

The background of the report cover is a photograph of the Panola County Courthouse. The building is a two-story, light-colored concrete structure with a flat roof. A large set of green stairs leads to the main entrance, which has a glass door. Above the entrance, the words "PANOLA COUNTY" are inscribed in large, light-colored letters. To the left of the entrance, there is a small ramp and a set of stairs. A tall flagpole stands to the left of the building, flying the United States flag and the Texas state flag. A large, leafy green tree is on the right side of the building. The foreground is a well-maintained green lawn.

# COUNTY AUDITOR'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED  
DECEMBER 31, 2009  
PANOLA COUNTY, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**PANOLA COUNTY, TEXAS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

**Prepared by:**

**Office of the County Auditor  
Panola County, Texas**

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**PANOLA COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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## **INTRODUCTORY SECTION**



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**SIDNEY BURNS  
AUDITOR**



**JENNIFER STACY  
1ST ASSISTANT AUDITOR  
DONNA BURCHETT  
2ND ASSISTANT AUDITOR**

**OFFICE OF  
PANOLA COUNTY AUDITOR**  
COURTHOUSE ANNEX • ROOM 213A  
CARTHAGE, TEXAS 75633  
903-693-0320

**June 17, 2010**

**Honorable District Judge Guy Griffin,  
Honorable County Judge David L. Anderson,  
Honorable County Commissioners,  
and Taxpayers and Citizens of Panola County**

Conforming to statutory requirements of the duties of the County Auditor, submitted herewith is the Comprehensive Annual Financial Report for Panola County, Texas, for the fiscal year ended December 31, 2009. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board, and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

This report consists of management's representations concerning the finances of Panola County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Panola County has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of Panola County have been audited by Robinson & Payne, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on Panola County's financial statements for the year ended December 31, 2009, and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. Panola County's MD&A can be found immediately following the Independent Auditor's Report.

## **PROFILE OF THE GOVERNMENT**

Located in East Texas, Panola County, Texas, was organized in 1846. Panola County currently occupies a land area of 801 square miles and serves a population of 22,606.

The County operates as specified under a County Judge – Commissioners' Court type of government, consisting of one County Judge and four Commissioners. The County Judge is the presiding officer of the Commissioners' Court, the governing body of the County, and is elected for a four-year term by the voters of the County. Each Commissioner represents one of the four Commissioner precincts into which the County is divided and is elected by the voters of his precinct for a four-year term. The Commissioners' Court has only powers expressly granted to it by the legislature and powers necessarily implied from such grant. Among other duties, it proposes and approves the County budget, determines the County tax rates, approves contracts in the name of the County, determines whether a proposition to issue bonds should be submitted to the voters, appoints certain County officials, and makes other decisions concerning the operation of the County.

Panola County provides a full range of services, including public safety, public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services.

### **Budgets and Budgetary Controls**

The annual budget serves as the foundation for Panola County's financial planning and control. The County Judge is by statute the County Budget Officer and is responsible for determining the Commissioners' Court guidelines for the proposed County budget. After being furnished the budget guidelines by the County Judge, the County Auditor prepares an estimate of revenues and a compilation of expenditures as set out in the guidelines. The proposed budget is filed in the office of the County Clerk as public record.

A public hearing is held on the budget by the Commissioners' Court. Department heads and any other interested citizens may appear. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts as proposed in the budget. Expenditure amounts finally budgeted may not exceed the estimated revenues and available cash. A tax rate is then set which will generate the estimated ad valorem tax revenues in the budget.

When the final budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments to prevent expenditures from exceeding budgeted appropriations and for keeping the Commissioners' Court advised of the condition of the various funds and accounts.

Each fund is budgeted on an annual basis, by the primary activities of salaries and benefits, supplies, other services and charges, and capital outlay. Budget to actual comparisons are provided in this report for the General Fund and all major special revenue funds.

### **Financial Administration**

The officials having responsibility for the financial administration of the County are the County Judge and four County Commissioners (the "Commissioners' Court"), the Tax Assessor-Collector, the County Treasurer, and the County Auditor.

The Tax Assessor-Collector is elected for a four-year term and is responsible for collecting ad valorem taxes and collecting certain State and County fees and other taxes for the County. Duties of the County Treasurer, who is also elected for a four-year term, include depositing monies received by the County into the depository selected by the Commissioners' Court, signing and registering all of the County's checks (except certain agency funds), preparation of payroll, maintenance and

compilation of all personnel records, preparation of quarterly and monthly state, county, and federal reports and other financial functions.

The County Auditor is appointed for a two-year term by the State District Judge having jurisdiction within the County. The County Auditor is responsible for the accounting practices and audit control functions of county finances. His responsibilities include those for accounting, auditing, accounting systems design, assisting with financial planning and operations, financial reporting, insurance, budget preparation as instructed by the Commissioners' Court, preparation of claims for approval by Commissioners' Court and various other financial related activities. The County Auditor also serves as fiscal officer for the Community Supervision Corrections Department and the Juvenile Probation Department.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Panola County operates.

### **Local Economy**

Panola County continues to rank as one of the leading natural gas producers in East Texas. Continued lignite mining activities along with new natural gas wells contributed greatly to economic activities. Timber, poultry and cattle production also continue to contribute to the local economy. All of these activities have had a positive impact on employment and the county tax base. A great deal of credit should be given to the industrial, civic, and governmental leaders for these positive conditions.

Over the past few years, Panola County has faced the same problems as other smaller rural counties in Texas. Revenue sources have tended to be limited, while demand for services remained constant. Economic growth during the year changed somewhat due to a general decrease in natural gas prices.

The position of the County has continued to be sound over the past year. Some of the factors which enabled the County to maintain this constant level were:

1. All departments and agencies operated within budget appropriations.
2. Estimated revenue was achieved or exceeded.
3. Ad valorem taxes continued to be collected at a high percent.

Looking ahead, Panola County can expect to have some years of economic growth at the state and local level. Careful financial operation and planning will enable the County to remain financially sound. A spirit of cooperation will help to ensure that the future needs of the citizens of Panola County can be met.

### **Long-term Financial Planning**

The Commissioners' Court continues to be very active in budgeting financial resources to rehabilitate all county maintained infrastructure over a number of years in the most economical way. Various capital outlays for road and bridge equipment have been made and are planned to ensure that the department stays updated to meet future repair needs. In addition, the Commissioners' Court continued to fund the Other Post-Employment Benefits (OPEB) Trust Fund in compliance with Government Accounting Standards Board Statement 45 (GASB 45). Compliance with this accounting standard and funding in 2010 will minimize the cost to future taxpayers.

In mid-2009 Panola County opened the new Detention Center. This allowed the County to stop transferring prisoners to other detention facilities. Current state jail standards required additional detention officers due to the increased capacity of the new facility. Thirteen new detention positions were added in 2009. The communication officers who previously served as detention officers were transferred to the Sheriff's office budget. The overall increased public safety costs had a significant effect on the financial statements, as well as an increase in property taxes.

An amount of \$523,977 that was originally set aside in the Reserve Detention Center Construction capital projects fund to help defray the cost of construction was transferred back to the General Fund in 2009. This transfer had a significant effect on the increase in fund balance in the General Fund.

Various costs associated with increased health care premiums for active and retired employees had a significant effect on the financial statements in 2009. The County continues to participate in the insurance program provided through the Texas Association of Counties. This insurance pool allows the County to limit increases in premiums at an amount less than the national average.

The County continues to maintain adequate financial resources in the Road Bond 1971 capital projects fund to meet the County's share of cost associated with new state highway construction. The County also maintains adequate financial resources in the Airport special revenue fund and in the Permanent Improvement capital projects fund for the County's match of grant programs for airport improvements and maintenance.

Also, Panola County continues the long-term lease of the county-owned hospital to East Texas Medical Center Regional Healthcare System. This financial agreement has provided very reasonable, low-cost indigent care program that provides needed health benefits for qualified citizens. The County maintains the Health Fund at an adequate balance to provide health care to indigent County residents.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to Panola County, Texas, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards of preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

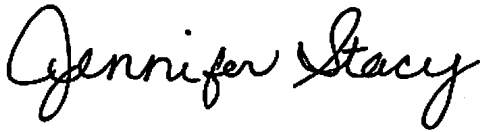
**Acknowledgements**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of all County Departments. We would like to express our appreciation to all members of the County Departments who assisted and contributed to its preparation.

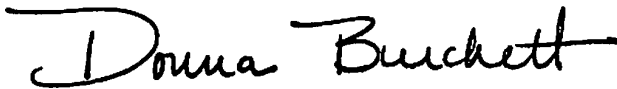
Respectfully submitted,

A handwritten signature in black ink that reads "Sidney Burns". The script is cursive and fluid.

Sidney Burns  
County Auditor

A handwritten signature in black ink that reads "Jennifer Stacy". The script is cursive and fluid.

Jennifer Stacy  
1<sup>st</sup> Assistant Auditor

A handwritten signature in black ink that reads "Donna Burchett". The script is cursive and fluid.

Donna Burchett  
2<sup>nd</sup> Assistant Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Panola County  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

**PANOLA COUNTY, TEXAS  
DIRECTORY OF OFFICIALS  
DECEMBER 31, 2009**

**DISTRICT COURT: 123rd Judicial District**

**The Honorable Guy Griffin, District Judge  
The Honorable Danny Buck Davidson, Criminal District Attorney  
Terri Hudson, Court Reporter  
Debra Johnson, District Clerk  
Bradley Wilburn, CSCD Director  
Tracy Anderson, Chief Juvenile Probation Officer**

**COMMISSIONERS COURT:**

**The Honorable David L. Anderson, County Judge  
The Honorable Ronnie LaGrone, Commissioner Precinct #1  
The Honorable Douglas Cotton, Commissioner Precinct #2  
The Honorable Hermon Reed, Commissioner Precinct #3  
The Honorable Dale LaGrone, Commissioner Precinct #4  
Leann Jones, Administrative Assistant**

**COUNTY COURT AT LAW:**

**The Honorable Terry Bailey, Judge  
Karen A. Clark, Court Reporter**

**COUNTY AUDITOR:**

**Sidney Burns**

**ASSISTANT COUNTY AUDITORS:**

**Jennifer Stacy  
Donna Burchett**

**COUNTY CLERK:**

**Clara Jones**

**COUNTY SHERIFF:**

**Jack Ellett**

**COUNTY SURVEYOR:**

**Don Austin**

**COUNTY TAX ASSESSOR-COLLECTOR:**

**Margaret Dyer**

**COUNTY TREASURER:**

**Gloria Portman**



**PANOLA COUNTY, TEXAS  
DIRECTORY OF OFFICIALS  
DECEMBER 31, 2009**

**COUNTY VETERAN SERVICE OFFICER:**

**Jim Young**

**JUSTICES OF THE PEACE:**

**Lora Taylor, Precincts #2 and #3**

**David Gray, Precincts #1 and #4**

**CONSTABLES:**

**Kevin Lake, Precincts #1 and #4**

**Mitch Norton, Precincts #2 and #3**

**ELECTIONS ADMINISTRATOR:**

**Cheyenne Lampley**

**COUNTY VOTERS**

- SHERIFF (1)
- TWO CONSTABLES (1)
- TWO JUSTICES OF THE PEACE (1)
- DISTRICT CLERK (1)
- COUNTY CLERK (1)
- COMMISSIONERS COURT
  - FOUR COMMISSIONERS (1)
  - COUNTY JUDGE (1)
- DEMOCRATIC AND REPUBLICAN CHAIRMAN (1)
- TAX ASSESSOR-COLLECTOR (1)
- COUNTY TREASURER (1)
- CRIMINAL DISTRICT ATTORNEY (1)
- COUNTY COURT AT LAW JUDGE (1)
- DISTRICT JUDGE (2)

**COUNTY OFFICIALS**

- EMERGENCY MANAGEMENT BOARD
- AIRPORT ADVISORY BOARD
- ROAD & BRIDGE COORDINATOR
- VETERANS SERVICE OFFICER
- COUNTY EXTENSION SERVICE
- LIBRARIAN
- HIGHWAY PATROL SERVICE
- EMERGENCY SERVICES DISTRICT BOARD
- 911 RURAL ADDRESSING COORDINATORS
- CHILD PROTECTIVE SERVICES BOARD
- COMMUNITY SUPERVISION CORRECTIONS DIRECTOR
- COUNTY AUDITOR
- GRAND JURY

**COUNTY VOTERS**

- COUNTY JUDGE
- TAX ASSESSOR-COLLECTOR
- COUNTY CLERK
- DEMOCRATIC CHAIRMAN
- REPUBLICAN CHAIRMAN

**JUVENILE PROBATION DIRECTOR**

- COUNTY JUDGE
- DISTRICT JUDGE
- COUNTY COURT AT LAW JUDGE

**VOTER REGISTRAR**

**TEXAS A&M UNIVERSITY**

(1) DENOTES ELECTED OFFICIALS—ALL OTHERS APPOINTED.  
 (2) DENOTES JOINT & OVERLAPPING RESPONSIBILITIES.

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## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

To The Honorable Members  
Of The Commissioners' Court  
Of Panola County, Texas  
Carthage, Texas 75633

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas (the County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas as of December 31, 2009, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 11, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 17-26; the Schedule of Funding Progress for the Retirement Plan for the Employees of Panola County on page 63; the Schedule of Funding Progress – Other Post Employment (OPEB) Plan on page 64; and budgetary comparison information on pages 65-70, 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.

To The Honorable Members  
Of The Commissioners Court  
Of Panola County, Texas  
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements as a whole of Panola, County, Texas. The introductory section, combining and individual non-major fund financial statements, statistical section and schedules listed in the accompanying table of contents under supplementary financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by *The State of Texas Single Audit Circular*, and is not a required part of the financial statements. The combining and individual non-major fund financial statements, supplementary financial information and the schedule of expenditures of federal and 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 financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Robinson & Payne*

Robinson & Payne, PLLC  
Certified Public Accountants

June 11, 2010

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**PANOLA COUNTY, TEXAS**  
**Management's Discussion and Analysis**  
**December 31, 2009**

As management of Panola County, Texas (the County), we offer readers of the Panola County, Texas financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers of this discussion and analysis should consider the information presented here in conjunction with additional information that we have furnished in our accompanying letter of transmittal, and in the basic financial statements and notes to the financial statements (which immediately follow this discussion).

#### **FINANCIAL HIGHLIGHTS**

- The assets of Panola County, Texas exceeded its liabilities at December 31, 2009 by \$52,062,932 (net assets). Of this amount, \$29,525,131, (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$3,761,076.
- At December 31, 2009, the County's governmental funds reported combined ending fund balances of \$20,077,433, an increase of \$490,682 over the prior year. Of this amount, \$161,924 is reserved for debt service and \$15,994 is reserved for inventories. In addition, \$3,592,568, or 17.9% is designated for health care, and \$491,596, or 2.4%, is designated for capital projects. The remaining \$15,815,351, or 78.8%, is unreserved and undesignated. Unreserved fund balances are available for spending at the County's discretion.
- At December 31, 2009, unreserved fund balance for the general fund was \$9,427,291, or 89.6% of total general fund expenditures.
- The County's total debt decreased by \$1,219,739 during the year ended December 31, 2009.

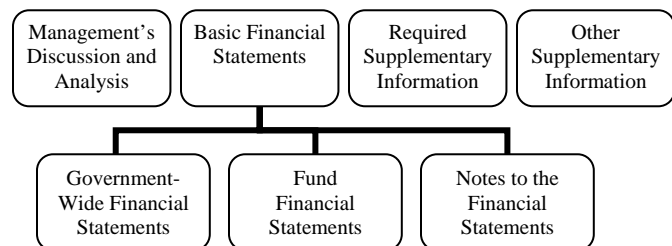
#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Panola County, Texas, basic financial statements. The County's Comprehensive Annual Financial Report has been prepared in compliance with the financial reporting requirements of GASB Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments, as well as GASB Statement No. 37, Basic Financial Statements – and Managements Discussion and Analysis – for State and Local Governments: Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures.

The financial section of the annual report presented herein includes four sections, consisting of the following:

- 1) Management's Discussion and Analysis
- 2) Basic Financial Statements
- 3) Required Supplementary Information
- 4) Other Supplementary Information.

#### **Components of the Financial Section**



The basic financial statements are presented in two different formats. The government-wide statements are required under GASB Statement No. 34 reporting requirements. The government-wide statements report information about the County as a whole using the accrual basis of accounting and the economic resources measurement focus. The fund financial statements provide more detailed information about the County's most significant funds. Fund financial statements use the modified accrual basis of accounting and the current financial resources measurement focus.



**PANOLA COUNTY, TEXAS**  
Management's Discussion and Analysis  
December 31, 2009

**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.

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. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Panola County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. Because the statement of activities separates program revenue (revenue generated by specific programs through charges for services, fees, licenses, grants received, and other contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program relies on general revenues for funding.

All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Panola County has no separately identified discretely-presented component units included in the government-wide financial statements.

The government-wide financial statements can be found on pages 29 - 31 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**PANOLA COUNTY, TEXAS**  
**Management's Discussion and Analysis**  
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The County maintains 33 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge special revenue fund, the Health special revenue fund, the Reserve Detention Center Construction capital projects fund, which are considered to be major funds. Data from the other 29 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for each of its operating funds. The Required Supplementary Information contains budget comparisons for the General Fund, the Road and Bridge special revenue fund, and the Health special revenue fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget, as both originally adopted and as finally amended.

The basic governmental fund financial statements can be found on pages 32 - 39 of this report.

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County's fiduciary funds consist of agency funds and the Retiree Health Benefits Trust Fund (RHBT). Agency funds are used as clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the parties, organizations, or other government agencies to which they belong. The RHBT Fund was created in November 2007 for the purpose of funding for the County's obligation under GASB 45 regarding other post-employment benefits (OPEB) for eligible retired employees. Contributions by the County during 2009 totaled \$1,044,936. The RHBT will be used to provide for the future payment of health care insurance premiums for eligible retired employees.

The basic fiduciary fund financial statement can be found on pages 40 - 41 of this report.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 – 61 of this report.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Net assets of the County as of December 31, 2009 and December 31, 2008 are summarized and analyzed on the following page.

Assets exceeded liabilities by \$52,062,932 as of December 31, 2009, and by \$48,301,856 as of December 31, 2008, a net increase of \$3,761,076. As of December 31, 2009, the County's total assets were \$71,098,075. Capital assets, which include land, buildings and improvements, machinery, equipment, furniture and infrastructure, less any related debt used to acquire those assets that is still outstanding, represent 42.0% of total net assets.

An amount of \$29,525,131 of the County's net assets is unrestricted net assets. This amount may be used to meet the County's ongoing obligations.

