

LA SALLE COUNTY, TEXAS  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2018



LA SALLE COUNTY, TEXAS

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge  
And Honorable County Commissioners  
La Salle County, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the La Salle County, Texas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the La Salle County, Texas, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the La Salle County, Texas' basic financial statements. The schedule of expenditures of state awards is presented for purposes of additional analysis as required by the State of Texas Single Audit Circular, and is also not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2019, on our consideration of the La Salle County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering La Salle County, Texas' internal control over financial reporting and compliance.

*Canalee, Sarga & Baum, PLLC*

Laredo, Texas  
October 25, 2019

## La Salle County, Texas

### Management's Discussion and Analysis December 31, 2018

This section of La Salle County, Texas' (the "County") annual financial report presents our discussion and analysis of the county's financial performance during the year ended December 31, 2018. Please read it in conjunction with the County's financial statements, which follow this section.

#### **Financial Highlights**

##### *Government-Wide Highlights*

- The County's total combined net assets were \$114,414,893 at December 31, 2018.
- During the year, the County's revenues were \$30,881,072 more than total expense of \$29,855,790.
- The General Fund reported a net increase in fund balance of \$297,949 from last year, with an ending fund balance this year of \$13,930,858.

#### **Overview of the Financial Statements**

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplemental information*. The basic financial statements comprise three components: 1) government-side financial statements, 2) fund financial statements, 3) notes to financial statements, 4) required supplemental information, and 5) other supplemental information.

##### *Government-Wide Financial Statements*

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private sector business. They present the financial picture of the County from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the County (including infrastructure) as well as all liabilities. Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 regarding interfund activity, payables, and receivables.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets contrasted with budgetary decisions should serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

## La Salle County, Texas

### Management's Discussion and Analysis December 31, 2018

The statement of activities presents information showing how net assets changed during the most recent fiscal year using the full accrual basis of accounting. 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 in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government, justice system, public safety, corrections and rehabilitation, health and human services, community and economic development, and infrastructure and environmental services.

#### *Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated from specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements however, Governmental funds 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 the County'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 County's near-term financing decisions. Both the Governmental Funds balance sheet and the Governmental Funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the Governmental Funds and governmental activities.

## La Salle County, Texas

### Management's Discussion and Analysis December 31, 2018

Information is presented separately in the Governmental Funds balance sheet and in the Governmental Funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge Fund, the County Regional Detention Facility, The Debt Service Fund, Certificates of Obligation, Series 2018 Fund, the TXDOT CTIF Grant Fund, the C.O. and Road Bond Capital Project Funds which are classified as major funds. Data from the other nonmajor Governmental funds are combined into a single, aggregated presentation.

The County adopts an annual appropriated budget as a management control device during the year for the General Fund and for all Special Revenue Funds. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget.

#### *Fiduciary Funds*

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations and must ensure the assets reported in these funds are used for their intended purposes.

#### *Notes to 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.

#### *Required Supplemental Information*

In addition to the basic financial statements and accompanying notes, this report presents certain required supplemental information concerning the County's major funds, the General Fund and the Road and Bridge Fund, budgetary comparison schedules. Also presented is a schedule of funding progress for the County's pension plan.

#### **Financial Analysis of the County as a Whole**

Of the County's total assets of \$198,490,713, the largest components are 1) cash and investments and restricted cash and investments of \$52,879,741, or 27%, 2) receivables (net of allowance for doubtful accounts) of \$25,597,665 or 13%, and 3) capital assets (net of accumulated depreciation) of \$116,180,897 or 59%. Capital assets are nonliquid and cannot be utilized to satisfy County obligations.

## La Salle County, Texas

### Management's Discussion and Analysis December 31, 2018

The County's assets and deferred outflows exceeded liabilities and deferred inflows by \$114,414,893 as of December 31, 2018.

	Governmental-Type Activities	
	2018	2017
Current and Other Assets	\$ 84,292,458	\$ 71,682,697
Capital Assets	101,195,125	90,758,322
Total Assets	185,487,583	162,441,019
Deferred Outflow of Resources	1,691,452	1,489,860
Current Liabilities	2,847,779	3,519,978
Long Term Liabilities	62,206,990	59,701,679
Total Liabilities	65,054,769	63,221,657
Deferred Inflow of Resources	7,709,373	17,175,401
Invested in Capital Assets, Net of Related Debt	39,569,341	32,528,451
Restricted	37,878,289	29,480,890
Unrestricted	36,967,263	21,524,480
Total Net Assets	\$ 114,414,893	\$ 83,533,821

Governmental activities increased the County's net assets by \$30,881,072. The key component of this increase is due to increased tax revenues and additional capital outlay purchases.

**La Salle County, Texas**

Management's Discussion and Analysis  
December 31, 2018

**Financial Analysis of the County as a Whole (continued)**

Functions/Programs	Expenses	Program Revenues Charges for Services	2018 Net (Expenses) Revenue and Changes in Net Assets Governmental Activities	2017 Net (Expenses) Revenue and Changes in Net Assets Governmental Activities
Governmental activities				
General administration	4,889,821	208,334	(4,681,487)	(9,039,655)
Legal	338,540	-	(338,540)	(317,725)
Judicial	842,819	104,920	(737,899)	(713,298)
Financial administration	685,887	490,021	(195,866)	(55,816)
Public safety	14,417,911	341,583	(14,076,328)	(6,984,563)
Public facilities	383,934	-	(383,934)	(345,500)
Public transportation	4,751,233	27,600	(4,723,633)	(4,115,645)
Health and welfare	817,625	12,573	(805,052)	(626,460)
Culture and recreation	1,315,571	18,188	(1,297,383)	(881,796)
Conservation and development	41,899	-	(41,899)	(35,847)
Interest and Fiscal Charges	1,370,550	-	(1,370,550)	(1,608,840)
Total governmental activities	<u>29,855,790</u>	<u>1,203,219</u>	<u>(28,652,571)</u>	<u>(24,725,145)</u>
General revenues:				
Taxes			44,484,134	25,101,381
Grants & contributions unrestricted			2,216,775	5,911,663
Fines & forfeitures			861,334	1,077,906
Licenses & permits			342,083	393,145
Interest			667,235	360,517
Lawsuit proceeds			10,000	1,000,000
Transfers			4,835,213	5,675,000
Miscellaneous			426,869	
Premium on issuance of 2018 CO's & refunded bonds			<u>5,690,000</u>	<u>314,322</u>
Total general revenues			<u>59,533,643</u>	<u>39,833,934</u>
Increase in net assets			30,881,072	15,108,789
Net position at beginning of year			83,533,821	56,307,112
Prior period adjustment			-	<u>12,117,920</u>
Net position at end of year			<u>\$ 114,414,893</u>	<u>\$ 83,533,821</u>

## **La Salle County, Texas**

### **Management's Discussion and Analysis December 31, 2018**

#### **Financial Analysis of the County's Funds**

##### *General Fund Budgetary Highlights*

The budget is prepared in accordance with financial policies approved by the County Treasurer and the Commissioner's Court following a public hearing. The County Treasurer is required by policy to present the Commissioner's Court with a balanced budget.

The budget is prepared in accordance with accounting principles generally accepted in the United State of America by the County Treasurer and approved by the Commissioner's Court following a public hearing. Appropriated budgets are approved and employed as management control devise during the year. The County maintains strict budgetary controls and sets its appropriations at the line item level for each department. Appropriation transfers may be made between line item or departments only with the approval of the Commissioner's Court.

Over the course of the year, the County revised its budget. The County had a surplus budget for 2018 with budgeted revenues exceeding budgeted expenditures in the General Fund by \$621,733. The County's General Fund revenues were \$1,361,234 under budgeted amounts and are attributed to tax collections. The County's General Fund expenditures were \$1,037,450 under budgeted amounts. The excess revenues over expenditures were due to budget control of expenditures.

#### **Capital Assets and Debt Administration**

##### Capital assets

La Salle County's investment in capital assets for its governmental activities as of December 31, 2018, amounts to \$101,195,125 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. There was a total increase in the La Salle County's' investment in capital assets for the current fiscal year of 11 percent, which was attributable to construction in progress of various county projects.

**La Salle County, Texas**

Management's Discussion and Analysis  
December 31, 2018

**LA SALLE COUNTY**

Changes in Fixed Assets  
FYE 12-31-18

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 224,115	\$ -	\$ -	\$ 224,115
Construction in Progress	7,770,494	8,901,208	3,721,452	12,950,250
Total capital assets not being depreciated	<u>7,994,609</u>	<u>8,901,208</u>	<u>3,721,452</u>	<u>13,174,365</u>
 <i>Capital assets being depreciated:</i>				
Infrastructure	49,811,896	5,973,167	-	55,785,063
Buildings and Improvements	31,752,132	2,287,015	-	34,039,147
Furniture and Equipment	12,241,641	530,787	-	12,772,428
Total capital assets being depreciated	<u>93,805,669</u>	<u>8,790,969</u>	<u>-</u>	<u>102,596,638</u>
Less accumulated depreciation for:				
Infrastructure	1,172,976	1,634,536	-	2,807,512
Buildings and Improvements	3,399,637	904,220	-	4,303,857
Furniture and Equipment	6,469,343	995,166	-	7,464,509
Total accumulated depreciation	<u>11,041,956</u>	<u>3,533,922</u>	<u>-</u>	<u>14,575,878</u>
Total capital assets being depreciated, net	<u>82,763,713</u>	<u>5,257,047</u>	<u>-</u>	<u>88,020,760</u>
Governmental activities capital assets, net	<u>\$ 90,758,322</u>	<u>\$ 14,158,255</u>	<u>\$ 3,721,452</u>	<u>\$ 101,195,125</u>

## La Salle County, Texas

### Management's Discussion and Analysis December 31, 2018

#### Long Term Debt

At the end of the current fiscal year, the County had a various bonds and notes outstanding of \$61,625,784 as follows.

	AMOUNT DUE 12/31/2017	ISSUED 2018	RETIRED/ REFUNDED 2018	BALANCE 12/31/2018	DUE WITHIN ONE YEAR
<b>GOVERNMENTAL TYPE ACTIVITIES</b>					
REFUNDING BONDS, SERIES 2010	1,720,921	-	1,720,921	-	-
CERT OF OBLIGATIONS, SERIES 2010 A	1,630,000	-	1,630,000	-	-
CERT OF OBLIGATIONS, SERIES 2013 A	550,000	-	550,000	-	-
UNLIMITED TAX ROAD BONDS, SERIES 2013	12,555,000	-	12,555,000	-	-
CERT OF OBLIGATIONS, SERIES 2013	6,240,000	-	6,240,000	-	-
CERT OF OBLIGATIONS, SERIES 2014	32,910,000	-	32,910,000	-	-
CERT OF OBLIGATIONS, SERIES 2018	-	18,075,000	-	18,075,000	545,000
LIMITED TAX REFUNDING BONDS, SERIES 2018	-	31,120,000	-	31,120,000	2,025,000
UNLIMITED TAX REFUNDING ROAD BONDS, SERIES 2018	-	10,110,000	-	10,110,000	2,025,000
STOCKMENS NATIONAL BANK	907,796	-	190,554	717,242	158,698
CAPITAL LEASES	1,514,414	421,590	332,462	1,603,542	486,466
<b>TOTAL GOVERNMENTAL TYPE</b>	<b>58,028,131</b>	<b>59,726,590</b>	<b>56,128,937</b>	<b>61,625,784</b>	<b>5,240,164</b>

#### Economic Factors and Next Year's Budget and Rates

The annual budget is developed to provide efficient, effective, and economic uses of the County's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the County Commissioners set the direction of the County, allocate its resources, and establish its priorities.

