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture and Recreation				
County Library	\$26,000	\$26,000	\$24,000	\$2,000
Health and Welfare				
Health and Welfare	161,386	172,455	153,817	18,638
Conservation - Agriculture				
Agriculture Extension Service	27,956	28,588	27,943	645
Debt Service				
Principal Retirement	50,000	50,000	26,447	23,553
Interest Retirement	50,000	50,000	10,590	39,410
Total Expenditures	<u>2,938,356</u>	<u>2,867,587</u>	<u>2,736,195</u>	<u>131,392</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>113,124</u>	<u>182,162</u>	<u>313,347</u>	<u>131,185</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	70,000	70,000	35,000	(35,000)
Operating Transfers Out	(192,000)	(192,000)	(191,755)	245
Total Other Financing Sources (Uses)	<u>(122,000)</u>	<u>(122,000)</u>	<u>(156,755)</u>	<u>(34,755)</u>
Net Changes in Fund Balances	(8,876)	60,162	156,592	96,430
Fund Balances - Beginning	273,789	273,789	(119,292)	
Fund Balances - Ending	<u>\$264,913</u>	<u>\$333,951</u>	<u>\$37,300</u>	<u>\$96,430</u>

The accompanying notes are an integral part of this statement.

LA SALLE COUNTY, TEXAS
ENCINAL JAIL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	310,750	310,750	475,627	164,877
Interest	1,500	1,500	0	(1,500)
Total Revenues	312,250	312,250	475,627	163,377
EXPENDITURES				
Current:				
Public Safety				
Sheriff	51,500	215,000	162,304	52,696
Total Expenditures	51,500	215,000	162,304	52,696
Excess (Deficiency) of Revenues Over (Under) Expenditures	260,750	97,250	313,323	216,073
OTHER FINANCING SOURCES (USES):				
Other Financing Sources - Capital Lease	0	0	0	0
Operating Transfers In	0	(40,000)	(40,000)	0
Total Other Financing Sources (Uses)	0	(40,000)	(40,000)	0
Net Changes in Fund Balances	260,750	57,250	273,323	216,073
Fund Balances - Beginning	270,503	270,503	270,503	
Fund Balances - Ending	\$531,253	\$327,753	\$543,826	\$216,073

The notes to the financial statements are an integral part of this statement.

LA SALLE COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$438,206	\$434,919	\$420,600	(\$14,319)
Intergovernmental	56,229	40,202	61,078	20,876
Licenses and Permits	288,000	288,000	325,916	37,916
Fines and Forfeitures	46,100	46,100	36,028	(10,072)
Interest	750	750	592	(158)
Miscellaneous	138,000	148,497	64,039	(84,458)
Total Revenues	967,285	958,468	908,253	(50,215)
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	805,269	827,544	1,324,879	(497,335)
Debt Service				
Principal Retirement	76,059	76,059	58,323	17,736
Interest and Fiscal Charges	41,729	46,258	16,409	29,849
Total Expenditures	923,057	949,861	1,399,611	(449,750)
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,228	8,607	(491,358)	(499,965)
OTHER FINANCING SOURCES (USES):				
Other Financing Sources - Capital Leases	0	0	419,119	419,119
Operating Transfers In	0	66,000	122,231	56,231
Operating Transfers Out	(56,228)	(56,228)	(56,231)	(3)
Total Other Financing Sources (Uses)	(56,228)	9,772	485,119	475,347
Net Changes in Fund Balances	(12,000)	18,379	(6,239)	(24,618)
Fund Balances - Beginning	32,121	32,121	32,121	
Fund Balances - Ending	\$20,121	\$50,500	\$25,882	(\$24,618)

The notes to the financial statements are an integral part of this statement.

LA SALLE COUNTY, TEXAS
COUNTY JAIL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$1,116,680	\$1,116,680	\$905,316	(\$211,364)
Interest	2,000	2,000	102	(1,898)
Total Revenues	1,118,680	1,118,680	905,418	(213,262)
EXPENDITURES				
Current:				
Public Safety				
Sheriff	1,161,511	1,112,925	955,080	157,845
Debt Service				
Principal Retirement	112,000	160,586	147,676	12,910
Interest and Fiscal Charges	102,000	102,000	98,294	3,706
Total Expenditures	1,375,511	1,375,511	1,201,050	174,461
Excess (Deficiency) of Revenues Over (Under) Expenditures	(256,831)	(256,831)	(295,632)	(38,801)
OTHER FINANCING SOURCES (USES):				
Other Financing Sources - Capital Lease	257,000	257,000	191,505	(65,495)
Operating Transfers In				0
Total Other Financing Sources (Uses)	257,000	257,000	191,505	(65,495)
Net Changes in Fund Balances	169	169	(104,127)	(104,296)
Fund Balances - Beginning	171,099	171,099	171,099	
Fund Balances - Ending	\$171,268	\$171,268	\$66,972	(\$104,296)

The notes to the financial statements are an integral part of this statement.