**PANOLA COUNTY, TEXAS**  
**Management's Discussion and Analysis**  
**December 31, 2009**

<b>Panola County</b>		
<b>Net Assets</b>		
<b>As of December 31</b>		
	<u>2009</u>	<u>2008</u>
<b>Current and other assets</b>	<b>\$ 46,587,507</b>	<b>\$ 44,823,624</b>
<b>Capital assets (net of accumulated depreciation)</b>	<b>24,510,568</b>	<b>22,752,392</b>
<b>Total assets</b>	<b><u>71,098,075</u></b>	<b><u>67,576,016</u></b>
<b>Long-term liabilities</b>	<b>2,896,961</b>	<b>4,116,700</b>
<b>Other liabilities</b>	<b>16,138,182</b>	<b>15,157,460</b>
<b>Total liabilities</b>	<b><u>19,035,143</u></b>	<b><u>19,274,160</u></b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	21,868,287	18,861,947
Restricted for debt service	161,924	93,036
Restricted for capital projects	491,596	3,212,248
Restricted for other purposes	15,994	-
Unrestricted	<u>29,525,131</u>	<u>26,134,625</u>
<b>Total net assets</b>	<b><u>\$ 52,062,932</u></b>	<b><u>\$ 48,301,856</u></b>

Governmental activities increased the County's net assets by \$3,761,076 in 2009. Total revenues for Panola County were \$21,864,531 and \$21,077,640 in 2009 and 2008, respectively. Total expenses were \$18,103,455 and \$17,173,419 in 2009 and 2008, respectively. Key elements of these changes are summarized below:

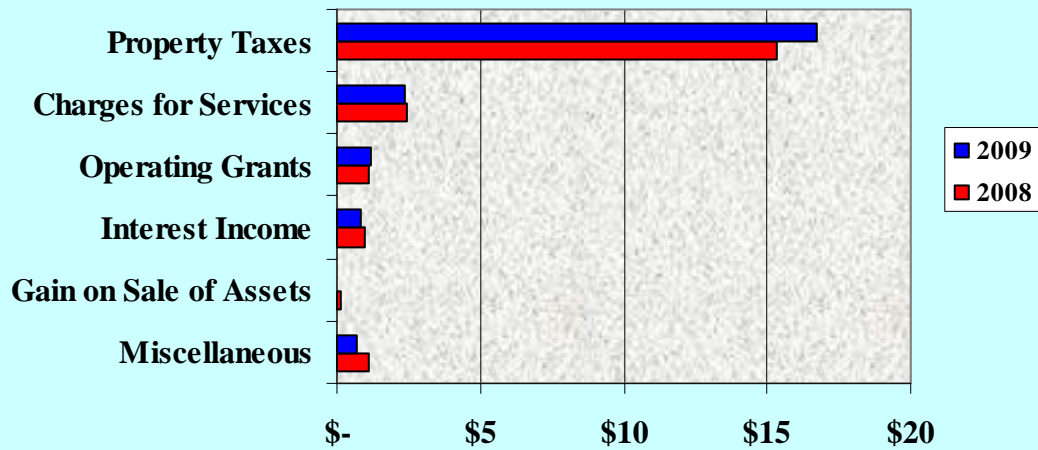
- Program revenues include charges for services, fines and forfeitures, as well as both operating and capital grants and contributions. Program revenues from governmental activities decreased by \$51 thousand, or 1.4%. Charges for services increased by \$46 thousand; this was mainly due to new tax collection contracts with other taxing entities and increased fee collections in the County Clerk's office. Operating grants and contributions decreased by \$97 thousand. Part of this decrease was attributable to the receipt of less disaster relief funds than the prior year.
- General revenues consist of taxes and interest not allocable to specific programs, as well as miscellaneous transactions that are not attributable to a specific program. The largest of these revenues, taxes, increased by \$1.4 million, or 9.2%. Interest revenue decreased by \$136 thousand, or 14.1%, resulting from decreasing interest rates from the previous year. Miscellaneous revenues decreased by \$387 thousand over the previous year.
- Public safety, public transportation and general administration are the three largest programs, in terms of expenses. These three activities accounted for more than 77.0% of total expenses.
- General administration activities for 2009 decreased by \$544 thousand from the prior year. Most of this decrease was attributable to decreased retiree health trust fund contributions.
- Public transportation activities for 2009 decreased by \$182 thousand from the prior year largely due to reduced airport and road maintenance expenditures.

**PANOLA COUNTY, TEXAS**  
Management's Discussion and Analysis  
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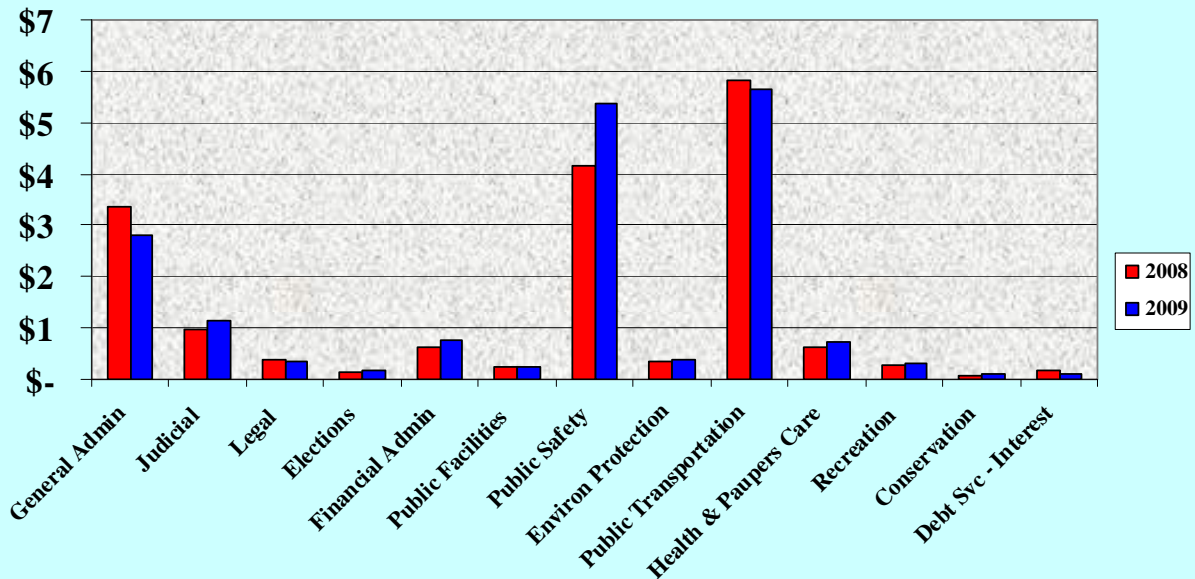
<b>Panola County</b>		
<b>Changes in Net Assets for Governmental Activities</b>		
<b>For the Years Ended December 31</b>		
	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
<b>Revenues:</b>		
<b>Program Revenues:</b>		
Charges for Services	\$ 2,349,267	\$ 2,446,570
Operating grants and contributions	1,153,948	1,107,651
<b>General Revenues:</b>		
Property taxes	16,744,039	15,328,340
Interest Income	826,889	962,442
Gain on Sale of Capital Assets	90,507	145,277
Miscellaneous	699,881	1,087,360
<b>Total Revenue</b>	<b>21,864,531</b>	<b>21,077,640</b>
<b>Expenses:</b>		
General administration	2,814,331	3,358,623
Judicial	1,134,624	953,205
Legal	350,538	377,261
Elections	167,952	137,636
Financial administration	755,563	630,297
Public facilities	258,652	238,315
Public safety	5,364,448	4,175,436
Environmental protection	363,925	339,837
Public transportation	5,642,668	5,825,025
Health and paupers care	734,454	618,051
Recreation	305,744	278,591
Conservation	90,679	73,981
Debt Service – Interest	119,877	167,161
<b>Total Expenses</b>	<b>18,103,455</b>	<b>17,173,419</b>
<b>Change in Net Assets</b>	<b>3,761,076</b>	<b>3,904,221</b>
Net assets, beginning of year	48,301,856	35,228,983
Prior Period Adjustment	-	9,168,652
Net assets, beginning of year, as restated	48,301,856	44,397,635
<b>Net Assets, End of Year</b>	<b>\$ 52,062,932</b>	<b>\$ 48,301,856</b>

**PANOLA COUNTY, TEXAS**  
**Management's Discussion and Analysis**  
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**Governmental Activities - Revenues by Source**  
**For the Years Ended December 31**  
**(in millions)**



**Governmental Activities - Expenses by Function**  
**For the Years Ended December 31**  
**(in millions)**



**PANOLA COUNTY, TEXAS**  
Management's Discussion and Analysis  
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**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, Panola County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is an analysis of the County's governmental funds.

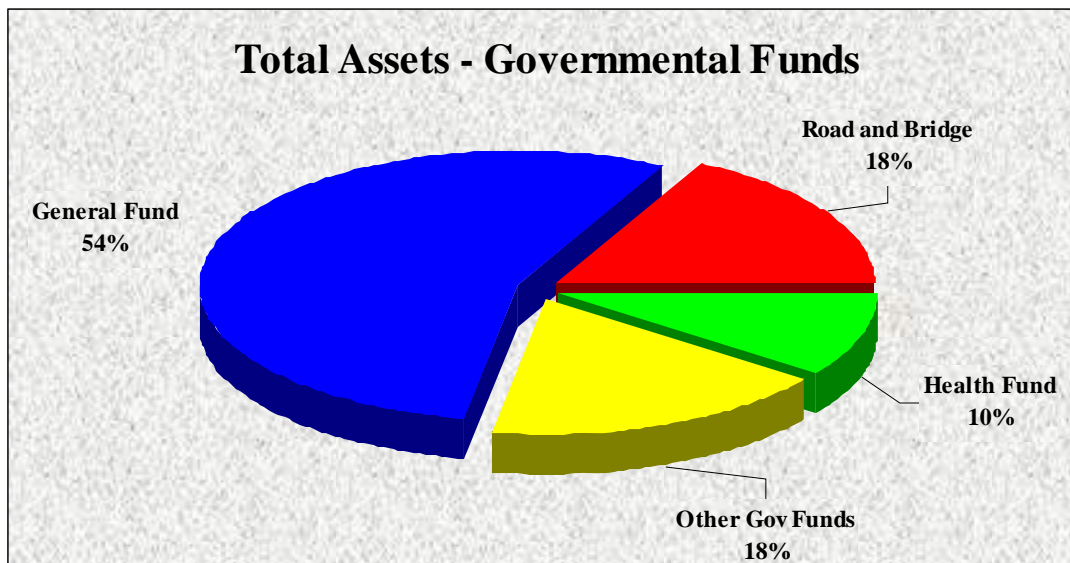
**Governmental Funds**

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

As of December 31, 2009, the County's governmental funds reported combined ending fund balances of \$20,077,433, an increase of \$490,682 over the prior year. Approximately 78.8% of this amount, \$15,815,351 constitutes unreserved fund balance, which is available for spending at the County's discretion.

The General Fund is the chief operating fund of the County. At December 31, 2009, 100% of the General Fund's total fund balance, or \$9,427,291, is unreserved. Total fund balance for the General Fund increased by \$2,509,181, or 36.3% over the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance, which equals total fund balance, represents 89.6% of total General Fund expenditures. Key factors in the change in fund balance in the General Fund are as follows: tax revenues increased by \$1.1 million due to increased taxable valuations; miscellaneous revenues decreased by \$231 thousand; intergovernmental receipts increased by \$109 thousand due to an increase in homeland security funds for public safety and also due to new tax collection contracts with other taxing entities and increased fee collections in the County Clerk's office; and expenditures increased by \$549 thousand, mainly due to increases in salaries and health care costs and new positions for the new Detention Center. A key factor in the increase in fund balance for the Road and Bridge special revenue fund was an increase in tax revenues of \$280 thousand due to increased taxable valuations. Increases in expenditures for the construction of the County's new Detention Center contributed to the decrease in fund balances for Reserve Detention Center capital projects fund.

As shown below, as of December 31, 2009, total assets in the General Fund amounted to \$19,931,011, accounting for 54% of total governmental fund assets. Other major funds and net asset amounts are as follows: Road and Bridge special revenue fund - \$6,384,040 in total assets, and Health special revenue fund - \$3,641,644 in total assets. Together, these major funds account for 82%, of total governmental fund assets.



**PANOLA COUNTY, TEXAS**  
Management's Discussion and Analysis  
December 31, 2009

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget amounted to an increase in appropriations of \$373,949. Of this increase, \$320,696 was funded out of miscellaneous increases in revenues. The remaining \$53,253 was to be budgeted from available fund balance. Most of this increase was budgeted for increased public safety and health and paupers care expenditures.

General Fund revenues exceeded the final budget by \$1.63 million. The majority of this increase was attributable to an increase in miscellaneous revenues over budget in the amount of \$969 thousand. In addition, property taxes exceeded the final budget by \$501 thousand, fees of office exceeded the final budget by \$104 thousand, and intergovernmental receipts exceeded the final budget by \$59 thousand.

General Fund expenditures were \$930 thousand less than final budgeted expenditures. Major contributors to lower than budgeted expenditures are as follows:

- Expenditures for public safety activities were \$585 thousand less than final budgeted expenditures.
- Expenditures for general administration activities were \$161 thousand less than final budgeted expenditures.
- Expenditures for legal activities were \$66 thousand less than final budgeted expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental activities as of December 31, 2009, amounts to \$24,510,568 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, furniture, and infrastructure. The total increase in the County's investment in capital assets for the current year was \$1,758,176.

This year's additions included:

Machinery, equipment and furniture	\$ 1,293,792
Completion of Construction – Detention Center	<u>2,191,624</u>
Totaling	<u>\$ 3,485,416</u>

Capital assets as of December 31, 2009 and 2008 are summarized on the following page.

Additional information on the County's capital assets can be found in Note 3, F on page 54 of this report.

**PANOLA COUNTY, TEXAS**  
**Management's Discussion and Analysis**  
**December 31, 2009**

<b>Capital Assets</b> <b>As of December 31</b>		
	<u>2009</u>	<u>2008</u>
<b>Land</b>	\$ 1,289,889	\$ 1,289,889
<b>Buildings</b>	18,537,168	9,548,174
<b>Improvements other than buildings</b>	259,303	259,303
<b>Machinery and equipment</b>	8,618,260	8,296,292
<b>Infrastructure</b>	10,371,442	10,371,442
<b>Construction in Progress</b>	-	6,797,370
<b>Total Capital Assets</b>	<u>39,076,062</u>	<u>36,562,470</u>
 <b>Less: Accumulated Depreciation</b>	 <u>(14,565,494)</u>	 <u>(13,810,078)</u>
 <b>Total Capital Assets</b>	 <u><u>\$ 24,510,568</u></u>	 <u><u>\$ 22,752,392</u></u>

**Long-Term Debt**

As of December 31, 2009, the County has \$2,625,000 of bonded debt. These bonds were issued in 2007 for the construction of a new jail facility. The only other debt outstanding is in the form of vacation leave payable.

Additional information on the County's long-term debt can be found in Note 3, H and I on page 56 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The following factors were considered in preparing the County's budget for 2010.

- The percentage decrease in total property assessed value for FY 2009 was 6.2% (FY 2008 increase was 21.8%).
- Property tax receipts for FY 2009 were \$16.7 million, an increase of 9.2% over receipts of \$15.3 million for FY 2008.
- The County has consistently maintained an ad valorem tax collection rate over 97.5% for the last few years.
- The percentage increase in medical insurance premiums for employees was 9.8% for FY 2009 (FY 2008 increase was 5.6%).
- Fluctuating energy costs have affected the price of fuel and road surfacing materials.
- Property and liability insurance costs decreased 1.0% for FY 2009 compared to an increase of 2.9% for FY 2008.



**PANOLA COUNTY, TEXAS**  
**Management's Discussion and Analysis**  
**December 31, 2009**

Original budgeted expenditures for FY 2010 are \$20.4 million, an increase of 12.7% over original budgeted expenditures of \$18.1 million for FY 2009. Property taxes account for the bulk of the revenues, as approximately 92.0% of the total budgeted revenues for the General Fund are related to property taxes.

The tax rate for the new fiscal year was set at \$0.3632/\$100. This includes the debt service rate for bonds approved in 2006 for the construction of a new jail facility. The overall rate is lower than the county tax rate used ten years ago. The low rate was attributable to increased natural gas value and production.

Several other factors are expected to have an impact on the budgetary process in the next few years:

- Decreased taxable value due to the lower price of natural gas will have an impact on the budget for the next year.
- Continued pressure from rising health insurance costs, demand for services, increased fuel costs and road maintenance costs will cause the County to adjust the tax rate in years to come. The natural gas production should minimize these increases.
- In spite of the demand for County services, the County enjoys a healthy tax base relying primarily on the natural gas field for a substantial amount of tax revenues. The County conservatively manages its resources and is in a sound financial position to meet the needs of citizens for years to come.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Panola County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Panola County Auditor's Office, Courthouse Annex Room 213A, Carthage, Texas 75633.

## **BASIC FINANCIAL STATEMENTS**

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**PANOLA COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2009**

	<b>Governmental Activities</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 4,255,788
Investments	31,800,000
Receivables (net of allowance for doubtful accounts )	
Delinquent Taxes	150,000
Miscellaneous	173,778
Inventory	15,994
Capital Assets (net of accumulated depreciation):	
Land	1,289,889
Buildings	15,333,839
Improvements other than buildings	223,333
Machinery and equipment	3,945,391
Infrastructure	3,718,116
Negative net OPEB obligation asset	10,184,347
Other Assets	7,600
<b>Total Assets</b>	<b>71,098,075</b>
<b>LIABILITIES:</b>	
Accounts Payable-Trade	440,030
Unearned Revenues	15,630,234
Due to Fiduciary Funds	28,891
Accrued Liabilities	39,027
Noncurrent liabilities:	
Due Within One Year	1,556,961
Due In More Than One Year	1,340,000
<b>Total Liabilities</b>	<b>19,035,143</b>
<b>NET ASSETS:</b>	
Invested in Capital Assets, Net of Related Debt	21,868,287
Restricted for Debt Service	161,924
Restricted for Capital Projects	491,596
Restricted for Other Purposes	15,994
Unrestricted	29,525,131
<b>Total Net Assets</b>	<b>\$ 52,062,932</b>

The accompanying notes are an integral part of these financial statements.

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**PANOLA COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Government Activities:					
General administration	\$ 2,814,331	\$ 383,448	\$ -	\$ -	\$ (2,430,883)
Judicial	1,134,624	116,763	74,192	-	(943,669)
Legal	350,538	77,514	4,320	-	(268,704)
Elections	167,952	2,400	12,337	-	(153,215)
Financial administration	755,563	338,835	-	-	(416,728)
Public facilities	258,652	8,658	-	-	(249,994)
Public safety	5,364,448	531,439	963,272	-	(3,869,737)
Environmental protection	363,925	-	-	-	(363,925)
Public transportation	5,642,668	748,835	30,279	-	(4,863,554)
Health & paupers care	734,454	5,351	69,548	-	(659,555)
Recreation	305,744	136,024	-	-	(169,720)
Conservation	90,679	-	-	-	(90,679)
Debt Service - Interest	119,877	-	-	-	(119,877)
Total primary government	<u>\$ 18,103,455</u>	<u>\$ 2,349,267</u>	<u>\$ 1,153,948</u>	<u>\$ -</u>	<u>\$ (14,600,240)</u>
General Revenues:					
	Property Taxes				\$ 16,744,039
	Interest Income				826,889
	Gain on Sale of Capital Assets				90,507
	Miscellaneous				699,881
	Total general revenues and transfers				<u>18,361,316</u>
	Change in net assets				3,761,076
	Net assets, Beginning of Year				48,301,856
	Net Assets, End of Year				<u>\$ 52,062,932</u>

The accompanying notes are an integral part of these financial statements.

**PANOLA COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<b>General Fund</b>	<b>Road and Bridge</b>	<b>Health Fund</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,882,809	\$ 833,055	\$ 66,767
Investments	17,815,550	5,507,500	3,570,000
Receivables (net of allowance for doubtful accounts )			
Delinquent Taxes	97,517	36,752	-
Miscellaneous	125,392	6,733	4,877
Due From Other Funds	2,143	-	-
Inventory	-	-	-
Other Assets	7,600	-	-
<b>Total Assets</b>	<b><u>\$ 19,931,011</u></b>	<b><u>\$ 6,384,040</u></b>	<b><u>\$ 3,641,644</u></b>
<b>LIABILITIES</b>			
Accounts Payable-Trade	\$ 158,218	\$ 123,386	\$ 49,076
Deferred Tax Revenues	10,294,336	3,879,674	-
Due to Other Funds	529	-	-
Due to Fiduciary Funds	28,891	-	-
Accrued Liabilities	21,746	-	-
<b>Total Liabilities</b>	<b><u>10,503,720</u></b>	<b><u>4,003,060</u></b>	<b><u>49,076</u></b>
<b>FUND BALANCES</b>			
Reserved for:			
Inventory	-	-	-
Debt Service	-	-	-
Unreserved, Designated for:			
Health Care, Reported in Special Revenue Funds	-	-	3,592,568
Capital Projects, Reported in Capital Project Funds	-	-	-
Unreserved and Undesignated:			
Reported in the General Fund	9,427,291	-	-
Reported in Special Revenue Funds	-	2,380,980	-
<b>Total Fund Balances</b>	<b><u>9,427,291</u></b>	<b><u>2,380,980</u></b>	<b><u>3,592,568</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 19,931,011</u></b>	<b><u>\$ 6,384,040</u></b>	<b><u>\$ 3,641,644</u></b>

The accompanying notes are an integral part of these financial statements.

<b>Reserve Detention Ctr Construction CPF</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 1,473,157	\$ 4,255,788
-	4,906,950	31,800,000
-	15,731	150,000
-	36,776	173,778
-	29	2,172
-	15,994	15,994
-	-	7,600
<u>\$ -</u>	<u>\$ 6,448,637</u>	<u>\$ 36,405,332</u>
\$ -	\$ 109,350	\$ 440,030
-	1,661,050	15,835,060
-	1,643	2,172
-	-	28,891
-	-	21,746
<u>-</u>	<u>1,772,043</u>	<u>16,327,899</u>
-	15,994	15,994
-	161,924	161,924
-	-	3,592,568
-	491,596	491,596
-	-	9,427,291
-	4,007,080	6,388,060
<u>-</u>	<u>4,676,594</u>	<u>20,077,433</u>
<u>\$ -</u>	<u>\$ 6,448,637</u>	<u>\$ 36,405,332</u>

The accompanying notes are an integral part of these financial statements.