#### Economic Factors and Next Year's Budget and Rates (cont.)

The budget was adopted based on estimated balances that would be available at the end of the fiscal year 2018 and estimated revenues to be received in the fiscal year 2018.

For 2018-2019, the property tax rate is \$0.50000 of \$100 assessed taxable valuation. Tax revenues are budgeted to increase, due to an increase in the tax base.

#### Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Treasurer at (830) 483-5143.

LA SALLE COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2018

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	20,460,354	2,292,921	22,753,275
RESTRICTED CASH AND CASH EQUIVALENTS	30,126,466	-	30,126,466
RECEIVABLES (NET OF ALLOWANCE)	22,550,388	236,284	22,786,672
GRANT RECEIVABLE	453,040	2,357,953	2,810,993
INTERNAL BALANCES	10,668,438	(6,869,800)	3,798,638
NET PENSION ASSET	33,772	-	33,772
<b>CAPITAL ASSETS</b>			
LAND	224,115	-	224,115
CONSTRUCTION IN PROGRESS	12,950,250	-	12,950,250
INFRASTRUCTURE	55,785,063	-	55,785,063
BUILDING AND IMPROVEMENTS	34,039,147	20,336,689	54,375,836
EQUIPMENT AND FURNITURE	12,772,428	2,463,107	15,235,535
LESS: ACCUMULATED DEPRECIATION	(14,575,878)	(7,814,024)	(22,389,902)
TOTAL CAPITAL ASSETS	101,195,125	14,985,772	116,180,897
TOTAL ASSETS	185,487,583	13,003,130	198,490,713
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
DEFERRED OUTFLOWS RELATED TO PENSIONS & OPEB	1,691,452	-	1,691,452
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,691,452	-	1,691,452
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE	1,571,515	628,040	2,199,555
ACCRUED WAGES PAYABLE	257,242	-	257,242
RETAINAGE PAYABLE	934,196	-	934,196
DUE TO OTHERS	84,826	25,307	110,133
<b>LONG-TERM LIABILITIES</b>			
DUE WITHIN ONE YEAR	5,240,164	1,345,500	6,585,664
DUE IN MORE THAN ONE YEAR	56,385,620	13,818,750	70,204,370
COMPENSATED ABSENCES	349,013	-	349,013
NET OPEB LIABILITY	232,193	-	232,193
TOTAL LIABILITIES	65,054,769	15,817,597	80,872,366
<b>DEFERRED INFLOWS OF RESOURCES</b>			
UNAVAILABLE REVENUE - PROPERTY TAXES	7,156,793	-	7,156,793
DEFERRED INFLOWS RELATED TO PENSIONS & OPEB	552,580	-	552,580
TOTAL DEFERRED INFLOWS OF RESOURCES	7,709,373	-	7,709,373
<b>NET ASSETS</b>			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	39,569,341	-	39,569,341
<b>RESTRICTED:</b>			
DEBT SERVICE	22,784	-	22,784
OTHER PURPOSES	37,855,505	-	37,855,505
UNRESTRICTED	36,967,263	(2,814,467)	34,152,796
TOTAL NET ASSETS	114,414,893	(2,814,467)	111,600,426

The accompanying notes are an integral part of this statement



LA SALLE COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN		NET (EXPENSE) REVENUE AND CHANGES IN TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES:						
GENERAL ADMINISTRATION	4,889,821	208,334	43,780	(4,637,707)		(4,637,707)
LEGAL	338,540			(338,540)		(338,540)
JUDICAL	842,819	104,920		(737,899)		(737,899)
FINANCIAL ADMINISTRATION	685,887	490,021	17,454	(178,412)		(178,412)
PUBLIC SAFETY	14,417,911	341,583	129,339	(13,946,989)		(13,946,989)
PUBLIC FACILITIES	383,934			(383,934)		(383,934)
PUBLIC TRANSPORTATION	4,751,233	27,600	194,013	(3,012,746)	1,516,874	(3,012,746)
HEALTH AND WELFARE	817,625	12,573	315,315	(489,737)		(489,737)
CULTURE AND RECREATION	1,315,571	18,188		(1,297,383)		(1,297,383)
CONSERVATION	41,899			(41,899)		(41,899)
INTEREST AND FISCAL CHARGES	1,370,550			(1,370,550)		(1,370,550)
TOTAL GOVERNMENTAL ACTIVITIES	<u>29,855,790</u>	<u>1,203,219</u>	<u>699,901</u>	<u>(26,435,796)</u>	<u>-</u>	<u>(26,435,796)</u>
BUSINESS-TYPE ACTIVITIES						
LA SALLE COUNTY NURSING HOME	6,733,118	4,562,656			(2,170,462)	(2,170,462)
PUBLIC FACILITIES CORPORATION	1,069,481	9,051,644			7,982,163	7,982,163
TOTAL BUSINESS-TYPE ACTIVITIES	<u>7,802,599</u>	<u>13,614,300</u>	<u>-</u>	<u>-</u>	<u>5,811,701</u>	<u>5,811,701</u>
TOTAL PRIMARY GOVERNMENT	<u>37,658,389</u>	<u>14,817,519</u>	<u>699,901</u>	<u>(26,435,796)</u>	<u>5,811,701</u>	<u>(20,624,095)</u>
GENERAL REVENUES						
PROPERTY TAXES, LEVIED FOR GENERAL PURPOSES				44,476,481		44,476,481
MISCELLANEOUS TAXES				7,653		7,653
FINES AND FORFEITURES				861,334		861,334
LICENSES AND PERMITS				342,083		342,083
UNRESTRICTED INVESTMENT EARNINGS				667,235	40,010	707,245
MISCELLANEOUS				426,869	-	426,869
LAWSUIT PROCEEDS				10,000		10,000
INTERGOVERNMENTAL TRANSFERS				4,835,213	(4,835,213)	-
PREMIUM ON ISSUANCE OF 2018 CO'S & REFUNDED BONDS				5,690,000	-	5,690,000
FORGIVENESS OF DEBT				-	778,532	778,532
TOTAL GENERAL REVENUES AND TRANSFERS				<u>57,316,868</u>	<u>(4,016,671)</u>	<u>53,300,197</u>
CHANGES IN NET ASSETS				30,881,072	1,795,030	32,676,102
NET ASSETS - BEGINNING				83,533,821	(4,609,497)	78,924,324
NET ASSETS - ENDING				<u>114,414,893</u>	<u>(2,814,467)</u>	<u>111,600,426</u>

The accompanying notes are an integral part of this statement

LA SALLE COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

	GENERAL FUND	ROAD & BRIDGE	REGIONAL DETENTION CENTER
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 10,295,483	\$ 4,348,266	\$ 442,848
RESTRICTED CASH AND CASH EQUIVALENTS	-	-	-
TAXES RECEIVABLE	11,246,015	2,693,374	-
ALLOWANCE FOR UNCOLLECTIBLE TAXES	(562,301)	(134,668)	-
ACCOUNTS RECEIVABLE	-	-	105,609
INTERGOVERNMENTAL RECEIVABLES	-	-	-
DUE FROM OTHER FUNDS	8,208,593	1,332,999	-
<b>TOTAL ASSETS</b>	<b>\$ 29,187,790</b>	<b>\$ 8,239,971</b>	<b>\$ 548,457</b>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE	\$ 237,444	\$ 91,179	\$ 212,746
WAGES AND SALARIES PAYABLE	123,239	14,634	81,374
RETAINAGE PAYABLE	-	-	-
INTERGOVERNMENTAL PAYABLE	84,424	-	-
DUE TO OTHER FUNDS	-	126,732	254,337
DUE TO OTHERS	-	-	-
<b>TOTAL LIABILITIES</b>	<b>445,107</b>	<b>232,545</b>	<b>548,457</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
UNAVAILABLE REVENUE	14,811,825	3,504,576	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>14,811,825</b>	<b>3,504,576</b>	<b>-</b>
<b>FUND BALANCES</b>			
RESTRICTED FOR DEBT SERVICE	-	-	-
CONSTRUCTION	-	1,492,425	-
OTHER ASSIGNED FUND BALANCE	-	3,010,425	-
UNASSIGNED FUND BALANCE	13,930,858	-	-
<b>TOTAL FUND BALANCES</b>	<b>13,930,858</b>	<b>4,502,850</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; FUND BALANCES</b>	<b>\$ 29,187,790</b>	<b>\$ 8,239,971</b>	<b>\$ 548,457</b>

The accompanying notes are an integral part of this statement

DEBT SERVICE	CERTIFICATES OF OBLIGATION SERIES 2018	TXDOT CTIF	2014 TAX BOND CAPITAL PROJECTS	CIP TAX BOND CAPITAL PROJECT	OTHER FUNDS	TOTAL
\$ 1,260,400	\$ -	\$ 1,057,096		\$ -	\$ 3,056,261	\$ 20,460,354
-	20,141,424	-	4,292,939	5,692,103	-	30,126,466
9,686,694	-	-	-	-	-	23,626,083
(484,335)	-	-	-	-	-	(1,181,304)
-	-	-	-	-	-	105,609
-	-	-	-	-	453,040	453,040
845,195	-	-	431,827	-	5,834,065	16,652,679
<u>\$ 11,307,954</u>	<u>\$ 20,141,424</u>	<u>\$ 1,057,096</u>	<u>\$ 4,724,766</u>	<u>\$ 5,692,103</u>	<u>\$ 9,343,366</u>	<u>\$ 90,242,927</u>
\$ -	\$ -	\$ -	\$ 249,200	\$ 533,553	\$ 247,393	\$ 1,571,515
-	-	-	-	-	37,995	257,242
-	-	-	829,752	104,444	-	934,196
-	-	-	-	-	-	84,424
-	-	1,057,096	-	69,188	4,476,888	5,984,241
-	-	-	-	-	402	402
<u>-</u>	<u>-</u>	<u>1,057,096</u>	<u>1,078,952</u>	<u>707,185</u>	<u>4,762,678</u>	<u>8,832,020</u>
11,285,170	-	-	-	-	189	29,601,760
11,285,170	-	-	-	-	189	29,601,760
22,784	-	-	-	-	-	22,784
-	20,141,424	-	3,645,814	4,984,918	5,051,404	35,315,985
-	-	-	-	-	(470,905)	2,539,520
-	-	-	-	-	-	13,930,858
22,784	20,141,424	-	3,645,814	4,984,918	4,580,499	51,809,147
<u>\$ 11,307,954</u>	<u>\$ 20,141,424</u>	<u>\$ 1,057,096</u>	<u>\$ 4,724,766</u>	<u>\$ 5,692,103</u>	<u>\$ 9,343,366</u>	<u>\$ 90,242,927</u>