LA SALLE COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Agency Funds
ASSETS	
Cash and Cash Equivalents	<u>\$633,251</u>
Receivables (net of allowance for uncollectibles)	<u>6,851</u>
Total Assets	<u><u>\$640,102</u></u>
LIABILITIES	
Accounts Payable	\$723
Due to Others	<u>639,379</u>
Total Liabilities	<u><u>640,102</u></u>

The notes to the financial statements are an integral part of this statement.

LA SALLE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

I. Summary of Significant Accounting Policies

A. Reporting entity

La Salle County operates under a County Judge – Commissioner’s Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), environmental protections (sanitation), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment 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 among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The road and bridge fund accounts for the activities of the government's road and bridge operations.

The Encinal jail fund accounts for the monies earned by the county for the Encinal jail.

The county jail fund accounts for monies used for operating the county jail.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as 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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities are reported in the government-wide financial statements as "internal balances".

D. Assets, Liabilities, and Net Assets or Equity (continued)

2. Receivables and Payables (continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at December 31, 2007 and 10 percent of the delinquent outstanding property taxes at December 31, 2007.

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. There were no prepaid items at December 31, 2007.

4. Restricted Assets

There were no restricted assets at December 31, 2007.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no such construction during the current fiscal year.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings	50
Building Improvements	20
Public Domain Infrastructure	50
System Infrastructure	30
Vehicles	5
Office Equipment	5
Computer Equipment	5

6. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. Vacation pay is accrued in the government-wide financial statements.

All comp. time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Reconciliation of Government-Wide and Fund Financial Statements

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$2,565,395 difference are as follows:

Capital leases payable	\$716,927
Bonds payable	1,540,000
Notes payable	206,896
Accrued interest payable	14,797
Compensated absences	86,775
	<u>\$2,565,395</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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. The details of this \$3,538,883 difference are as follows:

Capital outlay	\$6,462,801
Depreciation expense	(2,923,918)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$3,538,883</u>

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets. (continued)

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles.)" The details of this \$1,678,783 difference are as follows:

Property taxes Receivable	\$1,754,967
Allowance for Doubtful Accounts	<u>(76,184)</u>
Net	<u>\$1,678,783</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$276,154 difference are as follows:

Fines and Fees receivable	\$4,251,037
Allowance for Doubtful Accounts	<u>(3,974,883)</u>
Net	<u>\$276,154</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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."

The details of this \$13,307 difference are as follows:

Capital outlay - additions	\$450,486
Depreciation expense	(437,179)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$13,307</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The original budget is adopted by the Commissioner's Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioner's Court. The final amended budget is used in this report. The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Treasurer to prepare the annual budget. After being furnished budget guidelines by the Commissioner's Court, the County Treasurer prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioner's Court. The Commissioner's Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioner's Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Treasurer's estimate of revenues and available cash. The final budget can be legally amended by the Commissioner's Court to whatever extent the Court desires as long as the amended figures do not exceed the County Treasurer's estimate of revenues and available cash.

When the Budget has been adopted by the Commissioner's Court, the County Treasurer is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioner's Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund. Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2007 fiscal year were adopted for the General Fund, the Road and Bridge Funds, the County Jail Fund, the Encinal Jail Fund, and other applicable non-major governmental funds.

B. Excess of Expenditures over Appropriations

For the year ended December 31, 2007, expenditures did not exceed appropriations in any fund except for the County Parks Fund where actual expenditures exceeded budgeted expenditures of \$00 by \$1,690 and the Road and Bridge Fund where actual expenditures exceeded budgeted expenditures of \$949,861 by \$449,750.

C. Deficit fund equity

The county had no deficit fund balances as of December 31, 2007 except for the following:

Disaster Relief TDHCA Fund - \$101,093
County Parks Fund - \$32,146
Elderly Nutrition Fund - \$50,222
Fourth Court of Appeals Fund - \$30
LaSalle County TDHCA Fund - \$50,830
Cotulla/Encinal Grant Fund - \$2,974
Real estate Proceeds Fund - \$125,897

These deficits are expected to be liquidated by future resources of the fund.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is not in total compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments:

The County has no investments.

The County has adopted an investment policy and has a depository contract in compliance with the Public Funds Investment Act. That policy does address the following risks:

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit and investment policy for custodial credit risk. As of December 31, 2007, the government's bank balance of \$2,725,794 was exposed to custodial credit risk because it was not fully insured and collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$2,500,712 and the FDIC coverage is \$100,000. This leaves a shortfall of \$125,082.