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**PANOLA COUNTY, TEXAS  
RECONCILIATION OF THE BALANCE SHEET OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2009**

**Total Fund Balances - Governmental Funds** **\$ 20,077,433**

**Amounts reported for governmental activities in the statement of  
net assets are different because:**

**Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds.  
These capital assets (net of accumulated depreciation) consist of:**

Land	\$	1,289,889
Buildings		15,333,839
Improvements other than buildings		223,333
Machinery and equipment		3,945,391
Infrastructure		3,718,116
		3,718,116

**Total capital assets** **24,510,568**

**Negative net OPEB obligation assets created by contributions made  
by the County to its OPEB plan to retire part of its unfunded  
obligations are not recognized in the funds.** **10,184,347**

**Other long-term assets are not available to pay for current-period  
expenditures and, therefore, are deferred in the funds.** **204,826**

**Some liabilities are not due and payable in the current period and  
therefore are not reported in the funds. Those liabilities  
consist of:**

Bonds Payable	(2,625,000)	
Accrued Interest on Bonds Payable	(17,281)	
Vacation Leave Payable	(271,961)	
	(271,961)	
<b>Total non-current liabilities</b>		<b>(2,914,242)</b>

**NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ 52,062,932**

**The accompanying notes are an integral part of these financial statements.**

**PANOLA COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>REVENUES</b>	<b>General Fund</b>	<b>Road and Bridge</b>	<b>Health Fund</b>
Property Taxes	\$ 10,479,013	\$ 4,327,583	\$ -
Licenses	-	449,020	-
Intergovernmental Receipts	446,460	62,362	36,516
Fees of Office	668,681	-	-
Fines	-	267,732	-
Miscellaneous	906,835	327,992	103,975
<b>TOTAL REVENUES</b>	<b>12,500,989</b>	<b>5,434,689</b>	<b>140,491</b>
<b>EXPENDITURES</b>			
Current			
General Administration	2,715,639	-	-
Judicial	1,111,988	-	-
Legal	322,206	-	-
Elections	146,889	-	-
Financial Administration	771,927	-	-
Public Facilities	257,823	-	-
Public Safety	3,910,657	-	-
Environmental Protection	357,651	-	-
Public Transportation	-	4,974,528	-
Health and Paupers Care	517,227	-	130,713
Recreation	311,814	-	-
Conservation	91,964	-	-
Debt Service - Principal	-	-	-
Debt Service - Interest	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>10,515,785</b>	<b>4,974,528</b>	<b>130,713</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,985,204	460,161	9,778
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	523,977	-	-
Transfers Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>523,977</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>2,509,181</b>	<b>460,161</b>	<b>9,778</b>
<b>FUND BALANCE-BEGINNING</b>	<b>6,918,110</b>	<b>1,920,819</b>	<b>3,582,790</b>
<b>FUND BALANCE-ENDING</b>	<b>\$ 9,427,291</b>	<b>\$ 2,380,980</b>	<b>\$ 3,592,568</b>

The accompanying notes are an integral part of these financial statements.

<b>Reserve Detention Ctr Construction CPF</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>\$ -</b>	<b>\$ 1,938,592</b>	<b>\$ 16,745,188</b>
-	-	449,020
-	751,681	1,297,019
-	647,571	1,316,252
-	-	267,732
<b>27,280</b>	<b>417,746</b>	<b>1,783,828</b>
<b>27,280</b>	<b>3,755,590</b>	<b>21,859,039</b>
-	128,054	2,843,693
-	-	1,111,988
-	36,844	359,050
-	-	146,889
-	-	771,927
-	-	257,823
<b>2,237,768</b>	<b>1,374,956</b>	<b>7,523,381</b>
-	-	357,651
-	582,790	5,557,318
-	18,878	666,818
-	-	311,814
-	-	91,964
-	1,240,000	1,240,000
-	128,041	128,041
<b>2,237,768</b>	<b>3,509,563</b>	<b>21,368,357</b>
<b>(2,210,488)</b>	<b>246,027</b>	<b>490,682</b>
-	-	523,977
<b>(523,977)</b>	<b>-</b>	<b>(523,977)</b>
<b>(523,977)</b>	<b>-</b>	<b>-</b>
<b>(2,734,465)</b>	<b>246,027</b>	<b>490,682</b>
<b>2,734,465</b>	<b>4,430,567</b>	<b>19,586,751</b>
<b>\$ -</b>	<b>\$ 4,676,594</b>	<b>\$ 20,077,433</b>

The accompanying notes are an integral part of these financial statements.

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**PANOLA COUNTY, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Net Change in Fund Balances - Governmental Funds** **\$ 490,682**

**Amounts reported for governmental activities in the statement of activities are different because:**

**Capital asset purchases are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated lives as depreciation expense. In the current period, these amounts are:**

Capital assets additions	\$ 3,485,416
Less value of assets traded-in	(44,531)
Capital asset disposals	(102,013)
Depreciation expense for all capital assets	<u>(1,580,696)</u>

**Total change in capital assets activity** **1,758,176**

**The County contributed funds to its OPEB Trust Fund to retire part of its unfunded obligations. Governmental funds report such outlays as expenditures. However, the outlay is reported as an asset on the Statement of Net Assets.**

**285,464**

**The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Details of these activities consists of:**

Increases in accrued vacation liability	(20,261)
Debt principal payments	<u>1,240,000</u>

**Total non-current liabilities** **1,219,739**

**Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.**

**7,015**

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES**

**\$ 3,761,076**

**The accompanying notes are an integral part of these financial statements.**

**PANOLA COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2009**

	Panola County Retiree Health Benefits Trust Fund	Agency Funds
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 169,207	\$ 4,821,122
Certificates of Deposit	12,300,000	305,988
Interest receivable	54,147	-
Due from Other Funds	28,891	-
Due from Other Agency Funds	-	10,990
Total Assets	<u>12,552,245</u>	<u>5,138,100</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable-Trade	-	-
Due to State of Texas:		
Law Enforcement Related	-	68,781
Auto Registration	-	139,119
Sales Tax	-	197,845
Due to Other Agency Funds	-	10,990
Due to Emergency Services District	-	33,804
Due to City of Carthage	-	79,095
Due to Carthage Independent School District	-	1,518,756
Due to Panola Junior College	-	236,951
Due to Panola County Groundwater Conservation District		15,066
Due to Gary Independent School District	-	429,995
Due to Elysian Fields Independent School District		238,674
Due to Joaquin Independent School District		90,547
Due to City of Beckville	-	5,675
Court Costs Deposits and Cash Bonds	-	31,679
Restitution Payable	-	19,357
Trust Funds Payable	-	1,973,936
Other Miscellaneous Payables	-	47,830
Total Liabilities	<u>-</u>	<u>\$ 5,138,100</u>
<b>NET ASSETS</b>		
Held in trust for OPEB benefits	12,552,245	
Total Net Assets	<u>\$ 12,552,245</u>	

The accompanying notes are an integral part of these financial statements.

**PANOLA COUNTY, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Panola County Retiree Health Benefits Trust Fund</b>
<b>ADDITIONS</b>	
<b>Contributions:</b>	
Reimbursement from Medicare	\$ 57,359
Employer Contributions	<u>1,044,936</u>
Total Employer Contributions	<u>1,102,295</u>
 Total Contributions	 <u>1,102,295</u>
 <b>Investment Income:</b>	
Interest earnings	<u>354,279</u>
Total Investment Income	<u>354,279</u>
 TOTAL ADDITIONS	 <u>1,456,574</u>
 <b>DEDUCTIONS</b>	
Benefit Payments	<u>394,265</u>
 TOTAL DEDUCTIONS	 <u>394,265</u>
 CHANGE IN NET ASSETS	 1,062,309
 NET ASSETS - BEGINNING OF YEAR	 <u>11,489,936</u>
 NET ASSETS - END OF YEAR	 <u><u>\$ 12,552,245</u></u>

The accompanying notes are an integral part of these financial statements.



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**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**A. Reporting Entity**

Panola County, Texas (the County) was organized in 1846. The County operates under a County Judge – Commissioners' Court type of government and provides the following services: public safety, public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administration. The accompanying basic financial statements present the County's primary government and component units over which the County exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the County. There are no component units included within the reporting entity.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net assets and the statement of changes in net assets. Government-wide statements report consolidated information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements; however, inter-fund services provided and used are not eliminated in the process of the government-wide consolidation. Governmental activities are primarily supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The General Fund, Road and Bridge special revenue fund, Health special revenue fund and the Reserve Detention Center Construction capital projects fund meet the criteria or have been selected by management as major governmental funds. Non-major funds include other special revenue and capital projects funds. The combined amounts for these funds are reflected in a single column in the fund financial statements. Detailed statements for non-major funds are presented within the combining and individual fund statements and schedules.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary funds are custodial in nature and thus have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

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

The government reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

**Road and Bridge Special Revenue Fund** – The Road and Bridge special revenue fund is used to account for monies designated for use in road and bridge work of the County. Primary sources of revenues include ad valorem taxes, automobile registration fees, County and District fees, and State allotments of road funds. Revenues are used for public transportation maintenance and construction purposes.

**Health Special Revenue Fund** – This fund is used only to finance items related to providing health care to County residents including indigent residents.

**Reserve Detention Center Construction Capital Projects Fund** – The Reserve Detention Center Construction capital projects fund is used to account for the use of monies transferred out of the County's General Fund for the construction of the County's new jail facility. This fund will be used to account for payment of construction costs in excess of the bond proceeds.

Additionally, the government reports the following non-major funds:

**Special revenue funds** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Debt Service Funds** – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

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

**Capital projects funds** – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Retiree Health Benefit Trust Fund** – The Panola County, Texas Retiree Health Benefit Trust fund is used to account for the single employer defined benefit healthcare plan administered by the County which provides medical insurance benefits to eligible retirees and their beneficiaries.

**Agency funds** – Agency funds are used to account for situations in which the County acts in a custodial capacity for individuals, firms, and State and local governments. Funds on hand in the County's agency funds may be funds held for legal reason, tax collections for other governmental entities, or fees collected on behalf of the State or other governmental entities. As a result, all assets reported in an agency fund are offset by a liability to the party on whose behalf the assets are held.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues, such as refunds from insurance carriers, and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition, such as interest earnings, are reported as non-operating revenues and expenses.

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

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit with an original maturity of less than 90 days.

Panola County is legally authorized to invest in certificates of deposit, obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies, and other obligations, the principal and interest of which are guaranteed by the State of Texas or the United States. The County may also invest in the obligations of states and the political subdivisions of any state having received a rating of not less than "A" by a nationally recognized investment rating firm, fully collateralized direct repurchase agreements secured by obligations of the United States or its agencies, and highly rated domestic "commercial paper" with a maturity of 90 days or less (as authorized by Public Funds Investment Act of 1987). The County reporting entity considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments for the County are reported at fair value. All investment income is recognized as revenue in the appropriate fund's statement of activity and/or statement of revenues, expenditures and changes in fund balance.

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**D. Assets, Liabilities, and Net Assets or Equity (cont.)**

**2. Receivables and Payables**

Property taxes are recognized as revenues in the period for which the taxes are levied, regardless of the lien date. Property taxes for the County are levied based on taxable value on the lien date of January 1 prior to December 31 of the same year. They become due January 1 of the following year and delinquent after June 30 of the following year. Accordingly, receivables and revenues for prior-year levies delinquent at year-end are reflected on the government-wide statement based on the full accrual method of accounting and under the modified accrual method in the fund statements.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursement for services performed by the county. Program grants are recorded as receivables and revenues at the time all eligibility requirements have been met and reimbursable costs are incurred.

Reimbursements for services performed are recorded as receivables and revenues when they become eligible for accrual in the government-wide statements. Included are fines and costs assessed by court action and billable services. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements.

Receivables are shown net of an allowance for uncollectibles.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "transfers to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Inter-fund activity reflected in "due to/from other funds" is eliminated on the government-wide financial statements.

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

**3. Inventories and Prepaid Items**

Inventories of supplies on hand have not been recorded; such supplies are of an expendable nature and are expensed when purchased. As these amounts do not seem to fluctuate a great deal from year to year, the exclusion of inventories does not materially affect either the financial position or results of operations of these funds.

The inventory amount of \$15,994 in the Airport Special Revenue Fund consists of jet fuel held for consumption stated at cost on a first-in, first-out basis. Reported inventories are offset by a reserve of fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

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.

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**D. Assets, Liabilities, and Net Assets or Equity (cont.)**

**4. Restricted Net Assets**

Restricted net assets reflect net assets that are subject to restrictions beyond the government's control. Qualifying restrictions may include restrictions externally imposed (i.e., by creditors, grantors, contributors, or laws/regulations of other governments), or restrictions imposed by law through constitutional provisions or enabling legislation. As of December 31, 2009, the County has restricted net assets of \$161,924 for debt service, \$491,596 for capital projects and \$15,994 for other purposes.

**5. Capital Assets**

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 or more and an estimated useful life of greater than 1 year. Infrastructure assets include County-owned roads and bridges. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Computers and peripheral equipment	5
Machinery and equipment	10 to 50
Vehicles	5 to 10
Facilities and improvements	40
Furniture	10
Infrastructure - Roads	20
Infrastructure – Bridges	25 to 35

**6. Vacation Pay and Sick Leave**

It is the County's policy to permit employees to accumulate earned but unused vacation benefits. Vacation benefits are accrued by County employees in accordance with guidelines suggested in the County's personnel policy. Since various departments are supervised by elected and appointed officials, departmental policies established within the guidelines vary by department.

Employees may accumulate a maximum of fifteen days of vacation leave and are paid for any unused leave upon termination of employment. Unused vacation may not be carried over to the next fiscal year. A liability for unused vacation time is calculated and reflected in the government-wide financial statements. A liability for unused vacation time is reported in the governmental funds only when it has matured.

Sick pay policies are uniform throughout the departments. Unused sick leave is non-vesting and terminates upon cessation of employment. Accordingly, no provision is made for accrued sick leave at year end.

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**D. Assets, Liabilities, and Net Assets or Equity (cont.)**

**7. Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

As of December 31, 2009, long-term debt outstanding consists of bonded indebtedness and vacation leave payable.

**8. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The Airport Special Revenue fund has a reserved fund balance of \$15,994 for inventories.

Designations of fund balance represent tentative management plans that are subject to change. The Health Care special revenue fund has a designated fund balance of \$3,592,568. The balance is designated for county health care expenses as authorized by State statutes. Capital project funds have total designated fund balances of \$491,596. Designation of the capital projects fund balances is as follows:

- a. The 1971 Road Bond capital projects fund balance is designated for the purpose of right of way purchases and related expenditures of future road improvements. The total designation amounts to \$283,850.
- b. The Permanent Improvement capital projects fund balance is designated for use in anticipated expansion and improvements of the County's airport. The total designation amounts to \$207,746.

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between fund balance for total governmental funds and net assets as reported in the government-wide statement of net assets.

One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” These assets (net of accumulated depreciation) consist of:

Land	\$ 1,289,889
Buildings	15,333,839
Improvements other than buildings	223,333
Machinery and equipment	3,945,391
Infrastructure	<u>3,718,116</u>
Net adjustment to increase fund balance – Total governmental funds to arrive at net assets – governmental activities	<u>\$24,510,568</u>

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,758,176 difference are as follows:

Capital outlay	\$ 3,485,416
Less value of assets traded in	(44,531)
Capital asset disposals	(102,013)
Depreciation expense	<u>(1,580,696)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,758,176</u>



**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (cont).**

Another element of that reconciliation states that “the issuance of long-term debt (e.g., capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The details of this \$1,219,739 difference are as follows:

Principal repayments:	
Bonds payable payments	\$ 1,240,000
Increases in accrued vacation liability	<u>(20,261)</u>
Net adjustment to increase net changes in fund	
balances – total governmental funds to arrive at	
changes in net assets of governmental activities	<u>\$ 1,219,739</u>

**NOTE 3 – DETAILED NOTES ON ALL FUNDS**

**A. Authorized Investments**

Panola County is authorized to invest in obligations and instruments as defined in the Public Funds Act (Sec. 2256.001 Texas Government Code). Such Investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute. The investments of the County are in compliance with these investment policies.

**B. Deposits and Investments**

During the 2009 fiscal year, all deposits and investments were comprised of bank demand deposits and bank time deposits. The County’s demand deposits and time deposits are fully covered by federal depository insurance and collateral held by the County’s agent, First State Bank & Trust Co., in the name of the County.

A detailed schedule of cash, cash equivalents and investments follows:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and cash equivalents	<u>\$ 4,255,788</u>	<u>\$ 4,990,329</u>	<u>\$ 9,246,117</u>
Investments:			
Certificates of deposit	<u>31,800,000</u>	<u>12,605,988</u>	<u>44,405,988</u>
Total Investments	<u>31,800,000</u>	<u>12,605,988</u>	<u>44,405,988</u>
Total Cash and Investments	<u>\$ 36,055,788</u>	<u>\$ 17,596,317</u>	<u>\$ 53,652,105</u>
Total –Governmental Funds	<u>\$ 36,055,788</u>		
Total cash and cash equivalents and			
Investments – statement of net assets	<u>\$ 36,055,788</u>	<u>\$ 17,596,317</u>	<u>\$ 53,652,105</u>

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**B. Deposits and Investments (cont.)**

**Policies Governing Deposits and Investments**

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. Specific policies applicable to deposits and investments of the County and the risks of such are described below.

a. **Custodial Credit Risk – Deposits:** In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy with respect to custodial credit risk complies with State Law. At December 31, 2009, the County's bank deposits (balance per financial institution) were approximately \$54,320,722. Of this amount, the deposits were insured by federal depository insurance (FDIC) in the amount of \$2,770,534. The remaining balances of \$51,550,188 were covered by pledged collateral held by the agent of the financial institution in the name of the County. The County was therefore not exposed to custodial credit risk during the year as its deposits were covered as described above.

b. **Custodial Credit Risk – Investments:** For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. During the year, the County was not exposed to custodial credit risk for investments.

c. **Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County has no specific policy regarding concentration of credit risk. During the year, the County was not exposed to concentration of credit risk.

d. **Interest Rate Risk:** Interest rate risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. The County does not have a specific policy regarding interest rate risk, as it does not contemplate the investment of funds in such instruments. During the year, the County was not exposed to interest rate risk.

**C. Receivables**

Receivables as of year end for the County's major funds, non-major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, as required by GASB 34, are as follows:

	General Fund	Road & Bridge Fund	Health Fund	All Funds Not Included As Major	Totals
<b>Receivables:</b>					
Taxes	\$ 289,181	\$ 108,987	\$ -	\$ 46,650	\$ 444,818
Due from other funds	2,143	-	-	29	2,172
Interest	17,432	6,095	1,391	5,580	30,498
Miscellaneous	107,960	638	3,486	31,196	143,280
Gross Receivables	416,716	115,720	4,877	83,455	620,768
Less Allowance for Uncollectibles	191,664	72,235	-	30,919	294,818
Net Receivables	\$ 225,052	\$ 43,485	\$ 4,877	\$ 52,536	\$ 325,950

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**C. Receivables (cont.)**

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

<b>Delinquent property taxes receivable:</b>	
General Fund	\$ 97,517
Road & Bridge Fund	36,752
Non-major special revenue funds	4,291
Non-major debt service fund	<u>11,440</u>
	150,000
<b>Advanced property taxes:</b>	
General Fund	10,182,505
Road & Bridge Fund	3,837,432
Non-major special revenue funds	445,188
Non-major debt service fund	<u>1,197,853</u>
	15,662,978
<b>Miscellaneous receivables</b>	<u>22,082</u>
<b>Total Deferred Revenues</b>	<u><u>\$ 15,835,060</u></u>

**D. Property Taxes**

The County's ad valorem taxes are levied on October 1, but do not become due until January 1 of the following year. Taxes become past due February 1 and become delinquent June 30. The County's taxes become a lien on real property on the due date of January 1. This lien is effective until the taxes are paid.

Discounts are offered to taxpayers who pay the taxes in advance of the due date of January 1. The discount is available in decreasing amounts in October, November, and December.

Because the taxes are not due and payable until January 1, there are no current taxes receivable as of December 31.