LA SALLE COUNTY, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 DECEMBER 31, 2018

Total Fund Balances - governmental funds balance sheet	\$ 51,809,147
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not reported in the funds	101,195,125
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectible)	22,444,967
Included in the items related to debt is the recognition of the County's proportionate share of the net pension asset required by GASB 68 in the amount of \$33,772, a deferred resources outflows related to TCDRS in the amount of \$1,691,452 share of the net pension liability required by GASB 75 in the amount of \$(232,193), and a deferred resources outflows related to TCDRS in the amount of \$(552,580)	940,451
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(61,974,797)</u>
Net assets of governmental activities - statement of net assets	<u><u>\$ 114,414,893</u></u>

The accompanying notes are an integral part of this statement

LA SALLE COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018

	GENERAL FUND	ROAD & BRIDGE	REGIONAL DETENTION CENTER
<u>REVENUES</u>			
TAXES:			
PROPERTY TAXES	\$ 14,240,248	\$ 3,431,630	\$ -
OTHER TAXES	7,653	-	-
LICENSES AND PERMITS	2,499	339,584	-
INTERGOVERNMENTAL REVENUES AND GRANTS	319,994	193,353	-
CHARGES FOR SERVICES	801,982	27,600	104,253
FINES AND FORFEITURES	754,897	29,264	-
INVESTMENT EARNINGS	232,715	64,880	313
OTHER REVENUE	252,706	10,531	-
TOTAL REVENUES	<u>16,612,694</u>	<u>4,096,842</u>	<u>104,566</u>
<u>EXPENDITURES</u>			
CURRENT:			
GENERAL ADMINISTRATION	3,877,980	-	-
LEGAL	285,196	-	-
JUDICIAL	829,013	-	-
FINANCIAL ADMINISTRATION	691,626	-	-
PUBLIC SAFETY	5,406,987	-	6,265,656
PUBLIC FACILITIES	385,996	-	-
PUBLIC TRANSPORTATION	-	2,823,448	-
HEALTH AND WELFARE	285,696	-	-
CULTURE AND RECREATION	44,000	-	-
CONSERVATION AND DEVELOPMENT:			
CONSERVATION	41,899	-	-
DEBT SERVICE:			
PRINCIPAL	-	261,489	-
INTEREST	-	23,658	-
CAPITAL OUTLAY:			
CAPITAL OUTLAY	288,911	169,442	172,454
TOTAL EXPENDITURES	<u>12,137,304</u>	<u>3,278,037</u>	<u>6,438,110</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,475,390	818,805	(6,333,544)
<u>OTHER FINANCING SOURCES/USES</u>			
LOAN PROCEEDS	200,945	-	-
OPERATING TRANSFERS IN	-	-	6,365,609
OPERATING TRANSFERS OUT	(4,378,386)	-	-
LAWSUIT PROCEEDS	-	-	-
TOTAL OTHER FINANCING SOURCES/USES	<u>(4,177,441)</u>	<u>-</u>	<u>6,365,609</u>
NET CHANGE IN FUND BALANCES	297,949	818,805	32,065
FUND BALANCES - BEGINNING	13,632,909	3,684,045	(32,065)
FUND BALANCES - ENDING	<u>\$ 13,930,858</u>	<u>\$ 4,502,850</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

DEBT SERVICE	CERTIFICATES OF OBLIGATION SERIES 2018	TXDOT CTIF	2014 TAX BOND CAPITAL PROJECTS	CIP TAX BOND CAPITAL PROJECT	OTHER FUNDS	TOTAL
\$ 12,291,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,963,527
-	-	-	-	-	-	7,653
-	-	-	-	-	-	342,083
-	-	914,332	-	-	789,096	2,216,775
-	-	-	-	-	269,384	1,203,219
-	-	-	-	-	77,173	861,334
11,776	141,424	-	94,470	114,178	7,479	667,235
-	-	-	-	-	163,632	426,869
<u>12,303,425</u>	<u>141,424</u>	<u>914,332</u>	<u>94,470</u>	<u>114,178</u>	<u>1,306,764</u>	<u>35,688,695</u>
-	-	-	-	-	580,795	4,458,775
-	-	-	-	-	50,391	335,587
-	-	-	-	-	12,925	841,938
-	-	-	-	-	-	691,626
-	-	-	-	-	1,923,969	13,596,612
-	-	-	-	-	-	385,996
-	-	-	-	-	-	2,823,448
-	-	-	-	-	457,639	743,335
-	-	-	-	-	784,549	828,549
-	-	-	-	-	-	41,899
11,688,977	-	-	-	-	-	11,950,466
1,346,892	-	-	-	-	-	1,370,550
-	-	2,280,730	8,759,471	1,529,694	770,022	13,970,724
<u>13,035,869</u>	<u>-</u>	<u>2,280,730</u>	<u>8,759,471</u>	<u>1,529,694</u>	<u>4,580,290</u>	<u>52,039,505</u>
(732,444)	141,424	(1,366,398)	(8,665,001)	(1,415,516)	(3,273,526)	(16,350,810)
-	20,000,000	-	-	-	-	20,200,945
-	-	1,366,398	-	-	2,874,074	10,606,081
-	-	-	(1,392,482)	-	-	(5,770,868)
-	-	-	-	10,000	-	10,000
<u>-</u>	<u>20,000,000</u>	<u>1,366,398</u>	<u>(1,392,482)</u>	<u>10,000</u>	<u>2,874,074</u>	<u>25,046,158</u>
(732,444)	20,141,424	-	(10,057,483)	(1,405,516)	(399,452)	8,695,348
755,228	-	-	13,703,297	6,390,434	4,979,951	43,113,799
<u>\$ 22,784</u>	<u>\$ 20,141,424</u>	<u>\$ -</u>	<u>\$ 3,645,814</u>	<u>\$ 4,984,918</u>	<u>\$ 4,580,499</u>	<u>\$ 51,809,147</u>



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, 2018

Net changes in fund balances - total governmental funds	\$ 8,695,348
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	10,436,802
Long-term liabilities, including loan proceeds, are not due and payable in the current period and therefore are not reported in the funds	(20,200,945)
Premium on issuance of 2018 CO's and refunded bonds are not reported in the funds	5,690,000
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	14,512,954
The implementation of GASB 68 & 75 required that certain expenditures be de-expended and recorded as deferred resources outflows.	(215,402)
Repayment of loan principal is an expenditure in the funds but not an expense in the statement of activities	11,950,466
Compensated Absences recorded for entity wide financial statements	11,849
	<hr/>
Change in net assets of governmental activities - statement of activities	<u><u>\$ 30,881,072</u></u>

The accompanying notes are an integral part of this statement.



LA SALLE COUNTY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2018

	NURSING HOME	PUBLIC FACILITIES CORPORATION	TOTAL
<b>ASSETS</b>			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 399,574	\$ 1,893,347	\$ 2,292,921
ACCOUNTS RECEIVABLE-NET OF UNCOLLECTIBLE ALLOWANCE	236,284	-	236,284
DUE FROM OTHER GOVERNMENTS	-	2,357,953	2,357,953
DUE FROM OTHER FUNDS	-	420,456	420,456
TOTAL CURRENT ASSETS	<u>635,858</u>	<u>4,671,756</u>	<u>5,307,614</u>
NON CURRENT ASSETS			
CAPITAL ASSETS			
BUILDINGS	4,566,399	15,770,290	20,336,689
MACHINERY AND EQUIPMENT	425,107	2,038,000	2,463,107
ACCUMULATED DEPRECIATION-CAPITAL ASSETS	<u>(1,151,729)</u>	<u>(6,662,295)</u>	<u>(7,814,024)</u>
TOTAL NON CURRENT ASSETS	<u>3,839,777</u>	<u>11,145,995</u>	<u>14,985,772</u>
TOTAL ASSETS	<u>4,475,635</u>	<u>15,817,751</u>	<u>20,293,386</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	522,431	105,609	628,040
DUE TO OTHER FUNDS	7,290,256	-	7,290,256
DUE TO OTHERS	25,307	-	25,307
BONDS PAYABLE-CURRENT:			
OTHER BONDS PAYABLE	<u>42,000</u>	<u>1,303,500</u>	<u>1,345,500</u>
TOTAL CURRENT LIABILITIES	<u>7,879,994</u>	<u>1,409,109</u>	<u>9,289,103</u>
NON CURRENT LIABILITIES:			
BONDS PAYABLE-NON CURRENT:			
OTHER BONDS PAYABLE	<u>2,742,000</u>	<u>11,076,750</u>	<u>13,818,750</u>
TOTAL NONCURRENT LIABILITIES	<u>2,742,000</u>	<u>11,076,750</u>	<u>13,818,750</u>
TOTAL LIABILITIES	<u>10,621,994</u>	<u>12,485,859</u>	<u>23,107,853</u>
<b>NET POSITION</b>			
UNRESTRICTED NET POSITION	<u>(6,146,359)</u>	<u>3,331,892</u>	<u>(2,814,467)</u>
TOTAL NET POSITION	<u>\$ (6,146,359)</u>	<u>\$ 3,331,892</u>	<u>\$ (2,814,467)</u>

The accompanying notes are an integral part of this statement

LA SALLE COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	NURSING HOME	PUBLIC FACILITIES CORPORATION	TOTAL
OPERATING REVENUES:			
CHARGES FOR SERVICES	\$ 4,562,656	\$ 9,051,644	\$ 13,614,300
INVESTMENT EARNINGS	608	39,402	40,010
TOTAL OPERATING REVENUES	<u>4,563,264</u>	<u>9,091,046</u>	<u>13,654,310</u>
OPERATING EXPENSES:			
PURCHASED PROFESSIONAL & TECHNICAL SERVICES	6,488,845	260,793	6,749,638
DEPRECIATION	93,328	608,167	701,495
INTEREST EXPENSE	150,945	200,521	351,466
TOTAL OPERATING EXPENSES	<u>6,733,118</u>	<u>1,069,481</u>	<u>7,802,599</u>
INCOME (LOSS) BEFORE TRANSFERS	(2,169,854)	8,021,565	5,851,711
FORGIVENESS OF DEBT	778,532	-	778,532
TRANSFERS IN/(OUT)	<u>1,530,396</u>	<u>(6,365,609)</u>	<u>(4,835,213)</u>
CHANGE IN NET POSITION	139,074	1,655,956	1,795,030
TOTAL NET POSITION - JANUARY 1 (BEGINNING)	<u>(6,285,433)</u>	<u>1,675,936</u>	<u>(4,609,497)</u>
TOTAL NET POSITION - DECEMBER 31 (ENDING)	<u>\$ (6,146,359)</u>	<u>\$ 3,331,892</u>	<u>\$ (2,814,467)</u>