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year end for the government's individual major funds and non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Encino Jail	Road and Bridge	County Jail	Other Governmental Funds	Total
<u>Receivables</u>						
Ad Valorem Taxes	\$1,424,862		\$330,105			\$1,754,967
Fines	4,251,037					4,251,037
Other	103,092	27,278	12,923	126,831	4,232	274,356
Gross receivables	5,778,991	27,278	343,028	126,831	4,232	6,280,360
Less: Allowance for uncollectibles	4,036,737		14,330			4,051,067
Net total receivables	<u>\$1,742,254</u>	<u>\$27,278</u>	<u>\$328,698</u>	<u>\$126,831</u>	<u>\$4,232</u>	<u>\$2,229,293</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent Property Taxes Receivable (General Fund)-Net	\$ 1,678,783
Advanced Tax Collections	<u>1,207,216</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 2,885,999</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2007 was as follows:

Governmental Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$104,343	\$0	\$0	\$104,343
Total capital assets not being depreciated:	104,343	0	0	104,343
Capital assets being depreciated:				
Building and Improvements	3,493,985	0	0	3,493,985
Machinery, Equipment and Vehicles	2,100,257	450,486	0	2,550,743
Infrastructure	313,730	0	0	313,730
Total capital assets being depreciated:	5,907,972	450,486	0	6,358,458
Less: Accumulated Depreciation for:				
Building and Improvements	1,147,361	62,232	0	1,209,593
Machinery, Equipment and Vehicles	1,025,648	374,947	0	1,400,595
Infrastructure	313,730	0	0	313,730
Total Accumulated Depreciation	2,486,739	437,179	0	2,923,918
Total Capital Assets Depreciated, Net	3,421,233	13,307	0	3,434,540
Governmental Activities capital assets, Net	\$3,525,576	\$13,307	\$0	\$3,538,883

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General Administration	\$22,544
Judicial	42,328
Legal	325
Financial Administration	5,045
Public Facilities	4,690
Public Safety	126,119
Public Transportation	216,967
Culture and Recreation	8,061
Health and Welfare	11,100
Total depreciation expense - governmental activities	<u>\$437,179</u>

Construction commitments

The county did not have any significant improvement projects during the current fiscal year and at December 31, 2007.

The County has secured new projects in the 2008 year. Please refer to the subsequent events note V. C. on page 42 of this report.

D. Interfund Receivables, Payables, and Transfers

There were no advances at December 31, 2007.

Due to/from other funds at December 31, 2007 are as follows:

DUE TO	DUE FROM				TOTAL
	GENERAL FUND	ROAD AND BRIDGE FUNDS	COUNTY JAIL FUND	NON-MAJOR GOVERNMENTAL FUNDS	
ENCINO JAIL FUND				\$314,167	\$314,167
ROAD AND BRIDGE FUND	18,149				18,149
NON-MAJOR GOVERNMENTAL FUNDS	21,356	15,783	17,575	96,752	151,466
TOTALS	\$39,505	\$15,783	\$17,575	\$410,919	\$483,782

Transfers for the year ended December 31, 2007 are as follows:

TRANSFER FROM	TRANSFER TO				TOTAL
	GENERAL FUND	ROAD AND BRIDGE FUNDS	COUNTY JAIL FUND	NON-MAJOR GOVERNMENTAL FUNDS	
GENERAL FUND			\$191,505	\$250	\$191,755
ENCINO JAIL FUND		40,000			40,000
ROAD AND BRIDGE FUND		56,231			56,231
NON-MAJOR GOVERNMENTAL FUNDS	35,000	26,000			61,000
TOTALS	\$35,000	\$122,231	\$191,505	\$250	\$348,986

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$14,683 for the year ended December 31, 2007. The future minimum lease payments for these leases are as follows:

Year Ending Dec. 31,	<u>Amount</u>
2008	\$14,683
2009	9,289
Total	<u>\$ 23,972</u>

F. Long-Term Debt

Capital Leases

The government has entered into a lease agreement as lessee for financing of a van for the Elderly Nutrition, vehicles for the County Jail, and vehicles and equipment for the Road and Bridge funds. The debt service for the vehicles and equipment are services by the respective funds mentioned above. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The annual requirements for the above capital leases at December 31, 2007 are as follows:

YEAR	TOTAL
2008	\$232,516
2009	225,403
2010	114,639
2011	82,326
2012	82,326
2013	69,618
TOTAL MINIMUM LEASE PAYMENTS	806,828
LESS: AMOUNT REPRESENTING INTEREST	89,901
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	\$716,927

The assets acquired through capital leases are capitalized into capital assets as follows:

ASSET	JAIL FUND		ROAD AND BRIDGE FUNDS						TOTAL
	THREE PASSENGER VEHICLES	FRONT END LOADER/DUMP TRUCK	MEGA TOWER PLAYSCAPE	VARIOUS EQUIPMENT	140H CATER-PILLAR	VOLVO MOTOR-GRADER	VOLVO MOTOR-GRADER	2006 FORD VAN	
COST	\$209,829	\$94,950	\$44,096	\$230,465	\$216,500	\$140,618	\$62,001	\$20,018	\$1,018,477
ACCUMULATED DEPRECIATION	167,863	56,970	12,832	92,186	43,300	28,124	12,400	12,012	425,687
NET ASSET	\$41,966	\$37,980	\$31,264	\$138,279	\$173,200	\$112,494	\$49,601	\$8,006	\$592,790

F. Long-Term Debt (continued)

Bonds

The government issues Bonds to provide funds for the County Jail. The original amount of the bonds issued is \$2,000,000. The bonds are direct obligations and pledge the full faith and credit of the government.

Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Rates</u>	<u>Amount</u>
Certificate of Obligation - Series 2002	3.65% to 5.1%	\$1,540,000

The following is a summary of debt service requirements to maturity.

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2008	\$105,000	\$86,076
2009	110,000	80,430
2010	115,000	74,354
2011	125,000	67,751
2012	130,000	60,610
2013-2017	770,000	177,019
2018	185,000	5,643
TOTALS	<u>\$1,540,000</u>	<u>\$551,883</u>

The above bond is serviced by the County Jail fund.

Notes Payable

The government procured two notes payable to Caterpillar Financial Services Corporation. These notes are secured by the Motor graders and are described as follows:

1. This note is to be paid in annual installments of \$14,488 with an optional final payment of \$120,000. The original amount was \$157,996 and the amount due at December 31, 2007 is \$124,396. The rate of interest is 4.8%. This note is to be paid from the Road and Bridge fund.
2. This note is to be paid in annual installments of \$15,000. The original amount was \$142,500 and the amount due at December 31, 2007 is \$82,500. The rate of interest is 0.0%. This note is to be paid from the Road and Bridge fund.

F. Long-Term Debt (continued)

Changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
<u>Governmental activities:</u>					
Certificate of Obligation, Series 2002	\$1,640,000		\$100,000	\$1,540,000	\$105,000
TAN, Series 2003	170,000		170,000	0	0
Total Bonds Payable	1,810,000	0	270,000	1,540,000	105,000
Capital Lease Payable	463,982	419,119	166,174	716,927	133,363
Notes Payable	210,828		3,932	206,896	8,512
Compensated Absences	61,135	86,775	61,135	86,775	86,775
	735,945	505,894	231,241	1,010,598	228,650
Grand Total	\$2,545,945	\$505,894	\$501,241	\$2,550,598	\$333,650

The general fund is used to service the compensated absences. The estimated amount due in the 2008 year is \$86,775.

The government-wide statement of activities includes \$333,650 as "noncurrent liabilities, due within one year".

The interest on the long term debt was expensed and was not capitalized.

G. Restricted Net Assets

The restricted net assets at December 31, 2007 consisted of 1) Construction - \$176,686.

V. Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year ended <u>12/31/07</u>	Year ended <u>12/31/06</u>
Unpaid Claims, Beginning of Fiscal Year	\$ -0-	\$ -0-
Incurred Claims (including IBNRs)		
Claim Payments		
Unpaid Claims, End of Fiscal Year	<u>\$ -0-</u>	<u>\$ -0-</u>

B. Related Party Transaction

The County Sheriff is also the IT person for the County performing most of the IT duties for the County on an independent contractor basis. The sheriff receives \$400.00 per month for his services. The County did not have either an outstanding accounts receivable or payable at December 31, 2008 for this service.

C. Subsequent Events

1. The following are subsequent events requiring disclosure.

On February 11, 2008 the county approved a partial grant in the amount of \$2,250,000.00 from the Texas Historical Commission for Courthouse repair.

On February 22, 2008 the county approved a bid from Rene Benavidez, A.R. Benavidez & Sons Construction Co., for construction on Cameron Lane in the amount of \$ 224,000.00.

On April 14, 2008 the county approved a bid from Carle Storey for \$151,000.00 for a 140 H # CC A0493 Motor grader. The county also approved a loan agreement with the United States Department of Agriculture for the construction and equipping of an Assisted Living and Nursing Home Facility in the County in the amount of \$3,000,000.00.

On June 9, 2008 the county approved a Certification of Obligation, Series 2008 for the construction and equipping of an Assisted Living and Nursing Home Facility in the County in the amount of \$5,360,000.00.

On July 14, 2008 the county approved a bid from ModSpace of \$98,750.00 and \$112,353.00 for office trailers/buildings.

D. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is not a defendant in any lawsuit.

E. Other Post Employment Benefits

There are no post employment benefits.

F. Retirement Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 573 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

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

Funding Policy

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

The governing body elected to pay a rate of 9.43% for the 2007 year that did not exceed the actuarially determined rate as allowed by the provisions of the TCDRS Act.

The contribution rate payable by the employee members for calendar year 2007 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost

Actuarial Valuation Information

Actuarial valuation date	12/31/2004	12/31/2005	12/31/2006
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period	20.0	20.0	15.0
Asset valuation method	long-term Appreciation with adjustment	long-term appreciation with adjustment	SAF: 10-yr smoothed value; ESF: Fund Value
Actuarial Assumptions			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.5%	5.5%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Trend Information for the Retirement Plan for the Employees of La Salle County, Texas

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12-31-05	132,160	100%	-0-
12-31-06	163,973	100%	-0-
12-31-07	172,055	100%	-0-

ANALYSIS OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2004	3,170,347	3,462,558	292,211	91.56	1,129,977	25.86
2005	3,354,112	3,647,396	293,284	91.96	1,432,892	20.47
2006	3,588,564	3,765,914	177,350	95.29	1,776,517	9.98

G. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year.