The County begins to collect taxes for the subsequent fiscal year in October. The advanced tax collections are intended for use in the following fiscal and budget year. Following the susceptible to accrual criteria, the advance collections are not available and therefore are recorded as deferred revenues in the liabilities section of the governmental funds balance sheet.

Since delinquent taxes were due on January 1 of the fiscal and budget year, any unpaid taxes are recorded in the assets section of the of the governmental funds balance sheet as a receivable, net of allowance for uncollectibles, and offset as in the liabilities section of the governmental funds balance sheet as deferred revenues.

By policy, any taxes, regardless of character (delinquent, advance) collected between October 1 and December 31, are not available for use until January 1, the beginning of the next fiscal year. Therefore, all of these receivable and advance collections are recorded as deferred revenues in the governmental funds.

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**E. Delinquent Taxes Receivable**

Based on the County's history of delinquent collections, delinquent taxes have been reported net of the allowance for uncollectible taxes. Property taxes are recognized as revenues as they become available. Accordingly, an amount equal to taxes not yet available has been reported as deferred revenue.

The following is a summary, by fund, of the gross delinquent taxes and the allowance for uncollectible taxes:

	<b>Delinquent Taxes</b>	<b>Allowance for Uncollectible Taxes</b>	<b>Net Delinquent Taxes</b>
<b>General Fund</b>	<b>\$ 289,181</b>	<b>\$ 191,664</b>	<b>\$ 97,517</b>
<b>Special Revenue Funds:</b>			
<b>Road &amp; Bridge</b>	<b>108,987</b>	<b>72,235</b>	<b>36,752</b>
<b>Farm to Market &amp;         Lateral Road Fund</b>	<b>12,725</b>	<b>8,434</b>	<b>4,291</b>
<b>Debt Service Fund</b>	<b>33,925</b>	<b>22,485</b>	<b>11,440</b>
<b>Totals</b>	<b>\$ 444,818</b>	<b>\$ 294,818</b>	<b>\$ 150,000</b>

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**F. Capital Assets**

Capital asset activity for the year ended December 31, 2009 was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
<b>Capital assets, not being depreciated:</b>					
Land	\$ 1,289,889	\$ -	\$ -	\$ -	\$ 1,289,889
Construction in Progress	6,797,370	2,191,624	-	(8,988,994)	-
<b>Total capital assets, not being depreciated</b>	<b>8,087,259</b>	<b>2,191,624</b>	<b>-</b>	<b>(8,988,994)</b>	<b>1,289,889</b>
<b>Capital assets, being depreciated:</b>					
Buildings	9,548,174	-	-	8,988,994	18,537,168
Improvements other than buildings	259,303	-	-	-	259,303
Machinery and equipment	8,296,292	1,293,792	(971,824)	-	8,618,260
Infrastructure	10,371,442	-	-	-	10,371,442
<b>Total capital assets, being depreciated</b>	<b>28,475,211</b>	<b>1,293,792</b>	<b>(971,824)</b>	<b>8,988,994</b>	<b>37,786,173</b>
<b>Less accumulated depreciation for:</b>					
Buildings	(2,933,719)	(269,610)	-	-	(3,203,329)
Improvements other than buildings	(31,738)	(4,232)	-	-	(35,970)
Machinery and equipment	(4,686,495)	(811,654)	825,280	-	(4,672,869)
Infrastructure	(6,158,126)	(495,200)	-	-	(6,653,326)
<b>Total accumulated depreciation</b>	<b>(13,810,078)</b>	<b>(1,580,696)</b>	<b>825,280</b>	<b>-</b>	<b>(14,565,494)</b>
<b>Total capital assets being depreciated, net:</b>	<b>14,665,133</b>	<b>(286,904)</b>	<b>(146,544)</b>	<b>-</b>	<b>23,220,679</b>
<b>Governmental activities capital assets, net:</b>	<b>\$ 22,752,392</b>	<b>\$1,904,720</b>	<b>\$ (146,544)</b>	<b>\$ -</b>	<b>\$24,510,568</b>

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

**Governmental activities:**

General administration	\$ 24,170
Judicial	44,054
Elections	23,290
Public facilities	2,070
Public safety	316,801
Environmental protection	6,274
Public transportation	1,096,401
Health & paupers care	67,636
<b>Total depreciation expense – governmental activities</b>	<b><u>\$ 1,580,696</u></b>

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**G. Inter-fund Receivables, Payables, and Transfers**

Activity between funds that represent the current portion of lending/borrowing and interfund-charges for goods and services arrangements outstanding at year-end are referred to as “Due to/from other funds.”

Activity between the General Fund and other governmental funds represent additional funding for special activities, local matching of grants, or joint participation with the state to provide services.

Activity payable between agency funds represent money collected by one agency fee office for final disposition by another agency fee office, such as the state portion of fines and forfeitures collected by the probation department or county clerk that is remitted through the court system to the proper state agency by the district clerk’s office.

All inter-fund balances are normally liquidated within 45 days of origination.

The composition of inter-fund balances as of December 31, 2009 is as follows:

**Due to/from other funds – governmental funds:**

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 2,143	\$ 529
Non-major Funds	29	1,643
<b>Total</b>	<b>\$ 2,172</b>	<b>\$ 2,172</b>

**Due to/from other funds – all fund types:**

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 2,143	\$ 29,420
Non-major Funds	29	1,643
Fiduciary Funds	39,881	10,990
<b>Total</b>	<b>\$ 42,053</b>	<b>\$ 42,053</b>

Inter-fund transfers during the year ended December 31, 2009 are shown below. An amount of \$523,977 was transferred from the Reserve Detention Center Construction capital projects fund to the General Fund. This amount represented the balance of designated funds remaining after construction was completed on the new detention center.

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 523,977	\$ -
Reserve Det Ctr Construction CPF	-	523,977
<b>Total</b>	<b>\$ 523,977</b>	<b>\$ 523,977</b>

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**H. Long-Term Debt**

Long-term liability activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$3,865,000	\$ -	\$ (1,240,000)	\$2,625,000	\$1,285,000
Vacation Leave Payable	<u>251,700</u>	<u>271,961</u>	<u>(251,700)</u>	<u>271,961</u>	<u>271,961</u>
<b>Total Long-term Liabilities - Governmental Activities</b>	<u><b>\$4,116,700</b></u>	<u><b>\$ 271,961</b></u>	<u><b>\$ (1,491,700)</b></u>	<u><b>\$2,896,961</b></u>	<u><b>\$1,556,961</b></u>

**I. Bonds Payable**

In 2007, Panola County issued general obligation bonds for the construction of a new jail. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in bonded indebtedness for the year ended December 31, 2009 is as follows:

	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>General Obligation Bonds, Series 2007</b>	3.95%	\$5,055,000	<u>\$3,865,000</u>	<u>\$ -</u>	<u>\$1,240,000</u>	<u>\$2,625,000</u>
<b>Total Bonds Payable</b>			<u><b>\$3,865,000</b></u>	<u><b>\$ -</b></u>	<u><b>\$1,240,000</b></u>	<u><b>\$2,625,000</b></u>

Interest paid on bonds in 2009 amounted to \$128,041.

Debt service requirements are as follows:

<u>Year Ended August 31,</u>	<u>General Obligations</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2010	\$ 1,285,000	\$ 78,309	\$ 1,363,309
2011	<u>1,340,000</u>	<u>26,465</u>	<u>1,366,465</u>
<b>Total</b>	<u><b>\$ 2,625,000</b></u>	<u><b>\$ 104,774</b></u>	<u><b>\$ 2,729,774</b></u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the County is in compliance with all significant limitations and restrictions at December 31, 2009.

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**NOTE 4 – OTHER INFORMATION**

**A. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. At no time during the last three fiscal years have claims exceeded commercial coverage.

**B. Contingent Liabilities**

The County is contingently liable in respect of law suits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized. The County's liability in specific cases is limited because of the Tort Claims Act to \$100,000. The County's legal counsel is of the opinion that, should the plaintiff prevail in any cases, the County's liability would be limited by the Tort Claims Act and would be covered by insurance.

The former Panola General Hospital adopted a program of self-insurance for professional liability pursuant to a resolution adopted by the Panola County Commissioners' Court. The former Hospital had no history of professional liability claims upon which to base an accrual; therefore, a provision for accrued liability claims is not provided for in the financial statements. Any claims successfully asserted against the former Hospital are planned to be paid from the County Health Care Special Revenue Fund.

The County is not a member of a public entity risk pool as defined by GASB Statement No. 10. The County manages and finances risk by purchasing commercial insurance and by retaining the risk of loss. All known claims related to the year ending December 31, 2009 have been accrued and expensed in the current financial statements. Disclosure of loss contingencies will be made when there is a reasonable possibility that a loss has been incurred. There have been no significant reductions in insurance coverage in the current year.

**C. Commitments**

During the course of routine business of the County, contract and agreements are entered into for various products and services. Although appropriations lapse at the end of the budget year, the County intends to honor any existing commitments and provide for future expenditures by inclusion in the next budget period.

Some of the predominant obligations and matters the County faces in the next year are indigent health care, funding for self-insurance, and non-availability of certain types of insurance (or at significantly higher costs).



**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**D. Pension Plan**

**Plan Description**

Panola County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034. The CAFR is also available at [www.tcdrs.org](http://www.tcdrs.org).

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

**Funding Policy**

The County has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. It was 23.41% for calendar year 2009. The contribution rate payable by the employee members is the rate of 7.00% as adopted by the Commissioners' Court of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

**Annual Pension Cost**

For the employer's accounting year ending December 31, 2009, the annual pension cost for the TCDRS plan for its employees was \$1,354,849, and the actual contributions were \$1,354,849.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2008, the basis for determining the contribution rate for calendar year 2008. The December 31, 2008 actuarial valuation is the most recent valuation.

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**D. Pension Plan (Cont.)**

**Actuarial Valuation Information**

Actuarial valuation date	12/31/06	12/31/07	12/31/08
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	9.2	7.3	7.3
Asset valuation method	SAF: 10-yr Smoothed value ESF: Fund value	SAF: 10-yr Smoothed value ESF: Fund value	SAF: 10-yr Smoothed value ESF: Fund value
<b>Actuarial Assumptions:</b>			
Investment return <sup>1</sup>	8.00%	8.00%	8.00%
Projected salary increase <sup>1</sup>	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustment	0.0%	0.0%	0.0%

<sup>1</sup> Includes inflation at the stated rate.

**Trend Information for the Retirement Plan for the Employees of Panola County**

Accounting Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
12/31/07	\$ 1,185,677	100.00%	0
12/31/08	\$ 1,237,504	100.00%	0
12/31/09	\$ 1,354,849	100.00%	0

**Funded Status**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Annual Covered Payroll <sup>1</sup> (c)	UAAL as a Percentage of Covered Payroll ((b-a)/(c))
12/31/08	\$ 16,289,095	\$ 21,592,632	\$ 5,303,537	75.44%	\$ 5,279,316	100.46%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limits.

**E. Other Post Employment Benefits Plan**

**Plan Description**

By order 2007-23, dated November 26, 2007, enacted by the Commissioners' Court of Panola County, the County has established the Panola County, Texas Retiree Health Benefit Trust (RHBT) providing for the payment of the health care insurance premiums for eligible retired employees. The plan is a continuation of a policy in effect for approximately twenty five years whereby the County provided certain group medical insurance continuation benefits to retirees of the County on a "pay-as-you-go" basis.

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**E. Other Post Employment Benefits Plan (cont.)**

The County established the RHBT in order to restructure the manner in which it funds post-employment benefits so as to more accurately reflect the accounting of such benefits in accordance with Governmental Accounting Standards Board Statement 45 (GASB45).

The RHBT is a single employer defined benefit healthcare plan administered by the County which provides medical insurance benefits to eligible retirees and their beneficiaries.

The County does not issue a separate financial report that includes financial statements and required supplementary information for the RHBT. However the financial statements and the required supplementary information is included in the County's comprehensive annual financial report at pages 40 through 41 (financial statements) and (required supplementary information).

At December 31, 2009 the RHBT had 61 retirees receiving benefits and has a total of 165 active participants who are not yet eligible to receive benefits. Order 2007-23 of Panola County assigned the authority to establish and amend benefit provisions to the Commissioners' Court.

The RHBT was initially funded in December 2007 by transferring from the governmental funds and proprietary funds of the County a total of \$9,992,132 into the RHBT. The \$9,992,132 was an initial funding toward an estimated \$12,429,768 in past-service actuarially determined liabilities for active and retired employees. Based on a new actuarial valuation as of December 31, 2009, the estimated past-service actuarially determined liabilities for active and retired employees amounted to \$14,501,181.

**Annual OPEB Cost and Net OPEB Obligations**

For 2009, the County's annual OPEB cost for the RHBT was \$603,214. Contributions of \$1,044,936 were made by the County. The activity for the year is shown in tabular form below.

Annual Required Contribution	\$ 603,214
Interest on OPEB Obligation	(445,450)
Amortization of Prior Year OPEB Obligation	601,708
Annual OPEB Cost	<u>759,472</u>
Contributions made	<u>1,044,936</u>
Change in OPEB Obligation	(285,464)
Net OPEB Obligation (asset), beginning of year	<u>(9,898,883)</u>
Net OPEB Obligation (asset), end of year	<u>\$ (10,184,347)</u>

**Trend Information**

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net Ending (OPEB) Obligation Asset
12/31/07	\$ 1,252,061	\$ 9,992,132	799.33%	\$ 9,168,652
12/31/08	\$ 849,220	\$ 1,579,451	185.99%	\$ 9,898,883
12/31/09	\$ 759,472	\$ 1,044,436	137.59%	\$ 10,184,137

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**E. Other Post Employment Benefits Plan (cont.)**

**Funding Policy**

The County funds the entire cost of retiree health insurance premiums. Retiree dependents or surviving spouses are able to remain in the plan, but at no cost to the County. Dependent and surviving spouses are eligible for coverage, but the retiree is responsible for the entire cost. There is no direct RHBT subsidy. Dependent premiums are collected from the participants and remitted to the insurance provider on a monthly basis.

**Actuarial Methods and Assumptions**

Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of plan costs. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspectives of the calculations. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

The actuarial valuation for December 31, 2009, the unit credit cost method was used. The actuarial assumptions used included a 4.5% investment rate of return, compounded annually, net of investment expenses. The annual healthcare cost trend of 10% , grading down to an ultimate 5% rate. Both the rate of return and the healthcare cost rate include and assumed inflation rate of 2.5%. The actuarial valuation of RHBT assets was set at fair market value of the cash and certificates of deposit comprising the investment account at the measurement date.

The RHBT's initial unfunded accrued liability (UAAL) is being amortized at a level (decreasing yearly) over a 30-year closed period. At December 31, 2009, the remaining amortization period is 27 years.

**Funded Status**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/(c))
12/31/09	\$ 12,552,245	\$ 14,501,181	\$ 1,948,936	86.56%	\$ 5,401,864	36.08%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limits.

**PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2009**

**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The County Judge is by statute the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, the County Judge sets forth budget guidelines and recommendations to the Commissioners' Court. The County's budget is prepared annually on a modified accrual basis.

A public hearing is held on the budget by the Commissioners' Court. Department heads and any other interested citizens may appear. Before adopting the final budget, the Commissioners' Court may increase or decrease the amounts requested by the Judge. Amounts finally budgeted may not exceed the estimate of revenues and available cash. All appropriations lapse at fiscal year-end.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is on a line-item basis by department.

Amendments may not be made during the year without approval by the Commissioners' Court. The final amended budget is used in this report. No supplemental budgetary appropriations were necessary during the year. During the year ended December 31, 2009, the following funds had legally adopted budgets:

- |  |  |
|--|--|
| 1) General Fund  | 21) County Health Care Fund                      |
| 2) Road and Bridge Fund  | 22) Constable Pct. 1 & 4 State Forfeiture Fund   |
| 3) Law Library Fund  | 23) Constable Pct. 2 & 3 State Forfeiture Fund   |
| 4) Courthouse Security Fund  | 24) Sheriff Federal Forfeiture Fund              |
| 5) Records Management Fund   | 25) Constable Pct. 1 & 4 Federal Forfeiture Fund |
| 6) Records Preservation Fund   | 26) Constable Pct. 2 & 3 Federal Forfeiture Fund |
| 7) Records Archive Fees Fund   | 27) Child Protective Services Fund               |
| 8) Justice Court Technology Fund                                     | 28) Airport Fund                                 |
| 9) V.I.T. Interest Fund  | 29) CDA Federal Forfeiture Fund                  |
| 10) Election Services Contract Fund                                  | 30) 1971 Road Bond Fund                          |
| 11) Farm to Market and Lateral Road Fund                             | 31) Permanent Improvement Fund                   |
| 12) Community Supervision and Correction<br>Department Fund          | 32) Reserve Detention Center Construction Fund   |
| 13) Drug Court Program Fund  | 33) Debt Service Fund                            |
| 14) Juvenile Probation – 123 <sup>rd</sup> Judicial District<br>Fund |  |
| 15) Probation Fund   |  |
| 16) Hot Check Fee Fund   |  |
| 17) Sheriff's State Forfeiture Fund                                  |  |
| 18) District Attorney Longevity Pay<br>Supplement Fund               |  |
| 19) District Attorney Forfeiture Fund                                |  |
| 20) State Apportionment – District Attorney<br>Fund                  |  |

The County does not utilize a formal encumbrance accounting system.

**PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2009**

**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN  
FOR THE EMPLOYEES OF PANOLA COUNTY**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b – a)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll<sup>1</sup> (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/(c))</b>
12/31/06 <sup>2</sup>	\$ 13,287,171	\$ 18,915,099	\$ 5,627,928	70.25%	\$ 4,947,789	113.75%
12/31/07	\$ 14,974,043	\$ 20,100,774	\$ 5,126,731	74.49%	\$ 5,071,333	101.09%
12/31/08	\$ 16,289,095	\$ 21,592,632	\$ 5,303,537	75.44%	\$ 5,279,316	100.46%

<sup>1</sup> The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

<sup>2</sup> Funding information may differ from prior year compliance data due to plan changes effective 01/01/07.

**PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2009**

**SCHEDULE OF FUNDING PROGRESS  
OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Projected Unit Cost (b)</b>	<b>Unfunded (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll<sup>1</sup> (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/(c))</b>
12/31/09	\$ 12,552,245	\$ 14,501,181	\$ 1,948,936	86.56%	\$ 5,401,864	36.08%
12/31/08	\$ 11,489,936	\$ 12,233,119	\$ 743,183	93.92%	\$ 4,964,735	14.97%
12/31/07	\$ 10,005,995	\$ 12,429,768	\$ 2,423,773	80.50%	\$ 4,774,081	50.77%

**NOTES TO THE SCHEDULE OF FUNDING PROGRESS**

<b>Valuation Date</b>	<b>12/31/07</b>	<b>12/31/08</b>	<b>12/31/09</b>
<b>Actuarial Cost Method</b>	<b>Unit Cost</b>	<b>Unit Cost</b>	<b>Unit Cost</b>
<b>Amortization Method</b>	<b>Decreasing Yearly</b>	<b>Decreasing Yearly</b>	<b>Decreasing Yearly</b>
<b>Asset Valuation Method</b>	<b>Market Value</b>	<b>Market Value</b>	<b>Market Value</b>
<b>Actuarial Assumptions:</b>			
<b>Investment Rate of Return*</b>	<b>4.50% per annum</b>	<b>4.50% per annum</b>	<b>4.50% per annum</b>
<b>Health Care Cost Trend</b>	<b>10% Pre-Medicare, grading to 5% ultimate</b>	<b>10% Pre-Medicare, grading to 5% ultimate</b>	<b>10% Pre-Medicare, grading to 5% ultimate</b>

\*Includes inflation of 2.5%

**PANOLA COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Property Taxes	\$ 9,977,608	\$ 9,977,608	\$ 10,479,013	\$ 501,405
Intergovernmental Receipts	271,562	387,439	446,460	59,021
Fees of Office	526,000	565,028	668,681	103,653
Total Miscellaneous	296,289	462,080	906,835	444,755
<b>Total Revenues</b>	<b>11,071,459</b>	<b>11,392,155</b>	<b>12,500,989</b>	<b>1,108,834</b>
<b>EXPENDITURES</b>				
General Administration	2,725,813	2,822,560	2,715,639	106,921
Judicial	1,120,795	1,141,038	1,111,988	29,050
Legal	377,901	387,901	322,206	65,695
Elections	135,417	157,587	146,889	10,698
Financial Admin.	783,091	785,091	771,927	13,164
Public Facilities	285,075	284,359	257,823	26,536
Public Safety	4,418,476	4,495,205	3,910,657	584,548
Environmental Protection	346,000	374,835	357,651	17,184
Health and Paupers Care	463,900	570,865	517,227	53,638
Recreation	320,808	331,784	311,814	19,970
Conservation	94,183	94,183	91,964	2,219
<b>Total Expenditures</b>	<b>11,071,459</b>	<b>11,445,408</b>	<b>10,515,785</b>	<b>929,623</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>(53,253)</b>	<b>1,985,204</b>	<b>2,038,457</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	-	523,977	523,977
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>523,977</b>	<b>523,977</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(53,253)</b>	<b>2,509,181</b>	<b>2,562,434</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>6,918,110</b>	<b>6,918,110</b>	<b>6,918,110</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 6,918,110</b>	<b>\$ 6,864,857</b>	<b>\$ 9,427,291</b>	<b>\$ 2,562,434</b>

Note: See accompanying independent auditor's report.



PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
ROAD AND BRIDGE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Property Taxes:				
Current	\$ 4,048,805	\$ 4,069,951	\$ 4,235,067	\$ 165,116
Delinquent	72,224	72,224	92,516	20,292
Total Property Taxes	4,121,029	4,142,175	4,327,583	185,408
Licenses:				
Motor Vehicle Registration	455,000	449,019	449,020	1
Intergovernmental Receipts:				
State Lateral Road Fund	29,000	30,279	30,279	-
Weight and Axle Fees	20,000	32,000	32,083	83
Total Intergovernmental Receipts	49,000	62,279	62,362	83
Fines:				
County and District Court Fines	315,000	263,981	267,732	3,751
Miscellaneous:				
Interest Earned	108,128	129,128	130,833	1,705
Miscellaneous	-	195,225	197,159	1,934
Total Miscellaneous	108,128	324,353	327,992	3,639
Total Revenues	5,048,157	5,241,807	5,434,689	192,882
EXPENDITURES				
PUBLIC TRANSPORTATION				
MAINTENANCE-ROADS AND BRIDGES				
PRECINCT 1				
Salaries - Road and Bridge Department	351,103	351,103	331,358	19,745
Benefits Termination Pay	3,206	3,206	-	3,206
Social Security Taxes	27,105	27,105	25,349	1,756
Group Insurance	95,040	95,040	83,671	11,369
Retirement and Death Benefits	85,035	85,035	76,482	8,553
Workers Compensation	34,955	34,955	18,840	16,115
Unemployment Insurance	1,509	1,509	563	946
Other Post Employment	49,639	49,639	44,646	4,993
Retiree Medical Insurance Trust	18,783	18,783	18,783	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	125,000	124,100	113,698	10,402
Parts and Supplies	31,250	22,250	22,213	37
Miscellaneous Supplies	500	500	-	500
Contractor Service	-	25,000	22,500	2,500
TOTAL PRECINCT 1	854,430	869,530	789,408	80,122

Note: See accompanying independent auditor's report.

PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
PRECINCT 2				
Salaries - Road and Bridge Department	\$ 291,262	\$ 291,262	\$ 276,084	\$ 15,178
Benefits Termination Pay	3,206	3,206	1,613	1,593
Social Security Taxes	22,527	22,527	21,244	1,283
Group Insurance	79,200	79,200	65,747	13,453
Retirement and Death Benefits	70,673	70,673	63,552	7,121
Workers Compensation	34,955	34,955	15,631	19,324
Unemployment Insurance	1,509	1,509	482	1,027
Other Post Employment	41,255	41,255	37,098	4,157
Retiree Medical Insurance Trust	18,783	18,783	18,783	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	125,000	89,062	83,133	5,929
Parts and Supplies	31,250	25,250	25,200	50
Miscellaneous Supplies	500	500	-	500
TOTAL PRECINCT 2	751,425	709,487	639,872	69,615
PRECINCT 3				
Salaries - Road and Bridge Department	354,117	354,117	335,272	18,845
Benefits Termination Pay	3,206	3,206	16	3,190
Social Security Taxes	27,336	27,336	25,650	1,686
Group Insurance	95,040	95,040	82,404	12,636
Retirement and Death Benefits	85,756	85,756	76,273	9,483
Workers Compensation	34,955	34,955	17,977	16,978
Unemployment Insurance	1,509	1,509	568	941
Other Post Employment	50,061	50,061	44,624	5,437
Retiree Medical Insurance Trust	18,783	18,783	18,783	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	125,000	109,125	109,093	32
Parts and Supplies	31,250	21,250	21,204	46
Miscellaneous Supplies	500	500	-	500
TOTAL PRECINCT 3	858,818	832,943	763,169	69,774

Note: See accompanying independent auditor's report.

PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
PRECINCT 4				
Salaries - Road and Bridge Department	\$ 384,038	\$ 384,038	\$ 360,073	\$ 23,965
Benefits Termination Pay	3,206	3,206	-	3,206
Social Security Taxes	29,625	29,625	27,546	2,079
Group Insurance	102,960	102,960	89,435	13,525
Retirement and Death Benefits	92,939	92,939	83,428	9,511
Workers Compensation	34,955	34,955	19,583	15,372
Unemployment Insurance	1,509	1,509	606	903
Other Post Employment	54,253	54,253	48,700	5,553
Retiree Medical Insurance Trust	18,783	18,783	18,783	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	125,000	118,250	113,881	4,369
Parts and Supplies	31,250	31,250	29,780	1,470
Miscellaneous Supplies	500	500	-	500
Contractor Service	-	1,150	1,105	45
TOTAL PRECINCT 4	910,323	904,723	824,225	80,498
Total Maintenance-Roads and Bridges	3,374,996	3,316,683	3,016,674	300,009
CAPITAL OUTLAY-ROAD AND BRIDGES				
PRECINCT 1				
Furniture & Equipment	\$ 139,515	\$ 149,809	\$ 149,133	\$ 676
Road Oil	238,977	252,177	252,104	73
Lumber, Piling and Culverts	13,500	10,500	10,112	388
TOTAL PRECINCT 1	391,992	412,486	411,349	1,137
PRECINCT 2				
Furniture & Equipment	139,515	245,735	244,365	1,370
Road Oil	150,467	157,667	157,659	8
Lumber, Piling and Culverts	8,500	-	-	-
TOTAL PRECINCT 2	298,482	403,402	402,024	1,378
PRECINCT 3				
Furniture & Equipment	319,515	343,534	343,476	58
Road Oil	212,424	250,424	250,319	105
Lumber, Piling and Culverts	12,000	20,675	20,521	154
TOTAL PRECINCT 3	543,939	614,633	614,316	317

Note: See accompanying independent auditor's report.

**PANOLA COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**ROAD AND BRIDGE SPECIAL REVENUE FUND, continued**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>PRECINCT 4</b>				
Furniture & Equipment	\$ 139,515	\$ 216,640	\$ 216,544	\$ 96
Road Oil	283,233	293,933	293,898	35
Lumber, Piling and Culverts	16,000	20,368	19,723	645
<b>TOTAL PRECINCT 4</b>	<b>438,748</b>	<b>530,941</b>	<b>530,165</b>	<b>776</b>
<b>Total Construction and Capital Outlay</b>	<b>1,673,161</b>	<b>1,961,462</b>	<b>1,957,854</b>	<b>3,608</b>
<b>Total Expenditures</b>	<b>5,048,157</b>	<b>5,278,145</b>	<b>4,974,528</b>	<b>303,617</b>
<b>Excess (Deficiency) Revenues     Over Expenditures</b>	<b>-</b>	<b>(36,338)</b>	<b>460,161</b>	<b>(110,735)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>1,920,819</b>	<b>1,920,819</b>	<b>1,920,819</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,920,819</b>	<b>\$ 1,884,481</b>	<b>\$ 2,380,980</b>	<b>\$ (110,735)</b>

Note: See accompanying independent auditor's report.

**PANOLA COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**HEALTH CARE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>INTERGOVERNMENTAL RECEIPTS</b>				
Tobacco Settlement	\$ -	\$ 36,515	\$ 36,516	\$ 1
Total Intergovernmental Receipts	-	36,515	36,516	1
<b>MISCELLANEOUS</b>				
Hospital Lease	100,000	90	90	-
Interest Earnings	50,000	50,000	103,885	53,885
Total Miscellaneous Revenue	150,000	50,090	103,975	53,885
Total Revenues	150,000	86,605	140,491	53,886
<b>EXPENDITURES</b>				
<b>HEALTH &amp; PAUPERS CARE</b>				
Indigent Health Care	150,000	150,000	130,713	19,287
Total Expenditures	150,000	150,000	130,713	19,287
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(63,395)	9,778	73,173
FUND BALANCE, BEGINNING OF YEAR	3,582,790	3,582,790	3,582,790	-
FUND BALANCE, END OF YEAR	\$ 3,582,790	\$ 3,519,395	\$ 3,592,568	\$ 73,173

Note: See accompanying independent auditor's report.

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
<b>PROPERTY TAXES</b>				
Current	\$ 9,802,743	\$ 9,802,743	\$ 10,254,992	\$ 452,249
Delinquent	174,865	174,865	224,021	49,156
<b>Total Property Taxes</b>	<b>9,977,608</b>	<b>9,977,608</b>	<b>10,479,013</b>	<b>501,405</b>
<b>INTERGOVERNMENTAL RECEIPTS</b>				
State Judicial	33,000	33,000	74,192	41,192
City - Public Library	132,924	132,924	132,924	-
Law Enforcement Officer	5,088	5,088	5,297	209
State Voter Registration	-	11,770	11,770	-
Elections	-	567	567	-
Disaster Relief Funds	-	-	2,480	2,480
Exposition Building	-	8,657	8,657	-
Emergency Management	-	41,433	41,433	-
Federal Grant-Homeland Security	-	29,771	29,771	-
Indigent Defense Services Grant	3,000	26,679	30,552	3,873
Carthage and Gary School Tax				
Collection Contract	63,250	63,250	67,750	4,500
City of Carthage Tax				
Collection Contract	8,300	8,300	8,300	-
State 911 Rural Addressing	26,000	26,000	32,767	6,767
<b>Total Intergovernmental Receipts</b>	<b>271,562</b>	<b>387,439</b>	<b>446,460</b>	<b>59,021</b>
<b>FEES OF OFFICE</b>				
County Judge	1,000	2,866	2,948	82
Sheriff	34,000	31,300	34,163	2,863
District Attorney	5,000	5,000	7,506	2,506
County Clerk	200,000	222,000	244,516	22,516
Tax Assessor-Collector	160,000	182,000	243,514	61,514
District Clerk	60,000	60,000	70,899	10,899
County Treasurer	16,000	16,000	19,271	3,271
Justices of the Peace	50,000	45,862	45,864	2
<b>Total Fees of Office</b>	<b>526,000</b>	<b>565,028</b>	<b>668,681</b>	<b>103,653</b>

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>MISCELLANEOUS</b>				
Interest Earned	\$ 262,456	\$ 395,403	\$ 428,566	\$ 33,163
Interest fom Jury Fund	-	-	92	92
Hospital Collections	-	-	3,249	3,249
Time Payment EFTIC	-	-	1,343	1,343
Exposition Building	-	-	3,100	3,100
Vital Archive - County Clerk	-	-	717	717
Judiciary Support Fee	-	-	1,475	1,475
Miscellaneous	33,833	66,677	463,529	396,852
County Clerk Civil	-	-	1,920	1,920
Family Protection Fee	-	-	2,085	2,085
Miscellaneous Unclaimed Funds	-	-	759	759
<b>Total Miscellaneous</b>	<b>296,289</b>	<b>462,080</b>	<b>906,835</b>	<b>444,755</b>
<b>Total Revenues</b>	<b>11,071,459</b>	<b>11,392,155</b>	<b>12,500,989</b>	<b>1,108,834</b>
<b>EXPENDITURES</b>				
<b>GENERAL ADMINISTRATION</b>				
<b>COUNTY JUDGE</b>				
Salary - County Judge	53,288	53,288	53,288	-
Salary - Co. Judge Admin. Assist	32,392	32,392	32,392	-
Social Security	6,555	6,555	6,555	-
Group Medical Insurance	15,840	15,840	15,328	512
Retirement and Death Benefits	20,564	20,564	20,563	1
Worker's Compensation	447	447	191	256
Unemployment Insurance	156	156	49	107
Other Post Employment Benefits	12,004	12,004	12,004	-
Office Supplies, Postage & Repairs	1,600	1,354	871	483
Law Books	-	1,866	1,756	110
Communication Telephone	400	400	95	305
Conferences and Dues	2,000	2,596	2,596	-
Miscellaneous	150	50	-	50
Capital Outlay - Furniture & Equipment	250	-	-	-
<b>Total County Judge</b>	<b>145,646</b>	<b>147,512</b>	<b>145,688</b>	<b>1,824</b>

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
COMMISSIONERS				
Salaries - Commissioners	\$ 172,260	\$ 172,260	\$ 172,260	\$ -
Salaries - Secretaries	25,036	25,036	25,035	1
Social Security Taxes	15,094	15,094	15,093	1
Group Insurance	39,600	39,600	38,305	1,295
Retirement and Death Benefits	47,352	47,352	47,351	1
Workers Compensation	6,503	6,503	2,443	4,060
Unemployment Insurance	121	121	38	83
Other Post Employment Benefits	27,642	27,642	27,641	1
Office Supplies, Postage and Repairs	1,200	1,200	1,200	-
Communication Telephone	800	800	37	763
Miscellaneous	600	600	242	358
Conferences and Dues	6,000	6,000	5,363	637
Capital Outlay - Furniture and Equipment	250	250	250	-
Total Commissioners	342,458	342,458	335,258	7,200
COUNTY CLERK				
Salary - County Clerk	43,065	43,065	43,065	-
Salary - Deputies	128,708	128,708	125,821	2,887
Social Security	13,141	13,141	12,920	221
Group Medical Insurance	47,520	47,520	45,984	1,536
Retirement and Death Benefits	41,226	41,226	40,533	693
Worker's Compensation	881	881	397	484
Unemployment Insurance	621	621	189	432
Other Post Employment Benefits	24,066	24,066	23,661	405
Office Supplies, Postage & Repairs	13,000	13,000	13,000	-
Communication Telephone	850	850	410	440
Professional Services	-	20,100	20,038	62
Rentals, Microfilming & Indexing	85,621	95,360	95,360	-
Copy Machine Rental	8,000	5,061	1,515	3,546
Conferences & Dues	1,400	1,400	649	751
Miscellaneous	250	250	227	23
Capital Outlay - Furniture & Equipment	8,128	3,228	3,133	95
Total County Clerk	416,477	438,477	426,902	11,575



PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
VETERANS SERVICE OFFICER				
Salary - Service Officer	\$ 31,185	\$ 31,185	\$ 31,185	\$ -
Salary - Secretary	25,036	25,036	25,035	1
Social Security	4,301	4,301	4,301	-
Group Medical Insurance	15,840	15,840	15,328	512
Retirement and Death Benefits	13,494	13,494	13,493	1
Worker's Compensation	293	293	125	168
Unemployment Insurance	271	271	84	187
Other Post Employment Benefits	7,877	7,877	7,876	1
Office Supplies, Postage & Repairs	600	600	216	384
Communication Telephone	500	500	73	427
Conferences and Dues	800	1,100	1,003	97
Programming & Computer	1,300	1,000	700	300
Miscellaneous	250	250	-	250
Capital Outlay - Furniture & Equipment	300	300	-	300
Total Vet. Service Officer	102,047	102,047	99,419	2,628
AIRPORT				
Airport Manager	31,905	31,905	31,905	-
Social Security	2,441	2,441	2,441	-
Group Insurance	7,920	7,920	7,664	256
Retirement	7,658	7,658	7,657	1
Workers Compensation	1,517	1,517	1,296	221
Unemployment Insurance	154	154	48	106
Other Post Employment Benefits	4,470	4,470	4,470	-
Office Supplies	1,500	1,500	664	836
Repair and Maintenance	4,000	3,700	3,107	593
Professional Services	2,500	3,000	2,834	166
Communication Telephone	2,100	1,700	1,393	307
Conferences and Dues	1,000	-	-	-
Utilities	11,500	9,500	9,085	415
Contractor Service	2,500	2,495	302	2,193
Repairs and Renovation	1,045	3,545	2,882	663
Rentals and Leases	1,000	2,200	2,105	95
Total Airport	83,210	83,705	77,853	5,852

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
MISCELLANEOUS AND NON-DEPARTMENTAL				
Floating Secretary	\$ 25,036	\$ 25,036	\$ 24,545	\$ 491
Emergency Management	6,000	6,000	6,000	-
Benefits Termination Pay	9,929	9,929	7,460	2,469
Social Security	3,134	3,134	2,907	227
Group Insurance	7,920	7,920	7,664	256
Retirement	9,832	9,832	9,121	711
Workers Compensation	5,152	5,152	3,430	1,722
Unemployment Insurance	169	169	57	112
Other Post Employment	5,739	5,739	5,324	415
Retiree Medical Insurance Trust	210,000	210,000	210,000	-
Optional Retirement	350,000	350,000	350,000	-
Advertising and Publications	12,000	10,000	7,550	2,450
Appraisal District	125,000	168,230	168,223	7
Outside Audit	39,000	39,000	33,400	5,600
Economic Development	14,000	28,754	28,753	1
Computer Services	360,000	380,000	365,159	14,841
Professional Services	20,000	19,000	14,448	4,552
Postage	60,000	60,000	59,993	7
Emergency Management	5,000	5,000	1,428	3,572
Physicals & Drug Screening	2,000	3,350	653	2,697
Capital Outlay - Furniture and Equipment	5,000	10,127	8,641	1,486
Dues, Memberships & Fees	6,000	9,500	8,951	549
Insurance/liab., fire, etc.	250,000	250,000	229,778	20,222
Historical Markers	1,000	1,000	450	550
Historical Commission	6,564	6,564	-	6,564
Miscellaneous	4,500	3,300	3,299	1
Copy Machine Rental & Supplies	24,000	24,000	22,667	1,333
Soil and Conservation Contract	1,000	1,000	1,000	-
Communication Telephone	50,000	39,625	35,053	4,572
Animal Control	15,000	15,000	14,565	435
Loss Control	3,000	2,000	-	2,000
Total Miscellaneous and Non-Depart.	1,635,975	1,708,361	1,630,519	77,842
Total General Administration	2,725,813	2,822,560	2,715,639	106,921

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
EXPENDITURES (cont'd.)				
JUDICIAL				
DISTRICT COURT				
Salary - Court Reporter	\$ 28,014	\$ 28,014	\$ 28,014	\$ -
Salary - Secretary	31,819	31,819	30,233	1,586
Social Security	4,578	4,578	4,456	122
Group Medical Insurance	15,840	15,840	15,328	512
Retirement and Death Benefits	14,360	14,360	13,979	381
Worker's Compensation	301	301	135	166
Unemployment Insurance	288	288	87	201
Other Post Employment	8,383	8,383	8,161	222
Office Supplies, Postage & Repairs	1,000	1,443	1,335	108
Professional Services	2,500	2,200	1,825	375
Telephone	800	700	539	161
Conference and Dues	1,500	1,500	1,471	29
Capital Outlay - Furniture and Equipment	1,000	857	857	-
Visiting Court Reporters	750	650	150	500
Law Books for Law Library	2,900	3,100	3,074	26
Miscellaneous	600	600	519	81
Total District Court	114,633	114,633	110,163	4,470
COUNTY COURT AT LAW				
Salary - County Court at Law Judge	125,000	125,000	125,000	-
Salary - Court Reporter	48,850	48,850	48,850	-
Visiting Judges	1,000	3,200	2,997	203
Visiting Court Reporters	-	250	-	250
Social Security	13,300	13,300	12,171	1,129
Group Medical Insurance	15,840	15,840	15,328	512
Retirement and Death Benefits	41,724	41,724	41,724	-
Worker's Compensation	1,022	1,022	389	633
Unemployment Insurance	235	235	73	162
Other Post Employment	24,357	24,357	24,356	1
Office Supplies, Postage & Repairs	1,400	1,400	1,124	276
Law Books	-	1,215	1,214	1
Telephone	750	875	859	16
Conferences and Dues	1,100	1,100	736	364
Miscellaneous	300	300	250	50
Capital Outlay - Furniture and Equipment	1,150	1,150	857	293
Total County Court at Law	276,028	279,818	275,928	3,890