The accompanying notes are an integral part of this statement

LA SALLE COUNTY, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	NURSING HOME	PUBLIC FACILITIES CORPORATION	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS FROM CUSTOMERS AND USERS	4,559,832	7,114,314	11,674,146
PAYMENTS TO VENDORS, SUPPLIERS, AND INSURANCE ADM	(5,930,824)	(776,161)	(6,706,985)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,370,992)</u>	<u>6,338,153</u>	<u>4,967,161</u>
CASH FLOW FOR NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
INTERGOVERNMENTAL TRANSFERS	1,530,396	(6,365,609)	(4,835,213)
NET CASH PROVIDED (USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,530,396</u>	<u>(6,365,609)</u>	<u>(4,835,213)</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
PAYMENTS ON CAPITAL DEBT	(245,547)	(1,303,500)	(1,549,047)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(245,547)</u>	<u>(1,303,500)</u>	<u>(1,549,047)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
INTEREST RECEIVED	608	39,402	40,010
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>608</u>	<u>39,402</u>	<u>40,010</u>
NET INCREASE (DECREASE) IN CASH EQUIVALENTS	(85,535)	(1,291,554)	(1,377,089)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	485,109	3,184,901	3,670,010
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>399,574</u>	<u>1,893,347</u>	<u>2,292,921</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	(2,170,462)	7,982,163	5,811,701
ADJUSTMENTS TO RECONCILE TO NET CASH FLOW NON CASH ITEMS INCLUDED IN NET INCOME			
DEPRECIATION	93,328	608,167	701,495
CHANGES IN ASSETS AND LIABILITIES:			
RECEIVABLES, NET	(2,824)	(2,252,177)	(2,255,001)
ACCOUNTS AND OTHER PAYABLES	708,966	-	708,966
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,370,992)</u>	<u>6,338,153</u>	<u>4,967,161</u>

The accompanying notes are an integral part of this statement

LA SALLE COUNTY, TEXAS  
 BALANCE SHEET  
 AGENCY FUNDS  
 DECEMBER 31, 2018

	SHERIFF INMATE ACCOUNTS	FOURTH COURT OF APPEALS	TAX ASSESSOR/ COLLECTOR	COUNTY/ DISTRICT CLERK	TOTAL
<b>ASSETS</b>					
CASH AND CASH EQUIVALENTS	\$ 606	\$ 195	\$ 4,669,170	\$ 5,430,966	\$ 10,100,937
TOTAL ASSETS	<u>\$ 606</u>	<u>\$ 195</u>	<u>\$ 4,669,170</u>	<u>\$ 5,430,966</u>	<u>\$ 10,100,937</u>
<b>LIABILITIES</b>					
DUE TO OTHER FUNDS	\$ -	\$ 15	\$ 3,798,623	\$ -	\$ 3,798,638
DUE TO OTHERS	<u>606</u>	<u>180</u>	<u>870,547</u>	<u>5,430,966</u>	<u>6,302,299</u>
TOTAL LIABILITIES	<u>\$ 606</u>	<u>\$ 195</u>	<u>\$ 4,669,170</u>	<u>\$ 5,430,966</u>	<u>\$ 10,100,937</u>

The accompanying notes are an integral part of this statement

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The authority of county governments and their specific functions and responsibilities are created by and dependent upon laws and legal regulations of the Texas State Constitution and V.A.C.S. La Salle County (the County) operates under a county judge/commissioners court type of government as provided by state statute. The financial and reporting policies of the County conform to accounting principles generally accepted in the United States of America (“GAAP”) applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments include those principles prescribed by the Governmental Accounting Standards Board (“GASB”), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*.

**A. Reporting Entity**

The Commissioners’ Court has governance responsibilities over all activities related to La Salle County, Texas. The County receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. As required by GAAP, the financial statements of the reporting entity include those of the County (the primary government) and its component units in conformity with GASB Statement No. 14, *The Financial Reporting Entity* (“GASB 14”), GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* (“GASB 39”), and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-as amendment of GASB Statements No. 14 and No. 34* (“GASB 61”). In accordance with these standards, a financial reporting entity consists of the primary government and its component units. Component units are legally separate entities for which the elected officials of the County are financially accountable, or the relationship to the County is such that exclusion would cause the County’s financial statements to be misleading. Blended component units, although legally separate entities, are, in substance, part of the County’s operations, so data from these units are combined with date of the County. Each discretely presented component unit, on the other hand, is reported in a separate column titled “Component Units” on the combined statements to emphasize that it is legally separate from the government. The criteria used to determine whether an organization is a component unit of the County and whether it is a discretely presented or a blended component unit includes: financial accountability of the County for the component unit, whether the County appoints a voting majority of the entity’s governing board, the ability to impose the County’s will on the component unit, fiscal dependency criterion, if it is a financial benefit to or burden on the County, and whether services are provided entirely or almost entirely to the primary government. Based upon the above criteria, the County is not reported as a component unit of any other primary government and has no discretely presented component units. However, the County’s financial statements do include the following “Blended Component Unit”.

**Blended Component Unit**

The La Salle County Public Facility Detention Corporation (LSCPFDC) is a non-profit corporation created on November 6, 2000 under the provisions of the Public Facility Corporation Act, Chapter 303 of the Texas Local Government Code. Corporations (“PFC’s”) formed under these state statutes are deemed as separate legal entities that serve as “instrumentalities” of the creating or sponsor government (La Salle County, Texas) for the purpose of facilitating a sponsor government’s financing, acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities in an orderly, planned manner and at the lowest possible borrowing costs. Corporations formed under these state statutes constitute public corporations authorized to issue bonds on behalf of their sponsor governments for the purposes of Section 103 of the United States Internal Revenue Code. Also, under these statutes, a sponsor government, appoints a majority of a PFC’s governing board; may remove governing board members without cause; may unilaterally dissolve a PFC and all assets owned by a PFC

LA SALLE COUNTY, TEXAS  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Blended Component Unit (cont.)

when it dissolves automatically vest in a PFC's sponsor without further conveyance, transfer or other act. Based on these conditions and on LSCPFDC's formation documents, the LSCPFDC is considered and is reported as "Blended Component" unit of La Salle County, Texas.

**A. Reporting Entity (cont.)**

The County provides the following services to its citizens: public safety (law enforcement and detention, fire and ambulance), public transportation (roads and bridges), health and welfare (pauper care, health clinic facilities, meals for the elderly and indigent health care), culture and recreation facilities, conservation, public facilities, judicial and legal, election functions, and general financial administrative services.

**B. Government-wide fund financial statements**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the La Salle County nonfiduciary activities with most of the interfund activities removed. Interfund services provided and used are not eliminated in the process of consolidation. Governmental Activities include programs supported primarily by taxes, fines and fees, grants and other intergovernmental revenues.

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

All interfund transactions between governmental funds are eliminated on the government-wide statements.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories- governmental, proprietary and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund financial statements. Fiduciary funds also utilize the accrual basis of accounting; however, the economic resources measurement focus is not applicable to agency funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**C. Measurement focus, basis of accounting, and financial statement presentation (cont.)**

are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become both *measurable* and *available*. Available means collectible within the current period or expected to be collected within 60 days after year-end to be used to pay liabilities of the current period. Expenditures are generally recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes are susceptible to accrual and have been recognized as revenues of the current fiscal period. Licenses and permits, fines and forfeits, and miscellaneous revenues are recorded as revenues when received because they are generally not measurable and available until cash is received by the government. Investment earnings are recorded on the accrual basis in all funds.

Intergovernmental revenues are recorded on a basis applicable to the legal and contractual requirements of the individual grant programs. If funds must be expended on the specific purpose or project before any amounts will be paid to the county, revenues are recognized as the expenditures or expenses recorded. If funds are virtually unrestricted and irrevocable, except for failure to comply with required compliance requirements, revenues are recognized when received or susceptible to accrual. Federal and State grants awarded on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other federal reimbursable-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

The County reports the following major governmental funds:

General Fund – The General Fund is the County’s primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available for any purpose, provided it is expended or transferred in accordance with the legally adopted budget of the County.

Road & Bridge Fund – The Road & Bridge Fund is a special revenue fund that accounts for and reports the financial resources received from a designated part of the annual property tax levy and auto registration fees and traffic fines, which are used for operating and maintaining County owned roads and bridges.

Debt Service Fund – The County Debt Fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Regional Detention Center Fund – The Fund is a Special Revenue Fund that is used to account for the jail operations of La Salle County Public Detention Facility.

TxDOT County Transportation and Infrastructure Fund – The Fund is a Capital Projects Fund that is used to account for the construction of various infrastructure projects in La Salle County that is funded through the County Transportation and Infrastructure Fund Grant.

2014 Tax Bond Fund – The 2014 Tax Bond Fund is a Capital Projects Fund that is used to account for the construction of various infrastructure projects in La Salle County.

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**C. Measurement focus, basis of accounting, and financial statement presentation (cont.)**

*CIP Tax Bond Fund* – The CIP Tax Bond Fund is a Capital Projects Fund that is used to account for the construction of various infrastructure projects in La Salle County.

Additionally, the County reports the following fund types:

Governmental Funds:

*Special Revenue Funds* – The County uses these funds to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Capital Project Fund* – The County uses this fund to account for and report all financial resource that are restricted, committed, or assigned to expenditure for capital outlays.

Fiduciary Funds:

*Trust and Agency Funds* – The County accounts for and reports resources held for others in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. Agency funds are used to account bond money received and held for others as a result of action in the County or District Courts, and to account for monies received and held in trust for other individuals or entities as a result of action in County and District Courts.

Enterprise Funds:

*La Salle County Nursing Home* – The County uses this fund for and report all financial resources related to La Salle County's Nursing Home.

*La Salle County Public Detention Facility* – The County uses this fund to account for and report all financial resources related to the Public Detention Facility.

**D. Assets, liabilities, and net assets of equity**

1. Deposits and investments

The County considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments for the County are recorded at fair value for all funds.

2. Receivables and payables

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

LA SALLE COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**D. Assets, liabilities, and net assets of equity (cont.)**

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 recognized bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the 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.

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 government-wide and fund financial statements.

4. Capital Assets

Capital assets include land, buildings, furniture and equipment and are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are defined by the county as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. 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 asset or materially extend the lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The County depreciates capital assets using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	50
Buildings	50
Improvements (Other than Buildings)	30
Vehicles and Road Equipment	5
Office Equipment	5
Computer Equipment	5

5. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is not 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. Comp time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the government-wide financial statements.