Governmental Funds and Government-wide Financial Statements: In the Government Funds and in the Government-wide Financial Statements advanced tax collections were understated by \$502,930 at December 31, 2006. This restatement had a corresponding effect on change in fund balances and net assets.

	Net assets as Previously Reported	Advanced Tax Collection Restatement	Net assets As Restated
Governmental Activities:			
Net assets	\$4,126,840	(\$502,930)	\$3,623,910
Total Governmental Activities	\$4,126,840	(\$502,930)	\$3,623,910
	Fund Balance as Previously Reported	Advanced Tax Collection Restatement	Fund Balance As Restated
Governmental Funds:			
Fund Balances	\$1,120,884	(\$502,930)	\$617,954
Total Governmental Funds	\$1,120,884	(\$502,930)	\$617,954

REQUIRED SUPPLEMENTARY INFORMATION

LASALLE COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2007

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
 ANALYSIS OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll	UAAL as a Percentage of Payroll ((b-a)/c)
2004	3,170,347	3,462,558	292,211	91.56	1,129,977	25.86
2005	3,354,112	3,647,396	293,284	91.96	1,432,892	20.47
2006	3,588,564	3,765,914	177,350	95.29	1,776,517	9.98

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

LA SALLE COUNTY, TEXAS
 BALANCE SHEET - ROAD AND BRIDGE FUND
 DECEMBER 31, 2007

	ROAD AND BRIDGE NO. 1	ROAD AND BRIDGE NO. 2	ROAD AND BRIDGE NO. 3	ROAD AND BRIDGE NO. 4	LATERAL ROAD AND BRIDGE	ROAD AND BRIDGE LOADER	TOTAL ROAD AND BRIDGE
ASSETS							
Cash and Cash Equivalents	\$97,537	\$67,971	\$22,485	\$66,487	\$39,890		\$294,370
Receivables (net of allowance for uncollectibles)	83,319	81,631	80,838	82,910			328,698
Due from Other Funds	17,575	574					18,149
Total Assets	198,431	150,176	103,323	149,397	39,890	0	641,217
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts Payable	5,955	2,666	810	6,187	10,000	2,412	28,030
Due to Other Funds			6,038			9,745	15,783
Bank Overdraft						9,583	9,583
Accrued Wages Payable	767	907	1,162	864		459	4,159
Unearned Revenues	157,056	128,378	109,597	162,749			557,780
Total Liabilities	163,778	131,951	117,607	169,800	10,000	22,199	615,335
Fund Balances:							
Unreserved, Reported in Special Revenue Funds	34,653	18,225	(14,284)	(20,403)	29,890	(22,199)	25,882
Total Fund Balance	34,653	18,225	(14,284)	(20,403)	29,890	(22,199)	25,882
Total Liabilities and Fund Balances	\$198,431	\$150,176	\$103,323	\$149,397	\$39,890	\$0	\$641,217

The accompanying notes are an integral part of this statement.

LA SALLE COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED DECEMBER 31, 2007

	ROAD AND BRIDGE NO. 1	ROAD AND BRIDGE NO. 2	ROAD AND BRIDGE NO. 3	ROAD AND BRIDGE NO. 4	LATERAL ROAD AND BRIDGE	ROAD AND BRIDGE LOADER	TOTAL ROAD AND BRIDGE
REVENUES							
Taxes							
Property	\$105,150	\$105,150	\$105,150	\$105,150			\$420,600
Intergovernmental	2,719	12,719	2,719	2,719	40,202		61,078
Licenses and Permits	81,479	81,479	81,479	81,479			325,916
Fines and Forfeitures	9,007	9,007	9,007	9,007			36,028
Interest	592	0	0	0			592
Miscellaneous	288	48,546	6,451	8,754			64,039
Total Revenues	199,235	256,901	204,806	207,109	40,202	0	908,253
EXPENDITURES							
Current:							
Public Transportation							
Road and Bridge	405,191	425,837	192,840	229,757	10,312	60,942	1,324,879
Debt Service							
Principal Retirement	5,491	11,894	23,339	17,599			58,323
Interest and Fiscal Charges		288	4,156	11,965			16,409
Total Expenditures	410,682	438,019	220,335	259,321	10,312	60,942	1,399,611
Excess (Deficiency) of Revenues Over (Under) Expenditures	(211,447)	(181,118)	(15,529)	(52,212)	29,890	(60,942)	(491,358)
OTHER FINANCING SOURCES (USES):							
Other Financing Sources - Capital Leases	216,500	202,619					419,119
Operating Transfers In	10,000	10,000	10,000	36,000		56,231	122,231
Operating Transfers Out	(14,057)	(14,058)	(14,058)	(14,058)			(56,231)
Total Other Financing Sources (Uses)	212,443	198,561	(4,058)	21,942	0	56,231	485,119
Net Changes in Fund Balances	996	17,443	(19,587)	(30,270)	29,890	(4,711)	(6,239)
Fund Balances - Beginning	33,657	782	5,303	9,867	0	(17,488)	32,121
Fund Balances - Ending	\$34,653	\$18,225	(\$14,284)	(\$20,403)	\$29,890	(\$22,199)	\$25,882

The accompanying notes are an integral part of this statement.