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (cont'd.)				
JUDICIAL (con'td.)				
DISTRICT CLERK				
Salary - District Clerk	\$ 43,065	\$ 43,065	\$ 43,065	\$ -
Salaries - Deputies	128,708	128,708	128,471	237
Social Security	13,141	13,141	13,122	19
Group Medical Insurance	47,520	47,520	45,984	1,536
Retirement and Death Benefits	41,226	41,226	41,169	57
Worker's Compensation	881	881	386	495
Unemployment Insurance	621	621	193	428
Other Post Employment	24,066	24,066	24,031	35
Office Supplies, Postage & Repairs	13,000	14,500	14,216	284
Telephone	400	400	244	156
Conferences and Dues	2,000	2,000	1,998	2
Rentals, Microfilming, & Indexing	35,800	38,253	35,587	2,666
Capital Outlay - Furniture & Equipment	7,628	5,128	4,763	365
Miscellaneous	300	300	175	125
Total District Clerk	358,356	359,809	353,404	6,405
JUSTICE OF THE PEACE PCT. 1 & 4				
Salaries - Justice of the Peace	43,065	43,065	43,065	-
Salaries - Secretary	37,554	37,554	37,553	1
Social Security	6,168	6,168	6,167	1
Group Medical Insurance	19,800	19,800	19,160	640
Retirement and Death Benefits	19,349	19,349	19,348	1
Worker's Compensation	394	394	359	35
Unemployment Insurance	182	182	56	126
Other Post Employment	11,295	11,295	11,295	-
Office Supplies and Repairs	3,125	3,125	2,980	145
Professional Services	3,500	3,830	3,789	41
Telephone	1,000	840	733	107
Travel	1,000	1,000	629	371
Conferences and Dues	1,750	2,405	2,405	-
Capital Outlay - Furniture and Equipment	695	-	-	-
Miscellaneous	200	70	70	-
Total Justices of the Peace Pct. 1 and 4	149,077	149,077	147,609	1,468

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (cont'd.)				
JUDICIAL (con'td.)				
JUSTICE OF THE PEACE PCT. 2 & 3				
Salaries - Justice of the Peace	\$ 43,065	\$ 43,065	\$ 43,065	\$ -
Salaries - Secretary	37,554	37,554	37,553	1
Social Security	6,168	6,168	6,167	1
Group Medical Insurance	19,800	19,800	19,160	640
Retirement	19,349	19,349	19,348	1
Worker's Compensation	394	394	-	394
Unemployment Insurance	182	182	56	126
Other Post Employment	11,295	11,295	11,294	1
Office Supplies and Repairs	4,000	4,539	4,344	195
Computer Replacement	1,000	1,000	-	1,000
Professional Services	3,970	3,970	3,074	896
Telephone	1,200	656	431	225
Travel	2,000	2,000	1,323	677
Conferences and Dues	2,000	2,500	2,307	193
Capital Outlay - Furniture and Equipment	495	-	-	-
Miscellaneous	200	200	173	27
Total Justices of the Peace Pct. 2 and 3	152,672	152,672	148,295	4,377
BAILIFFS AND JURORS				
Bailiffs	20,212	20,212	20,212	-
Group Medical Insurance	7,920	7,920	7,664	256
Retirement	4,851	4,851	4,851	-
Social Security Taxes	1,547	1,547	1,546	1
Workers Compensation	669	669	669	-
Unemployment Insurance	98	98	30	68
Other Post Employment	2,832	2,832	2,832	-
Telephone	800	800	452	348
Conferences and Dues	1,000	1,000	425	575
Jurors, District & County	30,000	45,000	37,887	7,113
Miscellaneous	100	100	21	79
Total - Bailiffs, Jurors and Law Books	70,029	85,029	76,589	8,440
Total Judicial	1,120,795	1,141,038	1,111,988	29,050

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>EXPENDITURES (Cont'd.)</b>				
<b>LEGAL</b>				
<b>DISTRICT ATTORNEY</b>				
Salary - Asst. District Attorney	\$ 68,010	\$ 68,010	\$ 68,010	\$ -
Salary - Secretaries	75,108	75,108	69,196	5,912
Court Coordinator	28,748	28,748	28,748	-
Social Security	13,148	13,148	12,696	452
Group Medical Insurance	31,680	31,680	30,656	1,024
Retirement and Death Benefits	41,248	41,248	39,829	1,419
Workers Compensation	1,156	1,156	1,140	16
Unemployment Insurance	828	828	147	681
Other Post Employment	24,079	24,079	23,251	828
Office Supplies and Repairs	12,000	10,000	6,788	3,212
Professional Services	1,450	26,450	19,955	6,495
Witness Expense	5,000	5,000	3,536	1,464
Special Prosecutor Contracts	15,000	-	-	-
Telephone	2,000	2,000	1,264	736
Conference & Dues	5,000	4,524	2,700	1,824
Law Enforcement Officer Standard Traini	696	696	-	696
Law Books	10,000	13,276	13,276	-
Miscellaneous	1,000	1,000	164	836
Capital Outlay - Furniture & Equipment	4,250	3,450	850	2,600
Total District Attorney	340,401	350,401	322,206	28,195
<b>LAWSUITS AGAINST PANOLA COUNTY</b>				
Attorney Fees	12,500	12,500	-	12,500
Settlements and Other	25,000	25,000	-	25,000
Total Lawsuits	37,500	37,500	-	37,500
Total Legal	377,901	387,901	322,206	65,695
<b>ELECTIONS</b>				
<b>ELECTION JUDGES, CLERKS AND SUPPLIES</b>				
Election Judges and Clerks	16,000	13,867	6,583	7,284
Social Security	1,224	1,224	-	1,224
Workers Compensation	182	182	5	177
Professional Services	6,000	20,436	20,435	1
Polling Place Rent	900	435	435	-
Supplies and Miscellaneous	3,034	11,216	10,424	792
Total Election Judges, Clerks, and Supplies	27,340	47,360	37,882	9,478

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
<b>EXPENDITURES (Cont'd.)</b>				
<b>ELECTIONS (Cont'd.)</b>				
<b>VOTER REGISTRATION</b>				
Salary - Voter Registrar	\$ 29,984	\$ 29,984	\$ 29,984	\$ -
Deputies	25,036	25,036	25,035	1
Social Security	4,210	4,210	4,209	1
Group Medical Insurance	15,840	15,840	15,328	512
Retirement and Death Benefits	13,205	13,205	13,205	-
Worker's Compensation	272	272	122	150
Unemployment Insurance	266	266	82	184
Other Post Employment	7,709	7,709	7,708	1
Office Supplies and Repairs	2,500	3,800	3,800	-
Telephone	500	750	650	100
Internet Service	7,200	7,200	7,068	132
Conferences and Dues	1,000	1,900	1,783	117
Miscellaneous	355	55	33	22
Total Voter Registration	108,077	110,227	109,007	1,220
Total Elections	135,417	157,587	146,889	10,698
<b>FINANCIAL ADMINISTRATION</b>				
<b>AUDITOR</b>				
Salary - Auditor	53,288	53,288	53,288	-
Salaries - Assistant Auditors	80,439	80,439	80,439	-
Social Security	10,231	10,231	10,230	1
Group Medical Insurance	23,760	23,760	22,992	768
Retirement and Death Benefits	32,095	32,095	32,094	1
Worker's Compensation	708	708	297	411
Unemployment Insurance	643	643	201	442
Other Post Employment	18,736	18,736	18,735	1
Office Supplies and Repairs	2,000	2,000	1,778	222
Professional Computer Services	1,700	-	-	-
Telephone	600	600	550	50
Conferences and Dues	5,000	4,200	4,064	136
Capital Outlay - Furniture & Equipment	3,300	6,046	6,046	-
Re-creation, printing	1,600	1,400	1,397	3
Miscellaneous	376	330	-	330
Total Auditor	234,476	234,476	232,111	2,365

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (Cont'd.)				
FINANCIAL ADMINISTRATION (Cont'd.)				
TREASURER				
Salary - Treasurer	\$ 43,065	\$ 43,065	\$ 43,065	\$ -
Salary - Deputies	53,600	53,600	53,599	1
Social Security	7,395	7,395	7,395	-
Group Medical Insurance	23,760	23,760	22,992	768
Retirement and Death Benefits	23,200	23,200	23,199	1
Worker's Compensation	502	502	215	287
Unemployment Insurance	259	259	80	179
Other Post Employment	13,543	13,543	13,543	-
Office Supplies and Repairs	2,400	3,700	3,185	515
Telephone	500	500	370	130
Professional Computer Services	6,000	-	-	-
Conferences and Dues	4,000	2,700	2,105	595
Furniture & Equipment	-	6,000	2,294	3,706
Miscellaneous	200	200	83	117
Total Treasurer	178,424	178,424	172,125	6,299
TAX ASSESSOR-COLLECTOR				
Salary - Tax Assessor-Collector	43,065	43,065	43,065	-
Salaries - Deputies	157,272	157,272	157,268	4
Salaries - Extra Help	9,979	9,979	9,979	-
Social Security	16,090	16,090	16,089	1
Group Medical Insurance	55,440	55,440	53,648	1,792
Retirement and Death Benefits	48,081	48,081	48,080	1
Worker's Compensation	1,074	1,074	468	606
Unemployment Insurance	807	807	251	556
Other Post Employment	28,068	28,068	28,066	2
Office Supplies and Repairs	3,925	3,925	3,901	24
Telephone and Teletype	1,390	1,390	1,137	253
Conference and Dues	4,000	6,000	5,739	261
Re-creation, printing	500	500	-	500
Miscellaneous	500	500	-	500
Total Tax Assessor-Collector	370,191	372,191	367,691	4,500
Total Financial Admin.	783,091	785,091	771,927	13,164



PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (Cont'd.)				
PUBLIC FACILITIES				
BUILDING MAINTENANCE				
Salary - Building Superintendent	\$ 28,689	\$ 28,689	\$ 28,689	\$ -
Seasonal Help	6,788	5,268	-	5,268
Travel Allowance	-	1,100	1,100	-
Social Security	2,714	2,714	2,279	435
Group Medical Insurance	7,920	7,920	7,663	257
Retirement	6,886	7,151	7,149	2
Worker's Compensation	2,205	2,205	1,353	852
Unemployment Insurance	171	171	45	126
Other Post Employment	4,020	4,175	4,173	2
S.W.E.A.T. Supplies	5,000	5,000	2,625	2,375
Operating Supplies	30,000	18,000	17,848	152
Repair and Maintenance Supplies	19,720	13,004	7,299	5,705
Professional Services	70,006	89,506	89,499	7
Telephone	800	800	366	434
Utilities	60,000	62,000	57,435	4,565
Repairs and Renovations	40,000	36,500	30,217	6,283
Miscellaneous	156	156	83	73
Total Building Maintenance	285,075	284,359	257,823	26,536
Total Public Facilities	285,075	284,359	257,823	26,536
PUBLIC SAFETY				
SHERIFF				
Salary - Sheriff	43,065	43,065	43,065	-
Salary - Chief Deputy	41,553	41,553	41,553	-
Salaries - Secretaries	75,108	75,108	75,105	3
Salaries - Juvenile Investigator	37,382	37,382	37,111	271
Salaries - Communication Officers	255,852	255,852	253,939	1,913
Salaries - Patrol and Investigative Deputies	406,917	410,992	406,896	4,096
Criminal Investigators	112,103	112,103	111,808	295
Captain	39,182	39,182	39,182	-
S.W.E.A.T. Coordinator	37,008	37,008	36,939	69
Social Security	80,186	80,506	79,947	559
Group Medical Insurance	245,520	245,520	197,677	47,843
Retirement and Death Benefits	251,561	252,541	250,811	1,730
Worker's Compensation	49,355	49,495	35,264	14,231
Unemployment Insurance	4,285	4,295	1,487	2,808
Other Post Employment	146,849	146,849	145,839	1,010
Office Supplies	24,500	24,500	19,959	4,541
Canine Expense	3,000	3,000	1,287	1,713

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BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
SHERIFF (Cont'd)				
Uniforms	\$ 14,700	\$ 14,700	\$ 13,559	\$ 1,141
Repair amd Maintenance	3,000	3,000	285	2,715
Telephone and Radio Communications	11,000	11,000	9,284	1,716
Criminal Investigation	5,000	5,000	2,602	2,398
911 Supplies	2,000	2,000	-	2,000
Utilities	30,000	30,000	2,381	27,619
Gasoline, Auto Parts and Repairs	225,000	202,500	143,221	59,279
Conference, Dues, Lodging & Meals	22,000	22,000	13,672	8,328
Law Enforcement Officer Standard Traini	3,000	3,000	1,121	1,879
Homeland Security	-	41,433	41,432	1
Capital Outlay - Furniture & Fixtures	100,000	152,271	148,022	4,249
Miscellaneous	7,800	7,800	5,200	2,600
Total Sheriff	2,276,926	2,353,655	2,158,648	195,007
CONSTABLE PCT. 1 AND 4				
Salary - Constable Precinct #1	41,082	41,082	41,082	-
Social Security	3,143	3,143	3,143	-
Group Medical Insurance	7,920	7,920	7,664	256
Retirement and Death Benefits	9,860	9,860	9,860	-
Worker's Compensation	3,288	3,288	2,205	1,083
Other Post Employment	5,756	5,756	5,755	1
Law Enforcement Officer Standard Traini	696	696	-	696
Parts & Repairs	10,000	10,000	9,182	818
Telephone	800	800	620	180
Uniforms	1,000	1,000	911	89
Conferences & Dues	1,000	1,000	125	875
Capital Outlay - Furniture & Equipment	37,000	36,000	35,332	668
Ammunition for Deputies	-	1,000	984	16
Miscellaneous	500	500	445	55
Total Constable Pct. 1 & 4	122,045	122,045	117,308	4,737
CONSTABLE PCT. 2 AND 3				
Salary - Constable Precinct #2	41,082	41,082	41,082	-
Social Security	3,143	3,143	3,143	-
Group Medical Insurance	7,920	7,920	7,664	256
Retirement and Death Benefits	9,860	9,860	9,860	-
Worker's Compensation	3,288	3,288	2,732	556
Other Post Employment	5,756	5,756	5,755	1
Uniforms	750	1,250	1,120	130
Telephone	800	800	549	251
Law Enforcement Officer Standard Traini	696	696	150	546
Parts & Repairs	10,000	10,000	9,108	892
Conferences & Dues	1,000	500	65	435
Capital Outlay - Furniture & Equipment	33,000	33,000	32,212	788
Miscellaneous	565	565	565	-
Total Constable Pct. 2 & 3	117,860	117,860	114,005	3,855

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
CORRECTIONS				
Salary - Sergeant and Jailors	\$ 585,794	\$ 585,794	\$ 475,413	\$ 110,381
Social Security	44,814	44,814	36,370	8,444
Group Medical Insurance	165,000	165,000	162,721	2,279
Retirement	140,591	140,591	114,093	26,498
Worker's Compensation	24,921	24,921	16,738	8,183
Unemployment Insurance	3,218	3,218	1,054	2,164
Other Post Employment	82,070	82,070	66,603	15,467
Clothing and Bedding	10,000	14,000	5,420	8,580
Jail Laundry	6,000	6,000	2,793	3,207
Office Supplies	3,000	3,000	1,369	1,631
Jail Board - Prisoners	200,000	178,000	101,530	76,470
Telephone	5,000	5,000	272	4,728
Medical - Prisoners	200,000	200,000	161,263	38,737
Utilities	100,000	100,000	66,849	33,151
Jail Repairs and Maintenance	10,000	15,000	10,604	4,396
Jail Repairs and Renovations	20,000	20,000	19,420	580
Capital Outlay - Furniture and Equipment	10,000	15,000	12,528	2,472
Rentals	3,600	3,600	630	2,970
Housing Prisoners	50,000	40,000	29,640	10,360
Miscellaneous Supplies	25,000	40,000	34,621	5,379
Miscellaneous	5,000	8,000	3,019	4,981
Total Corrections	1,694,008	1,694,008	1,322,950	371,058
RURAL ADDRESSING				
Salaries - Coordinator	59,538	59,538	59,537	1
Social Security	4,555	4,555	4,555	-
Group Medical Insurance	15,840	15,840	15,328	512
Retirement	14,289	14,289	14,289	-
Worker's Compensation	642	642	66	576
Unemployment Insurance	288	288	89	199
Other Post Employment	8,342	8,342	8,340	2
Office Supplies	1,200	1,200	1,111	89
Computer Parts	1,000	1,000	-	1,000
Signs & Posts	10,000	10,000	6,874	3,126
Computer Software	800	800	-	800
Telephone	1,600	1,600	191	1,409
Conference and Dues	400	400	80	320
Rental	3,600	3,600	3,600	-
Capital Outlay - Furniture and Equipment	30,000	30,000	30,000	-
Miscellaneous	500	500	471	29
Total Rural Addressing	152,594	152,594	144,531	8,063

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
HIGHWAY PATROL				
Salary - Secretary	\$ 25,036	\$ 25,036	\$ 25,035	\$ 1
Social Security	1,916	1,916	1,915	1
Group Medical Insurance	7,920	7,920	7,664	256
Retirement and Death Benefits	6,009	6,009	6,008	1
Worker's Compensation	133	133	56	77
Unemployment Insurance	121	121	38	83
Other Post Employment	3,508	3,508	3,507	1
Telephone	1,000	1,000	120	880
Game Warden's Supplies	500	500	474	26
Highway Patrol's Cellular Phone	2,200	2,200	2,134	66
Office Supplies and Repairs	1,700	1,700	1,665	35
Capital Outlay - Furniture & Equipment	3,000	3,000	2,997	3
Miscellaneous	500	500	102	398
Total Highway Patrol	53,543	53,543	51,715	1,828
FIRE SAFETY				
Fire Services	1,500	1,500	1,500	-
Total Fire Safety	1,500	1,500	1,500	-
Total Public Safety	4,418,476	4,495,205	3,910,657	584,548
ENVIRONMENTAL PROTECTION				
Trash Disposal	346,000	374,835	357,651	17,184
Total Trash Disposal	346,000	374,835	357,651	17,184
Total Environmental Protection	346,000	374,835	357,651	17,184

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>HEALTH AND PAUPERS CARE</b>				
Medical	\$ 15,000	\$ 15,000	\$ 7,044	\$ 7,956
Aging Match	3,200	3,200	-	3,200
Disaster Relief	-	1,476	1,475	1
Mental Health - Mental Retardation Cente	28,000	28,000	28,000	-
Statements of Facts	14,000	14,000	935	13,065
Autopsies, Inquests, & Burials	60,000	85,000	79,703	5,297
Mental Evaluation of Prisoners	5,000	5,000	450	4,550
Retarded Citizens Association	6,500	6,500	6,500	-
Alcohol Abuse Program	4,000	4,000	4,000	-
Child Protective Services	28,000	28,000	28,000	-
Attorney Fees -Juveniles	20,000	10,000	3,040	6,960
Juvenile Probation	129,000	129,000	129,000	-
Attorney Fees	140,000	230,489	218,080	12,409
Open Door/Juvenile Care	5,000	5,000	5,000	-
Miscellaneous	200	200	-	200
Health Officer	6,000	6,000	6,000	-
<b>Total Health and Paupers Care</b>	<b>463,900</b>	<b>570,865</b>	<b>517,227</b>	<b>53,638</b>
<b>RECREATION</b>				
<b>LIBRARY</b>				
Salaries - Librarians	149,076	149,076	144,768	4,308
Temporary Librarian	6,518	6,518	6,298	220
Social Security	11,903	11,903	11,557	346
Group Medical Insurance	47,520	47,520	43,388	4,132
Retirement and Death Benefits	35,779	35,779	34,745	1,034
Worker's Compensation	1,350	1,350	639	711
Unemployment Insurance	749	749	227	522
Other Post Employment	20,886	20,886	20,281	605
Supplies & Books	20,027	20,027	20,000	27
Repairs & Maintenance	-	1,750	-	1,750
Software & Supplies	3,000	-	-	-
Capital Outlay - Furniture & Equipment	-	3,716	3,716	-
Insurance	2,000	1,730	1,730	-
<b>Total Library</b>	<b>298,808</b>	<b>301,004</b>	<b>287,349</b>	<b>13,655</b>
<b>YOUTH PROGRAMS</b>				
Carthage	10,000	10,000	10,000	-
Beckville	3,000	3,000	3,000	-
Gary	2,000	2,000	2,000	-
Exposition Bldg.-Maintenance	5,000	13,780	7,465	6,315
Boys and Girls Club	2,000	2,000	2,000	-
<b>Total Youth Programs</b>	<b>22,000</b>	<b>30,780</b>	<b>24,465</b>	<b>6,315</b>
<b>Total Recreation</b>	<b>320,808</b>	<b>331,784</b>	<b>311,814</b>	<b>19,970</b>