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary information**

The County follows these procedures in establishing the budgetary data reflected in these basic financial statements:

1. The County Judge, as budget officer, with the assistance of the County Treasure, prepares a budget to cover all proposed expenditures and the means of financing them, for the succeeding year and delivers the proposed budget to Commissioners' Court.
2. Commissioners' Court holds budget sessions with each department head.
3. Commissioners' Court holds budget hearings for the public at which all interested persons' comments concerning the budget are heard.
4. Commissioners' Court formally adopts the budget in an open court meeting. Annual budgets are legally adopted for the General Fund, the Road and Bridge Fund, Encinal Jail Fund, and the County Jail Fund. The Budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. The adopted budget becomes the authorization for all expenditures for the County for the fiscal year. Unencumbered appropriation balances lapse at year end and revert to the respective funds from which they are originally appropriated, thus becoming available for future appropriation.

Expenditures may not legally exceed appropriations at the department level for each legally adopted annual operating budget. Amendments to the 2018 budget were approved by the Commissioners' Court as provided by law. The reported budgetary data has been revised for amendments legally authorized during the year.

The formally adopted budget may legally be amended by commissioners in accordance with article 689A-11 or 689-20 of Vernon's Annotated Civil Statutes. Management does not amend the budget above the department level without approval by the Commissioners' Court. The legal level of budgetary control is at the fund level.

**NOTE 3: PROPERTY TAXES**

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature which affects the methods of property assessment and tax collection in the County. This legislation, with certain exceptions, exempts intangible personal property, household goods and family-owned automobiles from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of county-wide appraisal districts and for the State Property Tax Board which commenced operation in January 1980.

As of October 1, 1981, the appraisal of property within the County was the responsibility of the county-wide appraisal district. The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. Beginning January 1, 1984, the value of property within the Appraisal District must be reappraised every three

LA SALLE COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 3: PROPERTY TAXES (cont.)**

years. The County may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the County continues to set tax rates on County property.

However, if the effective tax rates for bonds and other contractual obligations and adjustments for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the County may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective tax rate of the previous year. The Appraisal District is governed by a Board of Directors elected by the governing bodies of the taxing entities within the District. The Board of Directors appoints a Chief Appraiser to act as Chief Administrator of the Appraisal District and an Appraisal Review Board to equalize appraised values.

The County’s taxes on real property are a lien against such property until paid. The County may foreclose real property upon which it has a lien for unpaid taxes. Although the County makes little effort to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title on property.

Property tax revenues are recognized in the accounting period in which they become both measurable and available. Property tax revenues are considered measurable at the time of levy and are recognized as deferred revenue and taxes receivable, net of an allowance for estimated uncollectible taxes, at the time. Property tax revenues are considered available if collected within 60 days subsequent to year end.

**NOTE 4: DEPOSITS, SECURITIES, AND INVESTMENTS**

Legal and Contractual Provisions Governing Deposits and Investments

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the County’s agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (“FDIC”) insurance.

At December 31, 2018, the carrying amount of the County’s deposits (cash, money market funds, interest-bearing savings accounts, cash management pools) was \$62,980,678 and the bank balance was \$61,531,416.

At December 31, 2018, the County’s Cash and Cash Equivalent balances consisted of the following:

<u>Type of Deposit</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Cash	\$ 15,074,119	\$ 15,074,119	N/A
Money Markets	2,759,257	2,759,257	N/A
Investment Pools:			
Texpool	45,147,302	45,147,302	AAA
	<u>\$ 62,980,678</u>	<u>\$ 62,980,678</u>	

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:

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 4: DEPOSITS, SECURITIES, AND INVESTMENTS (cont.)**

(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 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 in substantial compliance with the requirements of the Act and with local policies.

The County had no investments at December 31, 2018.

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy does address the following risks:

*Custodial Credit Risk- Deposits:* This is the risk that in the event of bank failure, the County’s deposits may not be returned to it. The County’s policy regarding types of deposits allowed and collateral requirements is to deposit funds in FDIC insured banks which have sufficient pledged collateral. The County was not exposed to custodial credit risk since its deposits during and at year end December 31, 2018 were covered by depository insurance or by pledged collateral held by the County’s agent bank in the County’s name.

**NOTE 5: INTERFUND BALANCES AND TRANSFERS**

Interfund balances at December 31, 2018 consisted of the following individual fund balances:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 7,359,423	\$ 1,708,911
Road and Bridge Fund	1,337,183	130,917
Regional Detention Center	-	254,337
Debt Service Fund	845,195	-
TX Dot CTIF	-	1,057,096
2014 TaxBond Capital Projects	431,827	-
CIP TaxBond Capital Project	-	69,188
Non Major Governmental Fund	8,033,184	4,117,925
Proprietary Funds	448,000	7,317,800
Agency Funds	-	3,798,638
	\$ 18,454,812	\$ 18,454,812

LA SALLE COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

**NOTE 5: INTERFUND BALANCES AND TRANSFERS (cont.)**

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances are expected to be collected in the subsequent year.

Interfund transfers during the year ended December 31, 2018 consisted of the following:

	Transfers from Other Funds	Transfer to Other Funds
General Fund	\$ -	\$ 4,378,385.91
Regional Detention Center	6,365,608.82	-
TX Dot CTIF	1,366,398.46	-
2014 TaxBond Capital Projects	-	1,392,482.21
Non Major Governmental Fund	2,874,073.69	-
Proprietary Funds	1,530,395.97	6,365,608.82
	\$ 12,136,476.94	\$ 12,136,476.94

The transfers from the General Fund were made to cover operating expenses of the Special Revenue Funds.

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 6: CAPITAL ASSET ACTIVITY**

Capital asset activity for the County for the year ended December 31, 2018 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 224,115	\$ -	\$ -	\$ 224,115
Construction in Progress	7,770,494	8,901,208	3,721,452	12,950,250
Total capital assets not being depreciated	<u>7,994,609</u>	<u>8,901,208</u>	<u>3,721,452</u>	<u>13,174,365</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	49,811,896	5,973,167	-	55,785,063
Buildings and Improvements	31,752,132	2,287,015	-	34,039,147
Furniture and Equipment	12,241,641	530,787	-	12,772,428
Total capital assets being depreciated	<u>93,805,669</u>	<u>8,790,969</u>	<u>-</u>	<u>102,596,638</u>
Less accumulated depreciation for:				
Infrastructure	1,172,976	1,634,536	-	2,807,512
Buildings and Improvements	3,399,637	904,220	-	4,303,857
Furniture and Equipment	6,469,343	995,166	-	7,464,509
Total accumulated depreciation	<u>11,041,956</u>	<u>3,533,922</u>	<u>-</u>	<u>14,575,878</u>
Total capital assets being depreciated, net	<u>82,763,713</u>	<u>5,257,047</u>	<u>-</u>	<u>88,020,760</u>
Governmental activities capital assets, net	<u>\$ 90,758,322</u>	<u>\$ 14,158,255</u>	<u>\$ 3,721,452</u>	<u>\$ 101,195,125</u>
<u>Business type activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	20,336,689	-	-	20,336,689
Furniture and Equipment	2,463,107	-	-	2,463,107
Total capital assets being depreciated	<u>22,799,796</u>	<u>-</u>	<u>-</u>	<u>22,799,796</u>
Less accumulated depreciation for:				
Buildings and Improvements	5,872,221	497,695	-	6,369,916
Furniture and Equipment	1,240,308	203,800	-	1,444,108
Total accumulated depreciation	<u>7,112,529</u>	<u>701,495</u>	<u>-</u>	<u>7,814,024</u>
Total capital assets being depreciated, net	<u>15,687,267</u>	<u>(701,495)</u>	<u>-</u>	<u>14,985,772</u>
Business type activities capital assets, net	<u>\$ 15,687,267</u>	<u>\$ (701,495)</u>	<u>\$ -</u>	<u>\$ 14,985,772</u>

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 7: COMMITMENTS UNDER LEASES**

Capital Leases

The County as entered into several leases for the financing of equipment for the Road and Bridge and General Funds. The debt service for the equipment is paid out of the Debt Service Fund. The lease agreements meet the criteria of a capital lease for accounting purposes, and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

A summary of the commitments, by year, follows (see Note 9 for description of Property)

Year Ended	Capital Leases Payable		
	Principal	Interest	Total
2019	\$ 428,948	\$ 57,518	\$ 486,466
2020	217,844	45,752	263,596
2021	226,892	36,704	263,596
2022	236,328	27,268	263,596
2023	142,709	17,416	160,126
2024	86,314	12,424	98,738
2025	85,088	9,467	94,554
2026	88,133	6,421	94,554
2027	91,287	3,267	94,554
	\$ 1,603,542	\$ 216,238	\$ 1,819,780

**NOTE 8: DEFERRED INFLOW & OUTFLOW OF RESOURCES**

The \$7,156,793 in deferred inflows is the unavailable property tax revenue levied in fiscal year 2018 which is budgeted for La Salle County's 2019 fiscal year (Beginning January 1, 2019). Consequently, the fiscal year end 2018 Net Position balance is reduced by the \$7,156,793.

*Deferred inflows and Outflows related to Pensions & OPEB*

	Governmental Activities
<hr/>	
Deferred Outflows of Resources	
Deferred Outflows from Pension	\$ 1,669,674
Deferred Outflows from OPEB	21,778
Total Deferred Outflows of Resources	\$ 1,691,452

	Governmental Activities
<hr/>	
Deferred Inflows of Resources	
Deferred Inflows from Pension	\$ 552,580
Deferred Inflows from OPEB	-
Total Deferred Inflows of Resources	\$ 552,580

LA SALLE COUNTY, TEXAS  
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**NOTE 9: LONG-TERM DEBT**

**Capital Leases Payable**

As of December 31, 2018, the County was obligated for the following Capital Leases Payable:

Spirit of Texas Bank- Payable in annual installments of \$38,313, Interest rate 3.60% due February 25, 2019, secured by 2015 Mack Water Truck.

Spirit of Texas Bank Payable in annual installments of \$13,793, Interest rate 3.84% due February 25, 2019, secured by 2015 John Deere Tractor/Loader.

Southside Bank Payable in annual installments of \$49,788, Interest rate 3.52% due March 10, 2019, secured by 2015 Lowboy Trailer and Pinnacle Tractor Truck.

Southside Bank Payable in annual installments of \$21,200, Interest rate 3.53% due March 12, 2019, secured by 2015 Vibratory Roller.

Southside Bank Payable in annual installments of \$48,496, Interest rate 3.52% due March 12, 2019, secured by 2015 Vibratory Roller and Wheel Loader.

Citizens 1<sup>st</sup> Bank Payable in annual installments of \$48,496, Interest 3.52% due August 26, 2019, secured by 2015 Dodge Ambulance.

**Bonds and Certificates of Obligation**

Current requirements for bonded indebtedness of the County are accounted for in the County Jail Fund and the General Fund.

On June 1, 2010, the County issued \$6,115,000 in Certificates of Obligation, Series 2010, with interest rates ranging from 3.59% to 5.96%, maturing in 2023. The proceeds from the sale of the Certificates were used to build a new Nursing Home facility in Cotulla, Texas, and for the renovation of the existing courthouse in Cotulla, Texas.