LA SALLE COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	JUSTICE OF THE PEACE ACCOUNT	CRIMINAL JUSTICE FUND	COUNTY OFFICER MONIES	Total
ASSETS				
Cash and Cash Equivalents	\$120,355	\$35,531	\$477,365	\$633,251
Receivables (net of allowance for uncollectibles)	6,851			6,851
Due from Others				0
Total Assets	\$127,206	\$35,531	\$477,365	\$640,102
LIABILITIES				
Accounts Payable	\$690	\$33		\$723
Due to Others	126,516	35,498	477,365	639,379
Total Liabilities	\$127,206	\$35,531	\$477,365	\$640,102

LA SALLE COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

JUSTICE OF THE PEACE ACCOUNTS

ASSETS

	BALANCE 1/1/2007	ADDITIONS	DEDUCTIONS	BALANCE 12/31/2007
Cash and Cash Equivalents	\$1,871	\$118,484		\$120,355
Receivables (net of allowance for uncollectibles)	90	6,761		6,851
Due from Others				0
Total Assets	\$1,961	\$125,245	\$0	\$127,206

LIABILITIES:

Accounts Payable	\$0	\$691		\$691
Due to Others	1,961	124,554		126,515
Total Liabilities	\$1,961	\$125,245	\$0	\$127,206

CRIMINAL JUSTICE FUND

ASSETS

	BALANCE 1/1/2007	ADDITIONS	DEDUCTIONS	BALANCE 12/31/2007
Cash and Cash Equivalents	\$97,832	\$545,155	\$607,456	\$35,531
Receivables (net of allowance for uncollectibles)	90		90	0
Due from Others	0			0
Total Assets	\$97,922	\$545,155	\$607,546	\$35,531

LIABILITIES:

Accounts Payable	\$0	\$33		\$33
Due to Others	97,922	545,122	607,546	35,498
Total Liabilities	\$97,922	\$545,155	\$607,546	\$35,531

COUNTY OFFICER MONIES

ASSETS

Cash and Cash Equivalents
 Receivables (net of allowance
 for uncollectibles)
 Due from Others
 Total Assets

	BALANCE 1/1/2007	ADDITIONS	DEDUCTIONS	BALANCE 12/31/2007
Cash and Cash Equivalents	\$2,867,532		\$2,390,167	\$477,365
Receivables (net of allowance for uncollectibles)				0
Due from Others				0
Total Assets	\$2,867,532	\$0	\$2,390,167	\$477,365

LIABILITIES:

Accounts Payable
 Due to Others
 Total Liabilities

Accounts Payable	\$0			\$0
Due to Others	2,867,532		2,390,167	477,365
Total Liabilities	\$2,867,532	\$0	\$2,390,167	\$477,365

TOTAL

ASSETS

Cash and Cash Equivalents
 Receivables (net of allowance
 for uncollectibles)
 Due from Others
 Total Assets

	BALANCE 1/1/2007	ADDITIONS	DEDUCTIONS	BALANCE 12/31/2007
Cash and Cash Equivalents	\$2,967,235	\$663,639	\$2,997,623	\$633,251
Receivables (net of allowance for uncollectibles)	180	6,761	90	6,851
Due from Others	0	0	0	0
Total Assets	\$2,967,415	\$670,400	\$2,997,713	\$640,102

LIABILITIES:

Accounts Payable
 Due to Others
 Total Liabilities

Accounts Payable	\$0	\$724	\$0	\$724
Due to Others	2,967,415	669,676	2,997,713	639,378
Total Liabilities	\$2,967,415	\$670,400	\$2,997,713	\$640,102