PANOLA COUNTY, TEXAS  
SUPPLEMENTARY FINANCIAL INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
CONSERVATION				
AGRICULTURAL EXTENSION SERVICE				
Salary - County Extension Agent	\$ 13,104	\$ 13,104	\$ 13,104	\$ -
Salary - Home Extension Agent	13,104	13,104	13,104	-
Expense Allowances - Agents	10,800	10,800	10,800	-
Salary - Secretary	25,036	25,036	25,035	1
Social Security	4,747	4,747	4,746	1
Group Medical Insurance	7,920	7,920	7,664	256
Retirement and Death Benefit	6,009	6,009	6,009	-
Worker's Compensation	1,676	1,676	1,455	221
Unemployment Insurance	301	301	93	208
Other Post Employment	3,508	3,508	3,507	1
Office Supplies, Postage & Repairs	1,350	1,850	1,758	92
Telephone	650	650	510	140
Travel	3,200	3,200	3,050	150
Conferences and Dues	700	1,600	1,109	491
Miscellaneous Supplies	250	250	-	250
Capital Outlay - Furniture and Equipment	1,500	100	-	100
Miscellaneous	328	328	20	308
Total Extension Service	<u>94,183</u>	<u>94,183</u>	<u>91,964</u>	<u>2,219</u>
Total Conservation	<u>94,183</u>	<u>94,183</u>	<u>91,964</u>	<u>2,219</u>
Total Expenditures	<u>11,071,459</u>	<u>11,445,408</u>	<u>10,515,785</u>	<u>929,623</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	(53,253)	1,985,204	2,038,457
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	523,977	523,977
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>523,977</u>	<u>523,977</u>
Net Change in Fund Balance	-	(53,253)	2,509,181	2,562,434
FUND BALANCE, BEGINNING	<u>6,918,110</u>	<u>6,918,110</u>	<u>6,918,110</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 6,918,110</u>	<u>\$ 6,864,857</u>	<u>\$ 9,427,291</u>	<u>\$ 2,562,434</u>

**PANOLA COUNTY, TEXAS**  
**SUPPLEMENTARY FINANCIAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**RESERVE DETENTION CENTER CONSTRUCTION CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Interest Earned	\$ -	\$ 27,279	\$ 27,280	\$ 1
<b>Total Revenues</b>	<u>-</u>	<u>27,279</u>	<u>27,280</u>	<u>1</u>
<b>EXPENDITURES</b>				
Architect Fees	-	31,094	31,094	-
Material Testing	-	-	-	-
Video, Technology, Telephone	-	65,904	65,904	-
Construction Contract	-	2,268,969	2,140,770	128,199
<b>Total Expenditures</b>	<u>-</u>	<u>2,365,967</u>	<u>2,237,768</u>	<u>128,199</u>
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	-	(2,338,688)	(2,210,488)	128,200
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	-	(523,977)	(523,977)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(523,977)</u>	<u>(523,977)</u>
<b>Net Change in Fund Balance</b>	-	(2,338,688)	(2,734,465)	(395,777)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>2,734,465</u>	<u>2,734,465</u>	<u>2,734,465</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 2,734,465</u></u>	<u><u>\$ 395,777</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (395,777)</u></u>

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**



**PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	Special Revenue	Debt Service	Capital Projects	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,439,346	\$ 20,621	\$ 13,190	\$ 1,473,157
Investments	3,090,526	1,338,424	478,000	4,906,950
Receivables (net of allowance for doubtful accounts )				
Delinquent Taxes	4,291	11,440	-	15,731
Miscellaneous	33,990	2,380	406	36,776
Due From Other Funds	29	-	-	29
Inventory	15,994	-	-	15,994
<b>Total Assets</b>	<b>\$ 4,584,176</b>	<b>\$ 1,372,865</b>	<b>\$ 491,596</b>	<b>\$ 6,448,637</b>
<b>LIABILITIES</b>				
Accounts Payable-Trade	\$ 109,350	\$ -	\$ -	\$ 109,350
Deferred Tax Revenues	450,109	1,210,941	-	1,661,050
Due to Other Funds	1,643	-	-	1,643
<b>Total Liabilities</b>	<b>561,102</b>	<b>1,210,941</b>	<b>-</b>	<b>1,772,043</b>
<b>FUND BALANCES</b>				
Reserved for:				
Inventory	15,994	-	-	15,994
Debt Service	-	161,924	-	161,924
Unreserved, Designated For:				
Capital Projects, Reported in Capital Projects Funds	-	-	491,596	491,596
Unreserved and Undesignated	4,007,080	-	-	4,007,080
<b>Total Fund Balances</b>	<b>4,023,074</b>	<b>161,924</b>	<b>491,596</b>	<b>4,676,594</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,584,176</b>	<b>\$ 1,372,865</b>	<b>\$ 491,596</b>	<b>\$ 6,448,637</b>

**PANOLA COUNTY, TEXAS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Special	Debt	Capital	Total Other
	Revenue	Service	Projects	Governmental
REVENUES				Funds
Property Taxes	\$ 518,780	\$1,419,812	\$ -	\$ 1,938,592
Intergovernmental Receipts	751,681	-	-	751,681
Fees of Office	647,571	-	-	647,571
Miscellaneous	386,816	17,117	13,813	417,746
<b>TOTAL REVENUES</b>	<b>2,304,848</b>	<b>1,436,929</b>	<b>13,813</b>	<b>3,755,590</b>
<b>EXPENDITURES</b>				
Current:				
General Administration	128,054	-	-	128,054
Legal	36,844	-	-	36,844
Public Safety	1,374,956		-	1,374,956
Public Transportation	582,790	-	-	582,790
Health & Paupers Care	18,878	-	-	18,878
Debt Service - Principal	-	1,240,000		1,240,000
Debt Service - Interest	-	128,041	-	128,041
<b>TOTAL EXPENDITURES</b>	<b>2,141,522</b>	<b>1,368,041</b>	<b>-</b>	<b>3,509,563</b>
<b>Excess (Deficiency) of Revenues</b>				
Over Expenditures	163,326	68,888	13,813	246,027
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>3,859,748</b>	<b>93,036</b>	<b>477,783</b>	<b>4,430,567</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 4,023,074</b>	<b>\$ 161,924</b>	<b>\$ 491,596</b>	<b>\$ 4,676,594</b>

**PANOLA COUNTY, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS**

**LAW LIBRARY FUND** – This fund is used to account for the maintenance and operations of a library open to all residents of the County. Financing is provided by fees collected in connection with court costs.

**COURTHOUSE SECURITY FUND** - This fund was created to finance the cost of providing security services for buildings housing a district or county court. It is funded by fees collected on felony or misdemeanor convictions.

**RECORDS MANAGEMENT FUND** - This fund is to be used for the management of the County records similar to the Records Preservation Fund.

**RECORDS PRESERVATION FUND** - This fund is to be used for records preservation services performed by the County Clerk after the filing and recording of a document in the records of the office of the clerk.

**RECORD ARCHIVE FEES FUND** – This fund is used to account for the preservation and restoration services of any instrument, document, or paper maintained by the County Clerk. According to statutes governing this fee, “record archive” means public documents filed with the county clerk before January 1, 1990.

**JUSTICE COURT TECHNOLOGY FUND** – This fund was created to finance the purchase of technological enhancements for a justice court. It is funded by fees on misdemeanor convictions.

**VIT INTEREST FUND** – This fund was created to account for interest earned on the County’s vehicle inventory tax escrow account, which is used for the administration of the prepayment procedure.

**ELECTION SERVICES CONTRACT FUND** – This fund is used to account for the revenues and expenditures associated with various contracts with other local governments in which County provides election services.

**FARM TO MARKET AND LATERAL ROAD FUND** - This fund is similar to the Road and Bridge Fund. Primary sources of revenues are ad valorem taxes. These taxes are authorized by the State and allow counties to include in their tax rates ad valorem taxes levied by the State in previous years.

**COMMUNITY SUPERVISION AND CORRECTIONS FUND** - This fund is used to account for the revenues and expenditures generated by the Community Supervision and Correction Department in the supervision and administration of probationers reportable to the 123rd jurisdiction. Financing is provided by probation fees collected by the department and funding by the State of Texas based on probationers' supervision caseloads. Payment of operating expenditures is administered by the County.

**DRUG COURT GRANT FUND** – This fund is used to account for the revenues and expenditures associated with the Drug Court Program initiated by Panola and Shelby Counties. Financing is provided by federal grant monies and funding from both Panola and Shelby Counties. This program is operated by the 123<sup>rd</sup> Judicial District – Community Supervision and Correction Department.

**JUVENILE PROBATION FUND** - This fund is used to account for the revenues and expenditures associated with the supervision and administration of juvenile probationers reportable in Panola County. Financing is provided by State aid. Fiscal services are provided by the County.

**OLD PROBATION FUND** - This fund represents remaining carryover funds from the old tri-county probation system before the jurisdiction of probation departments in the State were placed under the authority of the Texas Adult Probation Commission. Current revenues are primarily from interest earnings on invested funds. Certain capital outlay expenditures and certain repairs to capital items are not authorized in the adult probation fund. This fund is used to account for these type expenditures.

**SHERIFF’S STATE FORFEITURE FUND** - This fund is used to account for funds allocated by the State from drug money confiscated within County boundaries.

**PANOLA COUNTY, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS**

**HOT CHECK FEE FUND** - The scope of the District Attorney's responsibilities include the collection of "hot checks" issued to merchants and others in the County. A fee is assessed to the maker of the "hot check". These fees are generally available for use at the discretion of the District Attorney, without Commissioners' Court approval.

**DISTRICT ATTORNEY LONGEVITY PAY SUPPLEMENT FUND** - This fund is used to account for funds received from the Criminal Justice Division. These funds are used to supplement the salary of the Assistant District Attorney.

**HOMELAND SECURITY GRANT FUND** – This fund is used to account for revenues received through the Department of Homeland Security for equipment and supplies to be used by emergency responders.

**DISTRICT ATTORNEY FORFEITURE FUND** - This fund is used to account for the funds received after forfeiture proceedings are final involving drug cases where cash or property has been seized. State statutes governing these funds allow the monies to be used for illegal drug investigation matters. The funds do not require approval by the Commissioners Court. However, the District Attorney is required to submit a budget to the Court before expenditures are made.

**STATE APPORTIONMENT D.A. FUND** - This fund is used to account for revenues and expenditures used for purposes of the Criminal District Attorney's Office. It is used primarily to defray salary expenses of the D.A. Office employees. Funding is provided by the State of Texas.

**CONSTABLE PCT. 1 & 4 STATE FORFEITURE FUND** - This fund is used to account for state funds received after forfeiture proceedings are final involving cases where cash or property has been seized. State statutes governing these funds allow the monies to be used for investigation matters.

**CONSTABLE PCT. 2 & 3 STATE FORFEITURE FUND** - This fund is used to account for state funds received after forfeiture proceedings are final involving cases where cash or property has been seized. State statutes governing these funds allow the monies to be used for investigation matters.

**SHERIFF'S FEDERAL FORFEITURE FUND** – This fund is used to account for funds received from the federal government. These funds represent cash seized and forfeited relative to certain drug cases. Federal statutes governing these funds allow the monies to be used for investigation matters.

**CDA FEDERAL FORFEITURE FUND** – This fund is used to account for funds received from the federal government. These funds represent cash seized and forfeited relative to certain drug cases. Federal statutes governing these funds allow the monies to be used for investigation matters.

**CONSTABLE PCT. 1 & 4 FEDERAL FORFEITURE FUND** - This fund is used to account for federal funds received after forfeiture proceedings are final involving cases where cash or property has been seized. Federal statutes governing these funds allow the monies to be used for investigation matters.

**CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURE FUND** - This fund is used to account for federal funds received after forfeiture proceedings are final involving cases where cash or property has been seized. Federal statutes governing these funds allow the monies to be used for investigation matters.

**CHILD PROTECTIVE SERVICES FUND** – This fund is used to account for services which are provided to meet the needs of dependent and neglected children; children with special needs; and children in danger of being judged delinquent. Child Protective Services are governed by the Children's Services Board, which is funded in part by the County, and is dependent upon the county for accomplishment of its purposes.

**AIRPORT FUND** - This fund is used to account for hangar rentals and miscellaneous upkeep of Sharpe Field, the airport serving Panola County. The Panola County Airport Authority Board serves as an advisory Board and is appointed by the Commissioners Court.

**PANOLA COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2009**

	<b>LAW</b>	<b>COURT-</b>	<b>RECORDS</b>	<b>RECORDS</b>
	<b>LIBRARY</b>	<b>HOUSE</b>	<b>MANAGEMENT</b>	<b>PRESERVATION</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 11,080	\$ 24,379	\$ 15,122	\$ 50,029
Investments	15,000	220,000	97,000	202,000
Receivables (net of allowance for doubtful accounts ):				
Delinquent Taxes	-	-	-	-
Miscellaneous	7	153	45	321
Due From Other Funds	-	-	-	-
Inventory	-	-	-	-
<b>Total Assets</b>	<b>\$ 26,087</b>	<b>\$ 244,532</b>	<b>\$ 112,167</b>	<b>\$ 252,350</b>
<b>LIABILITIES:</b>				
Accounts Payable-Trade	\$ 1,435	\$ -	\$ -	\$ 1,400
Deferred Tax Revenues	-	-	-	-
Due to Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b>1,435</b>	<b>-</b>	<b>-</b>	<b>1,400</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Inventory	-	-	-	-
Unreserved and Undesignated	24,652	244,532	112,167	250,950
<b>Total Fund Balances</b>	<b>24,652</b>	<b>244,532</b>	<b>112,167</b>	<b>250,950</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 26,087</b>	<b>\$ 244,532</b>	<b>\$ 112,167</b>	<b>\$ 252,350</b>

<b>RECORDS ARCHIVE FEES</b>	<b>JUSTICE COURT TECHNOLOGY</b>	<b>VIT INTEREST</b>	<b>ELECTION SERVICES CONTRACT</b>	<b>FM &amp; LATERAL</b>
\$ 205,299	\$ 12,898	\$ 7,147	\$ 9,927	\$ 139,303
107,000	47,000	-	-	1,442,526
-	-	-	-	4,291
87	44	-	-	983
-	-	-	-	-
-	-	-	-	-
<u>\$ 312,386</u>	<u>\$ 59,942</u>	<u>\$ 7,147</u>	<u>\$ 9,927</u>	<u>\$ 1,587,103</u>
\$ -	\$ -	\$ -	\$ -	\$ 7,193
-	-	-	-	450,109
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>457,302</u>
-	-	-	-	-
<u>312,386</u>	<u>59,942</u>	<u>7,147</u>	<u>9,927</u>	<u>1,129,801</u>
<u>312,386</u>	<u>59,942</u>	<u>7,147</u>	<u>9,927</u>	<u>1,129,801</u>
<u>\$ 312,386</u>	<u>\$ 59,942</u>	<u>\$ 7,147</u>	<u>\$ 9,927</u>	<u>\$ 1,587,103</u>

**PANOLA COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**NON-MAJOR SPECIAL REVENUE FUNDS, continued**  
**DECEMBER 31, 2009**

	COMMUNITY SUPERVISION AND CORRECTION	DRUG COURT GRANT	JUVENILE PROBATION	OLD PROBATION
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 425,032	\$ 38,633	\$ 190,666	\$ 81
Investments	48,000	-	227,000	11,000
Receivables (net of allowance for doubtful accounts ):				
Delinquent Taxes	-	-	-	-
Miscellaneous	157	19,108	1,304	23
Due From Other Funds	-	29	-	-
Inventory	-	-	-	-
<b>Total Assets</b>	<b>\$ 473,189</b>	<b>\$ 57,770</b>	<b>\$ 418,970</b>	<b>\$ 11,104</b>
<b>LIABILITIES:</b>				
Accounts Payable-Trade	\$ 76,956	\$ 13,512	\$ 8,415	\$ -
Deferred Tax Revenues	-	-	-	-
Due to Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b>76,956</b>	<b>13,512</b>	<b>8,415</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Inventory	-	-	-	-
Unreserved and Undesignated	396,233	44,258	410,555	11,104
<b>Total Fund Balances</b>	<b>396,233</b>	<b>44,258</b>	<b>410,555</b>	<b>11,104</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 473,189</b>	<b>\$ 57,770</b>	<b>\$ 418,970</b>	<b>\$ 11,104</b>

<b>HOT CHECK FEE</b>	<b>SHERIFF'S STATE FORFEITURE</b>	<b>DIST ATTY LONGEVITY PAY SUPPLEMENT</b>	<b>D.A. FORFEITURE</b>
\$ 14,488	\$ 85,212	\$ 41	\$ 87,750
59,000	227,000	-	138,000
-	-	-	-
39	2,239	-	1,130
-	-	-	-
-	-	-	-
<u>\$ 73,527</u>	<u>\$ 314,451</u>	<u>\$ 41</u>	<u>\$ 226,880</u>
\$ 20	\$ -	\$ -	\$ 419
-	-	-	-
54	-	-	1,589
<u>74</u>	<u>-</u>	<u>-</u>	<u>2,008</u>
-	-	-	-
<u>73,453</u>	<u>314,451</u>	<u>41</u>	<u>224,872</u>
<u>73,453</u>	<u>314,451</u>	<u>41</u>	<u>224,872</u>
<u>\$ 73,527</u>	<u>\$ 314,451</u>	<u>\$ 41</u>	<u>\$ 226,880</u>



PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
NON-MAJOR SPECIAL REVENUE FUNDS, continued  
DECEMBER 31, 2009

	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2&3 STATE FORFEITURES
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 518	\$ 294	\$ 1,966
Investments	-	-	-
Receivables (net of allowance for doubtful accounts ):			
Delinquent Taxes	-	-	-
Miscellaneous	-	-	-
Due From Other Funds	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<b>\$ 518</b>	<b>\$ 294</b>	<b>\$ 1,966</b>
<b>LIABILITIES:</b>			
Accounts Payable-Trade	\$ -	\$ -	\$ -
Deferred Tax Revenues	-	-	-
Due to Other Funds	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>			
Reserved for:			
Inventory	-	-	-
Unreserved and Undesignated	518	294	1,966
<b>Total Fund Balances</b>	<b>518</b>	<b>294</b>	<b>1,966</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 518</b>	<b>\$ 294</b>	<b>\$ 1,966</b>

<b>SHERIFF FEDERAL FORFEITURE</b>	<b>CDA FEDERAL FORFEITURE</b>	<b>CONSTABLE PCT. 1&amp;4 FEDERAL FORFEITURES</b>	<b>CONSTABLE PCT. 2&amp;3 FEDERAL FORFEITURES</b>
\$ -	\$ 54,119	\$ 2,924	\$ 2,597
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ 54,119</u>	<u>\$ 2,924</u>	<u>\$ 2,597</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
<u>-</u>	<u>54,119</u>	<u>2,924</u>	<u>2,597</u>
<u>-</u>	<u>54,119</u>	<u>2,924</u>	<u>2,597</u>
<u>\$ -</u>	<u>\$ 54,119</u>	<u>\$ 2,924</u>	<u>\$ 2,597</u>

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
NON-MAJOR SPECIAL REVENUE FUNDS, continued  
DECEMBER 31, 2009

	CHILD PROTECTIVE SERVICES		AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL
<b>ASSETS</b>				
Cash and Cash Equivalents	\$	12,310	\$ 47,531	\$ 1,439,346
Investments		33,000	217,000	3,090,526
Receivables (net of allowance for doubtful accounts ):				
Delinquent Taxes		-	-	4,291
Miscellaneous		1,368	6,982	33,990
Due From Other Funds		-	-	29
Inventory		-	15,994	15,994
<b>Total Assets</b>	<b>\$</b>	<b>46,678</b>	<b>\$ 287,507</b>	<b>\$ 4,584,176</b>
<b>LIABILITIES:</b>				
Accounts Payable-Trade	\$	-	\$ -	109,350
Deferred Tax Revenues		-	-	450,109
Due to Other Funds		-	-	1,643
<b>Total Liabilities</b>		-	-	<b>561,102</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Inventory		-	15,994	15,994
Unreserved and Undesignated		46,678	271,513	4,007,080
<b>Total Fund Balances</b>		<b>46,678</b>	<b>287,507</b>	<b>4,023,074</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$</b>	<b>46,678</b>	<b>\$ 287,507</b>	<b>\$ 4,584,176</b>