On January 1, 2011, the County authorized \$3,000,000 in Certificates of Obligation, Series 2010, with interest rates of 4.00%, maturing in 2050. The proceeds from the sale of the Certificates will be used to build a new Nursing Home facility I Cotulla, Texas.

On December 20, 2017, the County issued \$13,683,750 in La Salle County Public Facility Detention Corporation Project Revenue Bonds, Taxable Series 2017 (Mandatory Exchange Bonds) (“Series 2017 Bonds”) in an indenture cancelling the original Public Detention Facility Corporation Revenue Bonds, Series 2010. The interest rate for this bond is variable.

On July 10, 2018, the County issued \$18,075,000 in Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2018, with interest rate of 5.00%, maturing in 2038. The proceeds from the sale of the Certificates will be used for the construction and improvements to County roads and bridges (including the purchase of land and safety equipment, as needed), and amenities incident thereof: and the payment of costs of issuance of the Certificates.

On July 10, 2018, the County issued \$31,120,000 in Limited Tax Refunding Bonds, Series 2018, with interest rate of 5.00%, maturing in 2028. The proceeds from the sale of the Limited Tax Bonds will be used to refund outstanding obligations of the County of the respective series for the purpose of restructuring debt services payments; and the payment of costs of issuance of the Limited Tax Bonds.

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DECEMBER 31, 2018

**NOTE 9: LONG-TERM DEBT – Continued**

On July 10, 2018, the County issued \$10,110,000 in Unlimited Tax Refunding Road Bonds, Series 2018, with interest rate of 5.00%, maturing in 2023. The proceeds from the sale of the Unlimited Tax Bonds will be used to refund outstanding obligations of the County of the series for the purpose of restructuring debt services payments; and the payment of costs of issuance of the Unlimited Tax Bonds.

The following table summarizes the annual Bond debt service requirements at December 31, 2018 to maturity.

Year Ended	Total Requirements		Total
	Principal	Interest	
2019	\$ 4,637,000	\$ 2,937,025	\$ 7,574,025
2020	4,849,000	2,725,356	7,574,356
2021	4,666,000	2,487,670	7,153,670
2022	4,908,000	2,248,830	7,156,830
2023	4,735,000	2,008,285	6,743,285
2024-2028	24,779,000	6,379,715	31,158,715
2029-2033	5,292,000	2,646,336	7,938,336
2034-2038	6,775,000	1,167,740	7,942,740
2039-2043	570,000	246,147	816,147
2044-2048	714,000	121,211	835,211
2049	164,000	6,560	170,560
	\$ 62,089,000	\$ 22,974,875	\$ 85,063,875

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 9: LONG-TERM DEBT – Continued**

	AMOUNT			AMOUNT	
	OUTSTANDING		RETIRED/ REFUNDED	OUTSTANDING	DUE WITHIN
	12/31/2017	ISSUED		12/31/2018	ONE YEAR
<b><u>GOVERNMENTAL TYPE ACTIVITIES</u></b>					
REFUNDING BONDS, SERIES 2010	\$ 1,720,921	\$ -	\$ 1,720,921	\$ -	\$ -
CERT OF OBLIGATIONS, SERIES 2010 A	1,630,000	-	1,630,000	-	-
CERT OF OBLIGATIONS, SERIES 2013 A	550,000	-	550,000	-	-
UNLIMITED TAX ROAD BONDS, SERIES 2013	12,555,000	-	12,555,000	-	-
CERT OF OBLIGATIONS, SERIES 2013	6,240,000	-	6,240,000	-	-
CERT OF OBLIGATIONS, SERIES 2014	32,910,000	-	32,910,000	-	-
CERT OF OBLIGATIONS, SERIES 2018	-	18,075,000	-	18,075,000	545,000
LIMITED TAX REFUNDING BONDS, SERIES 2018	-	31,120,000	-	31,120,000	2,025,000
UNLIMITED TAX REFUNDING ROAD BONDS, SERIES 2018	-	10,110,000	-	10,110,000	2,025,000
STOCKMENS NATIONAL BANK	907,796	-	190,554	717,242	158,698
CAPITAL LEASES	1,514,414	421,590	332,462	1,603,542	486,466
TOTAL GOVERNMENTAL TYPE	<u>\$ 58,028,131</u>	<u>\$ 59,726,590</u>	<u>\$ 56,128,937</u>	<u>\$ 61,625,784</u>	<u>\$ 5,240,164</u>
<b><u>BUSINESS TYPE ACTIVITIES</u></b>					
<b><u>NURSING HOME</u></b>					
REFUNDING BONDS, SERIES 2010	\$ 984,079	\$ -	\$ 984,079	\$ -	\$ -
CERT. OF OBLIGATIONS, SERIES 2010	2,824,000	-	40,000	2,784,000	42,000
TOTAL NURSING HOME	<u>\$ 3,808,079</u>	<u>\$ -</u>	<u>\$ 1,024,079</u>	<u>\$ 2,784,000</u>	<u>\$ 42,000</u>
<b><u>PUBLIC DETENTION FACILITY CORPORATION</u></b>					
REVENUE BONDS, SERIES 2017	\$ 13,683,750	\$ -	\$ 1,303,500	\$ 12,380,250	\$ 1,303,500
TOTAL PUBLIC DETENTION FACILITY CORPORATION	<u>13,683,750</u>	<u>-</u>	<u>1,303,500</u>	<u>12,380,250</u>	<u>1,303,500</u>
TOTAL BUSINESS TYPE	<u>\$ 17,491,829</u>	<u>\$ -</u>	<u>\$ 2,327,579</u>	<u>\$ 15,164,250</u>	<u>\$ 1,345,500</u>

**NOTE 10: RISK MANAGEMENT**

The County’s risk management program includes coverage for property, general liability, automobile liability, law enforcement liability, public officials’ liability and employee dishonesty bonds. The County carries commercial insurance.

**NOTE 11: COMPENSATED ABSENCES**

Accumulated unpaid annual leave, compensatory time and holiday leave amounts are not accrued in governmental funds using the modified accrual basis of accounting but are reflected in the Government-Wide Statement of Net Position. At December 31<sup>st</sup>, accrued employee benefits recorded on the Statement of Net Position was \$349,013. All unpaid employee leave is due to active employees. Any unpaid leave due to an employee who is terminated is paid immediately upon the termination. The liability has typically been liquefied primarily in the General Fund and Road and Bridge Fund.

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 12: EMPLOYEES' RETIREMENT PLAN**

The County provides retirement, disability, and death benefits for all of its eligible 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 which consists of 677 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 and can also be found at the following link, [www.tcdrs.org](http://www.tcdrs.org).

The plan provisions are adopted and may be amended by the governing body of the County within the options available in the Texas State statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight 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 eight years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum and who are not eligible to retire are not entitled to any amounts contributed by their employer.

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

Plan description for La Salle County:

- 1) All full-time and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
- 2) The plan provides retirement, disability and survivor benefits.
- 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited in his or her TCDRS account. By law, employees accounts earn 7% interest on the beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 250%) and is then converted to an annuity.
- 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
- 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.
- 6) Membership information is shown in chart below.

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 12: EMPLOYEES' RETIREMENT PLAN (cont.)**

Members	Dec. 31, 2016	Dec. 31, 2017
Number of inactive employees entitled to but not yet receiving benefits:	210	237
Number of active employees:	268	250
Average monthly salary*:	\$ 3,470	\$ 3,378
Average age*:	39.83	40.04
Average length of service*:	5.19	5.80

Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	44	47
Average monthly benefit:	\$ 930	\$ 912

*\*Averages reported for active employees*

Funding Policy

The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. La Salle County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2017 is 10.40% and for 2018 is 10.40%.

Schedule of Employer Contribution:

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2008	179,294	192,871	(13,577)	1,996,592	9.7%
2009	178,006	196,071	(18,065)	2,029,716	9.7%
2010	205,356	205,356	-	1,976,478	10.4%
2011	259,879	260,565	(686)	2,503,654	10.4%
2012	374,545	375,170	(625)	3,611,817	10.4%
2013	518,113	518,113	-	4,915,689	10.5%
2014	544,039	544,039	-	5,060,827	10.8%
2015	750,202	761,191	(10,989)	7,326,189	10.4%
2016	1,016,573	1,030,751	(14,178)	9,946,903	10.4%
2017	1,024,467	1,090,596	(66,129)	10,496,591	10.4%

LA SALLE COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

**NOTE 12: EMPLOYEES' RETIREMENT PLAN (cont.)**

Actuarial Methods and Assumptions are as follows:

Actuarial Valuation Date	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	6.2 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule.  2016: No changes in plan provisions were reflected in the Schedule.  2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

**Net Pension Liability**

Under GASB 68, the County is required to recognize specific pension amounts, which include Net Pension Liability (NPL), deferred outflows and inflows of resources, and pension expense. The Total Pension Liability (TPL) (present value of actuarially determined pension benefits) less the value of the assets available in the plan to pay the pension benefits (Fiduciary Net Position or FNP) results in the NPL; this NPL will appear on the County's Statement of Net Position. The County's NPL was measured as of December 31, 2017 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date.

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 12: EMPLOYEES' RETIREMENT PLAN (cont.)**

Actuarial Valuation and Measurement Date, December 31, 2017

	December 31, 2016	December 31, 2017
Total Pension Liability	\$ 14,148,064	\$ 16,013,727
Plan Fiduciary Net Position	13,037,118	<u>16,047,499</u>
Net Pension Liability / (Asset)	\$ 1,110,946	\$ (33,772)
Fiduciary net position as a % of total pension liability	92.15%	100.21%
Pensionable covered payroll	\$9,946,903	\$10,496,591
Net pension liability as a % of covered payroll	11.17%	-0.32%

Pension Expense

Below is the schedule of Pension expense for the year ended 12/31/17:

Pension Expense

Service Cost	\$ 1,771,725
Interest on total pension liability	1,260,148
Effect of plan changes	-
Administrative Expense	10,672
Member Contributions	(734,761)
Expected investment return net of investment expenses	(1,099,290)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(4,334)
Recognition of assumption changes or inputs	44,530
Recognition of investment gains or losses	102,595
Other	<u>(14,456)</u>
Total Pension Expense	<u>\$ 1,336,829</u>

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 12: EMPLOYEES' RETIREMENT PLAN (cont.)**

**Schedule of Changes in Net Pension Liability**

Changes in the County's Net Pension Liability and Related Ratios as of 12/31/17 are presented below:

SCHEDULE OF CHANGES IN THE COUNTY'S NET  
PENSION LIABILITY AND RELATED RATIOS

**Total pension liability**

	2017
Service Cost	\$ 1,771,725
Interest on the total pension liability	1,260,148
Effect of plan changes	-
Effect of assumption changes or inputs	64,564
Effect of economic/demographic gains or losses	(491,580)
Benefit payments, including refunds of employee contributions	(739,195)
Net Change in Total Pension Liability	1,865,662
Total Pension Liability-Beginning	14,148,064
Total Pension Liability- Ending (a)	\$ 16,013,726