LA SALLE COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2007

	CHAPTER 19																			
	COUNTY CLERK AUTO-MATION	COURT-HOUSE SECURITY	COUNTY PARKS	ELDERLY NUTRI-TION	FEDERAL SEIZURE	COURT OF APPEALS	LA SALLE COUNTY RENT ACCOUNT	JUVENILE PROB-ATION	MARCO-TICS FEDERAL FUNDS	SHERIFF STORAGE AND TOWING	SPECIAL ACCOUNT	TECH-NOLOGY FEES	VOTER REGIS-TRATION	DISAS-TER RELIEF TDHCA	FEMA FUND	HOME REHAB TDHCA	LA SALLE COUNTY GRANT	COTULLA-MANCIAL	REAL ESTATE PROCEEDS	
ASSETS	\$22,583	\$11,550		\$10,821	\$51,993		\$17,454	\$116,466	\$88,913	\$63,862	\$47,780	\$886	\$2,907	\$250	\$0	\$40,117	\$255	\$8,250	\$256	\$10,167
Cash and Cash Equivalents																				
Receivables (net of allowance for uncollectibles)	211			4,021																
Due from Other Funds																				
TOTAL ASSETS	\$22,583	\$11,761	\$0	\$14,842	\$51,993	\$0	\$17,454	\$116,466	\$88,913	\$63,862	\$47,780	\$886	\$18,309	\$250	\$0	\$40,117	\$255	\$8,250	\$256	\$10,167
													15,402							
LIABILITIES AND FUND BALANCES																				
Liabilities	\$678		\$1,690	\$3,851			\$550	\$2,512		\$3,396		\$95	\$11,530		\$2,700		\$9,080	3,230		136,064
Accounts Payable	514		20,456	60,335		30		11,771	41,502						98,393					
Due to Other Funds																				
Bank Overdraft	107			878				414												
Accrued Wages Payable			10,000		34,781															
Deferred Revenues			32,146	65,064	34,781	30	550	14,697	41,502	0	3,396	95	11,530	0	101,093	0	0	59,080	3,230	136,064
Total Liabilities	1,289	0	32,146	65,064	34,781	30	550	14,697	41,502	0	3,396	95	11,530	0	101,093	0	0	59,080	3,230	136,064
Fund Balances																				
Restricted for:																				
Debt Service	21,284	11,761	(32,146)	(60,222)	17,212	(30)	16,904	101,769	47,411	63,862	44,384	791	6,779	250	(101,093)	40,117	255	(50,830)	(2,974)	(125,897)
Construction																				
Unreserved - Undesignated	21,284	11,761	(32,146)	(60,222)	17,212	(30)	16,904	101,769	47,411	63,862	44,384	791	6,779	250	(101,093)	40,117	255	(50,830)	(2,974)	(125,897)
Total Fund Balances	\$22,583	\$11,761	\$0	\$14,842	\$51,993	\$0	\$17,454	\$116,466	\$88,913	\$63,862	\$47,780	\$886	\$18,309	\$250	\$0	\$40,117	\$255	\$8,250	\$256	\$10,167
TOTAL LIABILITIES AND FUND BALANCES																				

(continued)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- BUDGET AND ACTUAL

ROAD REPAIR FUND	TDCP NO. 722431	NON-MAJOR GOVERNMENTAL FUNDS
\$0	\$250	\$494,760
		4,232
136,064		151,466
<u>\$136,064</u>	<u>\$250</u>	<u>\$650,458</u>

\$27,002
410,919
20,466
1,399
44,781
<u>0</u>
<u>504,557</u>

0		
136,064	250	176,866
		<u>(30,785)</u>
<u>136,064</u>	<u>250</u>	<u>145,901</u>
<u>\$136,064</u>	<u>\$250</u>	<u>\$650,458</u>

LA SALLE COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	SPECIAL REVENUE											CAPITAL PROJECTS									
	COUNTY CLERK AUTO-MOTION	COURT-HOUSE SECURITY	COUNTY PARKS	ELDERLY NUTRI-TION	FEDERAL SEIZURE	FOURTH COURT OF APPEALS	LA SALLE COUNTY RENT ACCOUNT	JUVENILE PROB-ATION	NARCOTICS FEDERAL FUNDS	SHERIFF STORAGE AND TOWING	SPECIAL ACCOUNT	TECH-NOLOGY FEES	VOTER REGISTRA-TION	DISASTER RELIEF TDHCA	FEMA FUND	HOME REHAB TDHCA	LA SALLE COUNTY	COTULLY ORIGINAL GRANT	REAL ESTATE PROCEEDS		
REVENUES																					
Taxes			\$10,000	145,655				183,127	14,764					50,306			18,900				
Property																					
Intergovernmental			16,000						148,395		7,473										
Licenses and Permits																					
Charges for Services	12,934	6,376			517											5					
Interest				6,121																	
Miscellaneous			26,000	151,776	517	0	27,398	183,127	14,764	148,395	2,825	7,473	0	50,306	0	5	18,900	0	0	0	
Total Revenues	12,934	6,376	26,000	151,776	517	0	27,398	183,127	14,764	148,395	2,825	7,473	0	50,306	0	5	18,900	0	0	0	
EXPENDITURES																					
Current:																					
General Administration	11,377																				
Records Management																					
Non Departmental																					
Judicial																					
Judicial																					
Public Facilities																					
Courthouse and Yards																					
Public Safety																					
Probation																					
Sheriff																					
Emergency Operations																					
Courthouse Security																					
Public Transportation																					
Road and Bridge																					
Health and Welfare				175,892																	
Elderly Nutrition																					
Culture and Recreation																					
County Parks			1,690																		
Capital Projects - Capital Outlay and Other																					
Debt Service				6,242																	
Principal Retirement				671																	
Interest Retirement			1,690	183,005	0	0	936	127,817	41,502	29,466	114,123	2,990	15,928	0	0	0	71,621	0	0	14,707	
Total Expenditures	11,377	6,228	1,690	183,005	0	0	936	127,817	41,502	29,466	114,123	2,990	15,928	0	0	0	71,621	0	0	14,707	
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,557	148	24,310	(31,229)	517	0	26,462	55,310	41,532	(14,702)	34,272	(165)	(8,455)	0	5	(52,721)	0	0	0	(14,707)	
OTHER FINANCING SOURCES (USES):																					
Operating Transfers In				(26,000)																	
Operating Transfers In				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Other Financing Sources (Uses)				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Changes in Fund Balances	1,557	148	(1,690)	(31,229)	517	0	26,462	55,310	41,532	(14,702)	(728)	(165)	(8,455)	0	5	(52,721)	0	0	0	(14,707)	
Fund Balances - Beginning	19,727	11,613	(30,466)	(18,993)	16,695	(30)	(9,558)	46,459	5,879	78,564	45,112	966	15,234	0	7,510	40,117	250	1,891	(2,974)	(111,190)	
Fund Balances - Ending	\$21,284	\$11,761	(\$32,146)	(\$50,222)	\$17,212	(\$30)	\$16,904	\$101,769	\$47,411	\$63,862	\$44,384	\$791	\$6,779	\$250	(\$10,099)	\$40,117	\$255	(\$50,830)	(\$2,974)	(\$125,897)	