**Plan Fiduciary Net Position**

Contributions- Employer	\$ 1,090,596
Contributions- Member	734,761
Net Investment Income	1,920,435
Benefit payments, including refunds of employee contributions	(739,195)
Administrative expense	(10,672)
Other	14,456
Net Change in Plan Fiduciary Net Position	3,010,381
Plan Fiduciary Net Position- Beginning	13,037,118
Plan Fiduciary Net Position- Ending (b)	16,047,499
Net Pension Liability- Ending (a) - (b)	\$ (33,773)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.21%

Covered Employee Payroll	\$ 10,496,591
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Net Pension Liability(Asset) as a Percentage of Covered Payroll	-0.32%
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LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 12: EMPLOYEES' RETIREMENT PLAN (cont.)**

Schedule of Deferred Outflow and Inflow of Resources

	Original Amount	Date Established	Original Recognition Period	Amount		
				Recognized in 12/31/2017 Expense	Balance of Deferred Inflows 12/31/2017	Balance of Deferred Outflows 12/31/2017
<b>Investment (gains) or losses</b>						
	\$ (821,145)	12/31/2017	5.0	\$ (164,229)	\$ 656,916	\$ -
	123,708	12/31/2016	5.0	24,742	-	74,225
	1,057,510	12/31/2015	5.0	211,502	-	423,004
	152,902	12/31/2014	5.0	30,580	-	30,580
<b>Economic/ Demographic (gains) or losses</b>						
	(491,580)	12/31/2017	5.0	(98,316)	393,264	0
	41,850	12/31/2016	4.0	10,462	-	20,925
	(116,611)	12/31/2015	4.0	(29,153)	29,153	-
	450,687	12/31/2014	4.0	112,672	-	-
<b>Assumption changes or inputs</b>						
	64,564	12/31/2017	5.0	12,913	-	51,651
	-	12/31/2016	4.0	-	-	-
	126,469	12/31/2015	4.0	31,617	-	31,617
	-	12/31/2014	4.0	-	-	-
<b>Employer contributions made subsequent to measurement date</b>						
	(533,327)	12/31/2017			(526,753)	1,037,672
				<b>Total</b>	<b>\$ 552,580</b>	<b>\$ 1,669,674</b>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:	Net deferred outflows (inflows) of resources
2018	\$ 30,119
2019	(2,926)
2020	(224,890)
2021	(249,632)
2022	-
Thereafter	-

LA SALLE COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

**NOTE 12: EMPLOYEES' RETIREMENT PLAN (cont.)**

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contribution will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

*Sensitivity of the net pension liability to changes discount rate*

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-point higher (9.1%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	7.10%	8.10%	9.10%
Total Pension Liability	\$ 18,364,455	\$ 16,013,727	\$ 14,071,913
Fiduciary Net Position	16,047,499	16,047,499	16,047,499
Net pension liability/asset	2,316,956	(33,772)	(1,975,586)

**NOTE 13: OTHER POST EMPLOYMENT BENEFITS (OPEB)**

*Plan Description*

A description of the OPEB plan pursuant to Paragraph 40 of GASB Statement No. 68 is as follow:

- a. La Salle County participates in the retiree Group Term Life program for the Texas County District Retirement System (TCDRS), which is a state-wide, multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
  1. All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the OPEB plan.
  2. The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program.
  3. The OPEB benefit is a fixed \$5,000 lump-sum benefit.
  4. No future increases are assumed in the \$5,000 benefit amount.
  5. Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year.
- c. Membership information is shown in the chart below.
- d. Contributions made to the retiree GTL Program are held in the GTL Fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.
- e. Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 13: OTHER POST EMPLOYMENT BENEFITS (OPEB) (cont.)**

optional and the employer may elect to opt out of (or opt into) coverage Jan. 1 each year. The county's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000.

Membership Information

Members	Dec. 31, 2016	Dec. 31, 2017
Number of inactive employees entitled to but not yet receiving benefits:	23	25
Number of active employees:	268	250
Average age of active employees:	39.83	40.04
Average length of service in years for active employees:	5.19	5.80
<b>Inactive Employees Receiving Benefits</b>		
Number of benefit recipients:	37	39

**Changes in Total OPEB Liability**

	<u>Changes in Total OPEB Liability</u>
Balance as of December 31, 2016	\$ 202,934
Changes for the year:	
Service cost	17,235
Interest on total OPEB liability	8,204
Changes of benefit terms	-
Effect of economic/demographic experience	(1,207)
Effect of assumptions changes or inputs	11,325
Benefit payments	(6,298)
Other	-
Balance as of December 31, 2017	<u>\$ 232,193</u>
Pensionable covered payroll	\$ 10,496,591
Net OPEB Liability as % of covered payroll	2.21%

*Sensitivity Analysis*

The following presents the total OPEB Liability of the employer, calculated using the discount rate of 3.44%, as well as what Jim Hogg County Total OPEB Liability would be if it were calculated using the discount rate that is 1% point lower (2.44%) or 1% point higher (4.44%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 13: OTHER POST EMPLOYMENT BENEFITS (OPEB) (cont.)**

**Sensitivity Analysis**

1% Decrease	Current Single Rate Assumption	1% Increase
2.44%	3.44%	4.44%

Total OPEB Liability    \$    279,870    \$        232,193        \$    195,626

**OPEB Expense**

<b>OPEB Expense / (Income)</b>	<u>January 1, 2017 to December 31, 2017</u>
Service cost	\$            17,235
Interest on total OPEB liability	8,204
Effect of plan changes	-
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(151)
Recognition of assumption changes or inputs	1,416
Other	-
<b>OPEB expense / (income)</b>	<b>\$            26,704</b>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year ended December 31:	
2018	\$            1,265
2019	1,265
2020	1,265
2021	1,265
2022	1,265
Thereafter	2,529

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 13: OTHER POST EMPLOYMENT BENEFITS (OPEB) (cont.)**

**Schedule of Deferred Inflows and Outflows of Resources**

	Recognition Period (or amortization years)	Total (Inflow) or Outflow of Resources	2017 Recognized in current OPEB expense	Deferred (Inflow)/Outflow in future expense
<b><u>Due to Liabilities:</u></b>				
Difference in expected and actual experience [actuarial (gains) or losses]	8.0000	\$ (1,207)	\$ (151)	\$ (1,057)
Difference in assumption changes [actuarial (gains) or losses]	8.0000	\$ 11,325	\$ 1,416	\$ 9,909
Contributions made subsequent to measurement date		\$ 12,926	\$ -	\$ 12,926
<b>Total</b>				<b><u>\$ 21,778</u></b>

**Discount Rate**

	2016	2017
Discount rate	3.78%	3.44%
Municipal bond rate	3.78%	3.44%

**Other Key Actuarial Assumptions**

	Beginning Date	Ending Date
Valuation date	31-Dec-16	31-Dec-17
Measurement date	31-Dec-16	31-Dec-17
Employer's Fiscal Year	1-Jan-18	31-Dec-18

**NOTE 14: CONTIGENT LIABILITIES**

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

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 15: COMPONENT UNIT – LA SALLE COUNTY PUBLIC DETENTION FACILITIES CORPORATION**

**Long Term Debt**

As of December 31, 2018, the estimated amounts due on the lease that represent amounts sufficient to pay scheduled LSCPFDC Project Revenue Bonds, Taxable Series 2017 (Mandatory Exchange Bonds) (“Series 2017 Bonds”) consist of the following:

<u>Year</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 1,303,500.00	\$ 1,303,500.00
2020	1,303,500.00	2,607,000.00
2021	1,303,500.00	3,910,500.00
2022	1,303,500.00	5,214,000.00
2023	1,303,500.00	6,517,500.00
2024	1,303,500.00	7,821,000.00
2025	1,303,500.00	9,124,500.00
2026	1,303,500.00	10,428,000.00
2027	1,303,500.00	11,731,500.00
2028	648,750.00	12,380,250.00

The interest rate for this bond is variable.

**Capital Assets**

Capital Asset activity for the LSCPFDC for the year ended December 31, 2018 was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<u>Business type activities:</u>				
<u>LSCPFDC (Blended Component Unit)</u>				
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	\$ 15,770,290	\$ -	\$ -	\$ 15,770,290
Furniture and Equipment	2,038,000	-	-	2,038,000
Total capital assets being depreciated	<u>17,808,290</u>	<u>-</u>	<u>-</u>	<u>17,808,290</u>
Less accumulated depreciation for:				
Buildings and Improvements	5,238,928	404,367	-	5,643,295
Furniture and Equipment	815,200	203,800	-	1,019,000
Total accumulated depreciation	<u>6,054,128</u>	<u>608,167</u>	<u>-</u>	<u>6,662,295</u>
Business type activities capital assets, net	<u>\$ 11,754,162</u>	<u>\$ 608,167</u>	<u>\$ -</u>	<u>\$ 11,145,995</u>

Total LSCPFDC depreciation for FY 2018 was \$608,167.

LA SALLE COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 16: DEFICIT FUND EQUITY**

As of December 31, 2018, the County had a Deficit Fund Equity in the following funds:

County Jail Fund	\$ (2,891,545)
La Salle County Nursing Home	\$ (6,285,433)

**NOTE 17: COMMITMENTS AND CONTIGENCIES**

No Commitments or contingencies that would require recognition in the financial statements noted in Fiscal Year 2018.

**NOTE 18: SUBSEQUENT EVENTS**

The County evaluated events and transactions occurring subsequent to December 31, 2018 through the date the financial statements were issued. During this period, there are no subsequent events that require recognition in the financial statements.

**NOTE 19: LITIGATION AND CONTIGENCIES**

The County is involved in numerous legal proceedings in the normal course of its government administrative duties. As of October 25, 2019, none of these proceedings have been determined to result in probable material loss to the County. Accordingly, no related loss contingencies have been recorded in the accompanying financial statements for any pending litigation.