(continued)

		NON-MAJOR	
ROAD	REPAIR	GOVERN-	MENTAL
FUND	TDCP	FUND	FUND
NO. 722431	NO. 722431	NO. 722431	NO. 722431
FUNDS	FUNDS	FUNDS	FUNDS
		\$10,000	
98,688		511,440	
		16,000	
		175,178	
		522	
		119,378	
98,688	0	832,518	

	11,377
685	3,675
	15,928
	936
	127,817
	143,389
	71,621
	6,228
108,406	108,406
	175,892
	1,690
	173,616

	37,660
	10,955
108,406	685
	869,390

(9,718)	(685)	(56,872)
---------	-------	----------

	250	
	(61,000)	
0	0	
(9,718)	(685)	
	(117,622)	
145,782	935	263,523
\$136,064	\$250	\$145,901

LA SALLE COUNTY, TEXAS
 NARCOTICS FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$27,070	\$27,070	\$14,764	(\$12,306)
Miscellaneous	2,000	2,000	0	(2,000)
Total Revenues	29,070	29,070	14,764	(14,306)
EXPENDITURES				
Current:				
Public Safety				
Sheriff	44,070	44,070	29,466	14,604
Total Expenditures	44,070	44,070	29,466	14,604
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	(15,000)	(14,702)	298
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0		0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(15,000)	(15,000)	(14,702)	298
Fund Balances - Beginning	78,564	78,564	78,564	
Fund Balances - Ending	\$63,564	\$63,564	\$63,862	\$298

LA SALLE COUNTY, TEXAS
 COUNTY PARKS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$10,000	\$10,000	\$10,000	\$0
Licenses and Permits	16,000	16,000	16,000	0
Total Revenues	26,000	26,000	26,000	0
EXPENDITURES				
Current:				
Public Safety				
Sheriff	0	0	1,690	(1,690)
Total Expenditures	0	0	1,690	(1,690)
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,000	26,000	24,310	(1,690)
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	(26,000)	(26,000)	(26,000)	0
Total Other Financing Sources (Uses)	(26,000)	(26,000)	(26,000)	0
Net Changes in Fund Balances	0	0	(1,690)	(1,690)
Fund Balances - Beginning	(30,456)	(30,456)	(30,456)	
Fund Balances - Ending	(\$30,456)	(\$30,456)	(\$32,146)	(\$1,690)

LA SALLE COUNTY, TEXAS
 COURTHOUSE SECURITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$12,245	\$12,245	\$6,376	(\$5,869)
Total Revenues	12,245	12,245	6,376	(5,869)
EXPENDITURES				
Current:				
Public Safety				
Courthouse Security	34,246	34,246	6,228	28,018
Total Expenditures	34,246	34,246	6,228	28,018
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,001)	(22,001)	148	22,149
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0		0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(22,001)	(22,001)	148	22,149
Fund Balances - Beginning	11,613	11,613	11,613	
Fund Balances - Ending	(\$10,388)	(\$10,388)	\$11,761	\$22,149

LA SALLE COUNTY, TEXAS
 SHERIFF STORAGE AND TOWING
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$150,000	\$150,000	\$148,395	(\$1,605)
Total Revenues	150,000	150,000	148,395	(1,605)
EXPENDITURES				
Current:				
Public Safety				
Sheriff	180,000	180,000	114,123	65,877
Total Expenditures	180,000	180,000	114,123	65,877
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,000)	(30,000)	34,272	64,272
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	(70,000)	(70,000)	(35,000)	35,000
Total Other Financing Sources (Uses)	(70,000)	(70,000)	(35,000)	35,000
Net Changes in Fund Balances	(100,000)	(100,000)	(728)	99,272
Fund Balances - Beginning	45,112	45,112	45,112	
Fund Balances - Ending	(\$54,888)	(\$54,888)	\$44,384	\$99,272