LA SALLE COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018

	ORIGINAL	FINAL	ACTUAL AMOUNTS GAAP BASIS	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
<u>REVENUES</u>				
TAXES:				
PROPERTY TAXES	\$ 15,696,173	\$ 15,696,173	\$ 14,240,248	\$ (1,455,925)
OTHER TAXES	14,000	14,000	7,653	(6,347)
LICENSES AND PERMITS	6,000	6,000	2,499	(3,501)
INTERGOVERNMENTAL REVENUES AND GRANTS	198,200	198,200	319,994	121,794
CHARGES FOR SERVICES	965,000	965,000	801,982	(163,018)
FINES AND FORFEITURES	1,085,000	1,085,000	754,897	(330,103)
INVESTMENT EARNINGS	60,000	60,000	232,715	172,715
OTHER REVENUE	150,500	150,500	252,706	102,206
TOTAL REVENUES	<u>18,174,873</u>	<u>18,174,873</u>	<u>16,612,694</u>	<u>(1,562,179)</u>
<u>EXPENDITURES</u>				
CURRENT:				
GENERAL ADMINISTRATION	3,916,153	3,981,115	3,877,980	103,135
LEGAL	301,299	301,299	285,196	16,103
JUDICIAL	901,248	901,248	829,013	72,235
FINANCIAL ADMINISTRATION	862,238	862,238	691,626	170,612
PUBLIC SAFETY	6,048,152	6,048,152	5,406,987	641,165
PUBLIC FACILITIES	248,634	248,634	385,996	(137,362)
HEALTH AND WELFARE	669,476	669,476	285,696	383,780
CULTURE AND RECREATION	48,000	48,000	44,000	4,000
CONSERVATION AND DEVELOPMENT:				
CONSERVATION	44,931	44,931	41,899	3,032
CAPITAL OUTLAY:				
CAPITAL OUTLAY	537,400	537,400	288,911	248,489
TOTAL EXPENDITURES	<u>13,577,531</u>	<u>13,642,493</u>	<u>12,137,304</u>	<u>1,505,189</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,597,342	4,532,380	4,475,390	(56,990)
<u>OTHER FINANCING SOURCES/USES</u>				
LOAN PROCEEDS	-	-	200,945	200,945
OPERATING TRANSFERS OUT	(3,910,647)	(3,910,647)	(4,378,386)	(467,739)
TOTAL OTHER FINANCING SOURCES/USES	<u>(3,910,647)</u>	<u>(3,910,647)</u>	<u>(4,177,441)</u>	<u>(266,794)</u>
NET CHANGE IN FUND BALANCES	686,695	621,733	297,949	(323,784)
FUND BALANCES - BEGINNING	13,632,909	13,632,909	13,632,909	-
FUND BALANCES - ENDING	<u>\$ 14,319,604</u>	<u>\$ 14,254,642</u>	<u>\$ 13,930,858</u>	<u>\$ (323,784)</u>

LA SALLE COUNTY, TEXAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 YEAR ENDED DECEMBER 31, 2018

	ORIGINAL	FINAL	ACTUAL AMOUNTS GAAP BASIS	VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
<u>REVENUES</u>				
TAXES:				
PROPERTY TAXES	\$ 13,358,430	\$ 13,358,430	\$ 12,291,649	\$ (1,066,781)
INVESTMENT EARNINGS	2,500	2,500	11,776	9,276
TOTAL REVENUES	<u>13,360,930</u>	<u>13,360,930</u>	<u>12,303,425</u>	<u>(1,057,505)</u>
<u>EXPENDITURES</u>				
CURRENT:				
DEBT SERVICE:				
PRINCIPAL	11,501,232	11,501,232	11,688,977	(187,745)
INTEREST AND SERVICE CHARGES	1,331,010	1,331,010	1,346,892	(15,882)
TOTAL EXPENDITURES	<u>12,832,242</u>	<u>12,832,242</u>	<u>13,035,869</u>	<u>(203,627)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>528,688</u>	<u>528,688</u>	<u>(732,444)</u>	<u>(1,261,132)</u>
NET CHANGE IN FUND BALANCES	528,688	528,688	(732,444)	(1,261,132)
FUND BALANCES - BEGINNING	755,228	755,228	755,228	-
FUND BALANCES - ENDING	<u>\$ 1,283,916</u>	<u>\$ 1,283,916</u>	<u>\$ 22,784</u>	<u>\$ (1,261,132)</u>

LA SALLE COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - ROAD AND BRIDGE  
YEAR ENDED DECEMBER 31, 2018

	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL AMOUNTS GAAP BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)</u>
<b><u>REVENUES</u></b>				
TAXES:				
PROPERTY TAXES	\$ 3,739,500	\$ 3,739,500	\$ 3,431,630	\$ (307,870)
LICENSES AND PERMITS	480,000	480,000	339,584	(140,416)
INTERGOVERNMENTAL REVENUES AND GRANTS	67,976	67,976	193,353	125,377
CHARGES FOR SERVICES	3,000	3,000	27,600	24,600
FINES AND FORFEITURES	31,500	31,500	29,264	(2,236)
INVESTMENT EARNINGS	7,000	7,000	64,880	57,880
OTHER REVENUE	4,000	4,000	10,531	6,531
TOTAL REVENUES	<u>4,332,976</u>	<u>4,332,976</u>	<u>4,096,842</u>	<u>(236,134)</u>
<b><u>EXPENDITURES</u></b>				
CURRENT:				
PUBLIC TRANSPORTATION	3,897,805	3,900,630	2,823,448	1,077,182
DEBT SERVICE:				
PRINCIPAL	261,381	261,381	261,489	(108)
INTEREST	23,790	23,790	23,658	132
CAPITAL OUTLAY:				
CAPITAL OUTLAY	650,000	647,175	169,442	477,733
TOTAL EXPENDITURES	<u>4,832,976</u>	<u>4,832,976</u>	<u>3,278,037</u>	<u>1,554,939</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(500,000)</u>	<u>(500,000)</u>	<u>818,805</u>	<u>1,318,805</u>
NET CHANGE IN FUND BALANCES	(500,000)	(500,000)	818,805	1,318,805
FUND BALANCES - BEGINNING	3,684,045	3,684,045	3,684,045	-
FUND BALANCES - ENDING	<u>\$ 3,184,045</u>	<u>\$ 3,184,045</u>	<u>\$ 4,502,850</u>	<u>\$ 1,318,805</u>

LA SALLE COUNTY, TEXAS  
REQUIRED SUPPLEMENTAL INFORMATION  
DECEMBER 31, 2018

SCHEDULE OF CHANGES IN THE COUNTY'S NET  
PENSION LIABILITY AND RELATED RATIOS

TOTAL PENSION LIABILITY	YEAR ENDED DECEMBER 31			
	2017	2016	2015	2014
SERVICE COST	\$ 1,771,725	\$ 1,449,600	\$ 874,886	\$ 657,568
INTEREST ON THE TOTAL PENSION LIABILITY	1,260,148	1,022,909	906,837	779,486
EFFECT OF PLAN CHANGES	-	-	(185,927)	-
EFFECT OF ASSUMPTION CHANGES OR INPUTS	64,564	-	126,469	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	-	-	-	-
EFFECT OF ECONOMIC/DEMOGRAPHIC GAINS OR LOSSES	(491,580)	41,850	(116,611)	450,687
BENEFIT PAYMENTS, INCLUDING REFUNDS OF EMPLOYEE CONTRIBUTIONS	(739,195)	(557,364)	(412,615)	(373,935)
NET CHANGE IN TOTAL PENSION LIABILITY	1,865,662	1,956,995	1,193,039	1,513,806
TOTAL PENSION LIABILITY-BEGINNING	14,148,065	12,191,070	10,998,031	9,484,225
TOTAL PENSION LIABILITY-ENDING (A)	<u>\$ 16,013,727</u>	<u>\$ 14,148,065</u>	<u>\$ 12,191,070</u>	<u>\$ 10,998,031</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
CONTRIBUTIONS- EMPLOYER	\$ 1,090,596	\$ 1,030,751	\$ 761,191	\$ 544,039
CONTRIBUTIONS- MEMBER	734,761	696,283	512,833	354,258
NET INVESTMENT INCOME	1,920,435	814,627	(182,168)	616,483
BENEFIT PAYMENTS, INCLUDING REFUNDS OF EMPLOYEE CONTRIBUTIONS	(739,195)	(557,364)	(412,615)	(373,935)
ADMINISTRATIVE EXPENSE	(10,672)	(8,863)	(7,679)	(7,503)
OTHER	14,456	91,045	11,250	3,789
NET CHANGE IN PLAN FIDUCIARY NET POSITION	3,010,381	2,066,479	682,812	1,137,131
PLAN FIDUCIARY NET POSITION- BEGINNING	13,037,118	10,970,638	10,287,826	9,150,695
PLAN FIDUCIARY NET POSITION- ENDING (B)	16,047,499	13,037,117	10,970,638	10,287,826
NET PENSION LIABILITY- ENDING (A) - (B)	<u>\$ (33,772)</u>	<u>\$ 1,110,948</u>	<u>\$ 1,220,432</u>	<u>\$ 710,205</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	100.21%	92.15%	89.99%	93.54%
COVERED EMPLOYEE PAYROLL	\$ 10,496,591	\$ 9,946,903	\$ 7,326,189	\$ 5,060,827
NET PENSION LIABILITY(ASSET) AS A PERCENTAGE OF COVERED PAYROLL	-0.32%	11.17%	16.66%	14.03%



Aaron Canales, CPA  
Juan José Garza, CPA  
J. Clayton Baum, CPA (Ret.)  
Guadalupe Garcia-Wright, CPA

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

To the Honorable County Judge  
And Honorable County Commissioners  
La Salle County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the La Salle County, Texas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the La Salle County, Texas' basic financial statements, and have issued our report thereon dated October 25, 2019.

### **Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the La Salle County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Canales, Garza & Baum, PLLC*

Laredo, Texas  
October 25, 2019



Aaron Canales, CPA  
Juan José Garza, CPA  
J. Clayton Baum, CPA (Ret.)  
Guadalupe Garcia-Wright, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF TEXAS SINGLE  
AUDIT CIRCULAR

To the Honorable County Judge and  
the Honorable County Commissioners  
La Salle County, Texas

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

We have audited La Salle County, Texas (the "County") compliance with the types of compliance requirements described in the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the County's major state programs for the year ended December 31, 2018. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and State of Texas Single Audit Circular. Those standards and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the County's compliance.

**Opinion on Each Major State Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2018.

## Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Canales, Garza & Baum, PLLC*

Laredo, Texas  
October 25, 2019

La Salle County, Texas  
 Schedule of Expenditures of State Awards  
 For the Year Ended December 31, 2018

STATE GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE		STATE EXPENDITURES
<b>STATE AWARDS</b>		
<b><u>Texas Juvenile Justice Department</u></b>		
State Aid	TJJD-A - 142	\$ 54,728
<b>Total Texas Juvenile Justice Department</b>		<b>54,728</b>
<b><u>Texas Department of Transportation</u></b>		
County Transportation Infrastructure Fund	CTIF-01-142	914,332
<b>Total Texas Department of Transportation</b>		<b>914,332</b>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<b>\$ 969,060</b>

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the grant activity of La Salle County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State of Texas Single Audit Circular, therefore some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.

La Salle County, Texas  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2018

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Unqualified

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ yes  X  no  
Significant deficiencies identified that are not  
considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

***State Awards***

Internal control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ yes  X  no  
Significant deficiencies identified that are  
not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Type of auditors' report issued on compliance  
for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with  
the State of Texas Single Audit Circular? \_\_\_\_\_ yes  X  no

Identification of major programs:

CFDA Number(s) \_\_\_\_\_ Name of State Program or Cluster  
TxDOT – County Transportation Infrastructure Fund

Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no

**Section II - Financial Statement Findings**

None

**Section III - State Award Findings and Questioned Costs**

None

La Salle County, Texas  
Summary Schedule of Prior Audit Findings and Questioned Costs  
Year Ended December 31, 2018

**Summary of Prior Audit Findings**

**FEDERAL**

None

**STATE**

None