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**PANOLA COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>LAW LIBRARY</u>	<u>COURT- HOUSE SECURITY</u>	<u>RECORDS MANAGEMENT</u>	<u>RECORDS PRESERVATION</u>
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-
Fees of Office	16,926	22,465	14,017	52,571
Miscellaneous	721	6,645	2,900	5,618
<b>TOTAL REVENUES</b>	<u>17,647</u>	<u>29,110</u>	<u>16,917</u>	<u>58,189</u>
<b>EXPENDITURES</b>				
Current				
General Administration	-	22,476	6,629	16,800
Legal	17,220	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	-
Health & Paupers Care	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>17,220</u>	<u>22,476</u>	<u>6,629</u>	<u>16,800</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	427	6,634	10,288	41,389
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<u>24,225</u>	<u>237,898</u>	<u>101,879</u>	<u>209,561</u>
<b>FUND BALANCE-END OF YEAR</b>	<u>\$ 24,652</u>	<u>\$ 244,532</u>	<u>\$ 112,167</u>	<u>\$ 250,950</u>

<b>RECORDS ARCHIVE FEES</b>	<b>JUSTICE COURT TECHNOLOGY</b>	<b>VIT INTEREST</b>	<b>ELECTION SERVICES CONTRACT</b>	<b>FM &amp; LATERAL</b>
\$ -	\$ -	\$ -	\$ -	\$ 518,780
-	-	-	-	-
46,931	8,776	-	-	-
8,085	1,379	447	2,546	40,392
<u>55,016</u>	<u>10,155</u>	<u>447</u>	<u>2,546</u>	<u>559,172</u>
-	-	-	-	-
-	6,288	702	5,250	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	415,550
-	-	-	-	-
<u>-</u>	<u>6,288</u>	<u>702</u>	<u>5,250</u>	<u>415,550</u>
55,016	3,867	(255)	(2,704)	143,622
<u>257,370</u>	<u>56,075</u>	<u>7,402</u>	<u>12,631</u>	<u>986,179</u>
<u>\$ 312,386</u>	<u>\$ 59,942</u>	<u>\$ 7,147</u>	<u>\$ 9,927</u>	<u>\$ 1,129,801</u>

**PANOLA COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**NON-MAJOR SPECIAL REVENUE FUNDS, continued**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>COMMUNITY SUPERVISION AND CORRECTIONS</b>	<b>DRUG COURT GRANT</b>	<b>JUVENILE PROBATION</b>	<b>OLD PROBATION</b>
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	291,137	84,936	334,826	-
Fees of Office	456,653	4,495	577	-
Miscellaneous	34,672	548	10,108	274
<b>TOTAL REVENUES</b>	<b>782,462</b>	<b>89,979</b>	<b>345,511</b>	<b>274</b>
<b>EXPENDITURES</b>				
Current				
General Administration	-	-	-	-
Legal	-	-	-	-
Public Safety	814,047	84,936	362,173	383
Public Transportation	-	-	-	-
Health & Paupers Care	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>814,047</b>	<b>84,936</b>	<b>362,173</b>	<b>383</b>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(31,585)	5,043	(16,662)	(109)
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>427,818</b>	<b>39,215</b>	<b>427,217</b>	<b>11,213</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 396,233</b>	<b>\$ 44,258</b>	<b>\$ 410,555</b>	<b>\$ 11,104</b>

<b>HOT CHECK FEE</b>	<b>SHERIFF'S STATE FORFEITURE</b>	<b>DIST ATTY LONGEVITY PAY SUPPLEMENT</b>	<b>D.A. FORFEITURE</b>
\$ -	\$ -	\$ -	\$ -
-	-	4,320	-
24,160	-	-	-
1,346	36,132	3	27,107
<u>25,506</u>	<u>36,132</u>	<u>4,323</u>	<u>27,107</u>
-	-	-	69,909
15,304	-	4,320	-
-	69,818	-	-
-	-	-	-
-	-	-	-
<u>15,304</u>	<u>69,818</u>	<u>4,320</u>	<u>69,909</u>
10,202	(33,686)	3	(42,802)
<u>63,251</u>	<u>348,137</u>	<u>38</u>	<u>267,674</u>
<u>\$ 73,453</u>	<u>\$ 314,451</u>	<u>\$ 41</u>	<u>\$ 224,872</u>



**PANOLA COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**NON-MAJOR SPECIAL REVENUE FUNDS, continued**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ -
Intergovernmental Receipts	34,450	-	-
Fees of Office	-	-	-
Miscellaneous	26	4	30
<b>TOTAL REVENUES</b>	<b>34,476</b>	<b>4</b>	<b>30</b>
<b>EXPENDITURES</b>			
Current			
General Administration	-	-	-
Legal	-	-	-
Public Safety	34,487	4	-
Public Transportation	-	-	-
Health & Paupers Care	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>34,487</b>	<b>4</b>	<b>-</b>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(11)	-	30
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>529</b>	<b>294</b>	<b>1,936</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 518</b>	<b>\$ 294</b>	<b>\$ 1,966</b>

<b>SHERIFF FEDERAL FORFEITURE</b>	<b>CDA FEDERAL FORFEITURE</b>	<b>CONSTABLE PCT. 1&amp;4 FEDERAL FORFEITURES</b>	<b>CONSTABLE PCT. 2 &amp; 3 FEDERAL FORFEITURES</b>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
<b>1,847</b>	<b>822</b>	<b>54</b>	<b>83</b>
<b>1,847</b>	<b>822</b>	<b>54</b>	<b>83</b>
-	-	-	-
-	-	-	-
<b>3,342</b>	-	<b>565</b>	<b>5,201</b>
-	-	-	-
-	-	-	-
<b>3,342</b>	<b>-</b>	<b>565</b>	<b>5,201</b>
(1,495)	822	(511)	(5,118)
<b>1,495</b>	<b>53,297</b>	<b>3,435</b>	<b>7,715</b>
<b>\$ -</b>	<b>\$ 54,119</b>	<b>\$ 2,924</b>	<b>\$ 2,597</b>

**PANOLA COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**NON-MAJOR SPECIAL REVENUE FUNDS, continued**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>CHILD PROTECTIVE SERVICES</b>	<b>AIRPORT</b>	<b>NON-MAJOR SPECIAL REVENUE FUNDS TOTAL</b>
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ 518,780
Intergovernmental Receipts	2,012	-	751,681
Fees of Office	-	-	647,571
Miscellaneous	32,622	172,405	386,816
<b>TOTAL REVENUES</b>	<b>34,634</b>	<b>172,405</b>	<b>2,304,848</b>
<b>EXPENDITURES</b>			
Current			
General Administration	-	-	128,054
Legal	-	-	36,844
Public Safety	-	-	1,374,956
Public Transportation	-	167,240	582,790
Health & Paupers Care	18,878	-	18,878
<b>TOTAL EXPENDITURES</b>	<b>18,878</b>	<b>167,240</b>	<b>2,141,522</b>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	15,756	5,165	163,326
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>30,922</b>	<b>282,342</b>	<b>3,859,748</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 46,678</b>	<b>\$ 287,507</b>	<b>\$ 4,023,074</b>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**LAW LIBRARY SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Library Fees	\$ 15,996	\$ 16,829	\$ 16,926	\$ 97
Interest Earnings	4	391	721	330
<b>Total Revenues</b>	<u>16,000</u>	<u>17,220</u>	<u>17,647</u>	<u>427</u>
<b>EXPENDITURES</b>				
Law Library Books	<u>16,000</u>	<u>17,220</u>	<u>17,220</u>	<u>-</u>
<b>Total Expenditures</b>	<u>16,000</u>	<u>17,220</u>	<u>17,220</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	427	427
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>24,225</u>	<u>24,225</u>	<u>24,225</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 24,225</u>	<u>\$ 24,225</u>	<u>\$ 24,652</u>	<u>\$ 427</u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**COURTHOUSE SECURITY SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>FEES OF OFFICE</b>				
District Clerk Fees	\$ 2,180	\$ 2,178	\$ 2,178	\$ -
County Clerk Fees	8,280	8,280	11,506	3,226
JP Offices	9,408	8,781	8,781	-
<b>Total Fees of Office</b>	<b>19,868</b>	<b>19,239</b>	<b>22,465</b>	<b>3,226</b>
<b>MISCELLANEOUS</b>				
Interest Earnings	3,971	2,342	6,645	4,303
<b>Total Revenues</b>	<b>23,839</b>	<b>21,581</b>	<b>29,110</b>	<b>7,529</b>
<b>EXPENDITURES</b>				
<b>GENERAL ADMINISTRATION</b>				
Baliff and Security	14,470	14,470	14,470	-
Social Security Taxes	1,107	1,107	1,107	-
Workers Compensation	391	391	391	-
Unemployment Insurance	70	70	22	48
Other Post Employment	2,028	2,028	2,027	1
Retirement	3,473	3,473	3,473	-
Conferences and Dues	-	1,300	986	314
Furniture & Equip	1,300	-	-	-
<b>Total Expenditures</b>	<b>22,839</b>	<b>22,839</b>	<b>22,476</b>	<b>363</b>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,000	(1,258)	6,634	7,892
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>237,898</b>	<b>237,898</b>	<b>237,898</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 238,898</b>	<b>\$ 236,640</b>	<b>\$ 244,532</b>	<b>\$ 7,892</b>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**RECORDS MANAGEMENT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>FEES OF OFFICE</b>				
District Clerk Fees	\$ 2,371	\$ 2,371	\$ 6,422	\$ 4,051
County Clerk Fees	3,723	3,723	7,595	3,872
<b>Total Fees of Office</b>	<u>6,094</u>	<u>6,094</u>	<u>14,017</u>	<u>7,923</u>
<b>MISCELLANEOUS</b>				
Interest Earnings	986	986	2,900	1,914
<b>Total Revenues</b>	<u>7,080</u>	<u>7,080</u>	<u>16,917</u>	<u>9,837</u>
<b>EXPENDITURES</b>				
<b>GENERAL ADMINISTRATION</b>				
Seasonal Help	6,518	6,518	6,139	379
Social Security Taxes	499	499	470	29
Workers Compensation	33	33	11	22
Unemployment Insurance	30	30	9	21
<b>Total Expenditures</b>	<u>7,080</u>	<u>7,080</u>	<u>6,629</u>	<u>451</u>
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	-	-	10,288	10,288
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>101,879</u>	<u>101,879</u>	<u>101,879</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 101,879</u>	<u>\$ 101,879</u>	<u>\$ 112,167</u>	<u>\$ 10,288</u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**RECORDS PRESERVATION SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>FEES OF OFFICE</b>				
County Clerks Fees	\$ 32,297	\$ 32,297	\$ 52,571	\$ 20,274
Total Fees of Office	<u>32,297</u>	<u>32,297</u>	<u>52,571</u>	<u>20,274</u>
<b>MISCELLANEOUS</b>				
Interest Earnings	3,388	3,388	5,618	2,230
Total Revenues	<u>35,685</u>	<u>35,685</u>	<u>58,189</u>	<u>22,504</u>
<b>EXPENDITURES</b>				
<b>GENERAL ADMINISTRATION</b>				
Seasonal Help	6,518	6,518	-	6,518
Social Security Taxes	499	499	-	499
Workers Compensation	38	38	-	38
Unemployment Insurance	30	30	-	30
Rentals, Microfilm	25,000	25,000	16,800	8,200
Internet Download	3,600	3,600	-	3,600
Total Expenditures	<u>35,685</u>	<u>35,685</u>	<u>16,800</u>	<u>18,885</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	41,389	41,389
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>209,561</u>	<u>209,561</u>	<u>209,561</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 209,561</u>	<u>\$ 209,561</u>	<u>\$ 250,950</u>	<u>\$ 41,389</u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**RECORDS ARCHIVE FEES SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>FEES OF OFFICE</b>				
County Clerk Fees	\$ 4,000	\$ 4,000	\$ 46,931	\$ 42,931
<b>Total Fees of Office</b>	<u>4,000</u>	<u>4,000</u>	<u>46,931</u>	<u>42,931</u>
<b>MISCELLANEOUS</b>				
Interest Earnings	<u>1,000</u>	<u>1,000</u>	<u>8,085</u>	<u>7,085</u>
<b>Total Revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>55,016</u>	<u>50,016</u>
<b>EXPENDITURES</b>				
<b>ARCHIVE FEES</b>				
Professional Services	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>Total Expenditures</b>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	-	-	55,016	55,016
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>257,370</u>	<u>257,370</u>	<u>257,370</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 257,370</u>	<u>\$ 257,370</u>	<u>\$ 312,386</u>	<u>\$ 55,016</u>



**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>FEES OF OFFICE</b>				
JP Offices	\$ 10,000	\$ 8,632	\$ 8,776	\$ 144
Total Fees of Office	10,000	8,632	8,776	144
<b>MISCELLANEOUS</b>				
Interest Earnings	-	1,368	1,379	11
Total Revenues	10,000	10,000	10,155	155
<b>EXPENDITURES</b>				
<b>GENERAL ADMINISTRATION</b>				
Capital Outlay - Furniture & Equipment	5,000	5,000	2,288	2,712
Professional Services	5,000	5,000	4,000	1,000
Total Expenditures	10,000	10,000	6,288	3,712
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	3,867	3,867
FUND BALANCE, BEGINNING OF YEAR	56,075	56,075	56,075	-
FUND BALANCE, END OF YEAR	\$ 56,075	\$ 56,075	\$ 59,942	\$ 3,867

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**V.I.T. INTEREST SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>MISCELLANEOUS REVENUES</b>				
Interest Earnings	\$ 717	\$ 446	\$ 447	\$ 1
<b>Total Revenues</b>	<u>717</u>	<u>446</u>	<u>447</u>	<u>1</u>
<b>EXPENDITURES</b>				
Deputy Supplement	481	481	480	1
Social Security Taxes	37	37	37	-
Retirement	116	116	115	1
Workers Compensation	12	12	1	11
Unemployment Insurance	3	3	1	2
Other Post Employment	68	68	68	-
<b>Total Expenditures</b>	<u>717</u>	<u>717</u>	<u>702</u>	<u>15</u>
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	-	(271)	(255)	16
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>7,402</u>	<u>7,402</u>	<u>7,402</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 7,402</u>	<u>\$ 7,131</u>	<u>\$ 7,147</u>	<u>\$ 16</u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**ELECTION SERVICES CONTRACT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>FEES OF OFFICE</b>				
Fees of Office	\$ -	\$ -	\$ -	\$ -
<b>Total Fees of Office</b>	-	-	-	-
<b>MISCELLANEOUS REVENUES</b>				
Election Services Contract Receipts	-	1,899	2,400	501
Interest Earnings	-	-	146	146
<b>Total Revenues</b>	-	1,899	2,546	647
<b>EXPENDITURES</b>				
Professional Services	-	-	-	-
Office Supplies	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	-	1,899	2,546	647
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	5,250	5,250	-
<b>Total Other Financing Sources (Uses)</b>	-	5,250	5,250	-
<b>Net Change in Fund Balance</b>	-	7,149	(2,704)	647
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>12,631</b>	<b>12,631</b>	<b>12,631</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 12,631</b>	<b>\$ 19,780</b>	<b>\$ 9,927</b>	<b>\$ (9,853)</b>

**PANOLA COUNTY, TEXAS**  
**FARM TO MARKET AND LATERAL ROAD SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
<b>PROPERTY TAXES</b>				
Current	\$ 484,655	\$ 484,655	\$ 507,575	\$ 22,920
Delinquent	8,645	8,645	11,205	2,560
Total Property Taxes	493,300	493,300	518,780	25,480
<b>MISCELLANEOUS</b>				
Interest Earned	23,634	23,634	36,563	12,929
Miscellaneous	-	2,850	3,829	979
Total Miscellaneous	23,634	26,484	40,392	13,908
<b>Total Revenues</b>	<b>516,934</b>	<b>519,784</b>	<b>559,172</b>	<b>39,388</b>
<b>EXPENDITURES</b>				
<b>PUBLIC TRANSPORTATION</b>				
<b>MAINTENANCE-ROADS AND BRIDGES</b>				
Salaries - Road and Bridge Department	121,041	101,041	87,635	13,406
Benefits Termination	1,248	1,248	-	1,248
Social Security Taxes	9,356	9,356	6,704	2,652
Group Insurance	31,680	31,680	22,992	8,688
Retirement and Death Benefits	29,350	29,350	21,032	8,318
Other Post Employment	17,133	17,133	8,303	8,830
Retiree Medical Insurance Trust	14,868	14,868	14,868	-
Workers Compensation	32,496	32,496	3,000	29,496
Optional Retirement	29,961	29,961	29,961	-
Unemployment Insurance	1,251	1,251	131	1,120
Repair and Maintenance	13,000	38,850	35,270	3,580
Parts and Repairs	20,000	13,500	4,387	9,113
Conferences and Dues	900	900	-	900
Utilities	12,000	17,000	16,767	233
Contractor Service	8,000	-	-	-
Physicals and Drug	1,000	2,500	1,906	594
Rentals and Leases	5,000	9,000	4,092	4,908
Beaver Control	26,400	26,400	26,400	-
Liability and Other	125,000	138,000	132,102	5,898
Miscellaneous	1,250	1,250	-	1,250
Capital Outlay- Bridge Construction	16,000	4,000	-	4,000
Total Expenditures	516,934	519,784	415,550	104,234
Excess (Deficiency) Revenues Over Expenditures	-	-	143,622	143,622
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>986,179</b>	<b>986,179</b>	<b>986,179</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 986,179</b>	<b>\$ 986,179</b>	<b>\$ 1,129,801</b>	<b>\$ 143,622</b>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**COMMUNITY SUPERVISION AND CORRECTION DEPARTMENT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>INTERGOVERNMENTAL RECEIPTS</b>				
State Aid	\$ 180,709	\$ 180,709	180,709	\$ -
State Comptroller				
SAFPE Payments	1,335	1,335	1,335	-
Rider 80	1,615	1,615	1,615	-
C.S.R. Coordinator	34,201	34,201	34,201	-
Absconder Caseload	39,244	39,244	39,244	-
Sex Offender/DV Services	8,366	8,366	8,366	-
Specialized Caseload-Sex Offender	25,667	25,667	25,667	-
Total Intergovernmental Receipts	291,137	291,137	291,137	-
<b>FEEs OF OFFICE</b>				
Probation Fees	456,653	456,653	456,653	-
Payments by Program Participants	22,907	22,907	22,907	-
Total Fees of Office	479,560	479,560	479,560	-
<b>MISCELLANEOUS</b>				
Interest Earned	8,670	8,670	8,670	-
Miscellaneous	3,095	3,095	3,095	-
Total Miscellaneous	11,765	11,765	11,765	-
Total Revenues	782,462	782,462	782,462	-
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>REGULAR SUPERVISION</b>				
Salary - Director	55,644	55,644	55,644	-
Salary - Assistant Director	42,103	42,103	42,103	-
Salaries - Probation Officers	205,617	205,617	205,617	-
Salaries - Secretaries	79,287	79,287	79,287	-
Social Security	29,374	29,374	29,374	-
Retirement	92,225	92,225	92,225	-
Unemployment Insurance	575	575	575	-
Retiree Medical Insurance	6,305	6,305	6,305	-
Office Supplies and Postage	44,031	44,031	44,031	-
U/A Supplies	5,023	5,023	5,023	-
Equipment/Cable	540	540	540	-
Computer Software & Equipment	9,502	9,502	9,502	-
Communication Telephone	6,944	6,944	6,944	-
Fiscal Service Fee	1,853	1,853	1,853	-
Employee Immunization	250	250	250	-
Outside Audit	4,000	4,000	4,000	-

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**COMMUNITY SUPERVISION AND CORRECTION DEPARTMENT**  
**SPECIAL REVENUE FUND, continued**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>EXPENDITURES (Cont'd.)</b>				
<b>PUBLIC SAFETY (Cont'd.)</b>				
<b>REGULAR SUPERVISION (Cont'd.)</b>				
Travel	\$ 6,587	\$ 6,587	\$ 6,587	\$ -
ELM Equipment	4,539	4,539	4,539	-
Copy Machine	5,777	5,777	5,777	-
Internet Service	1,236	1,236	1,236	-
Liability Insurance	5,334	5,334	5,334	-
Memberships & Licenses	1,095	1,095	1,095	-
Physical Defense	2,691	2,691	2,691	-
Automobile Fuel, Maintenance, Repairs & Insurance	62,731	62,731	62,731	-
<b>Total Adult Probation Office -     Regular Supervision</b>	<b>673,263</b>	<b>673,263</b>	<b>673,263</b>	<b>-</b>
<b>COMMUNITY CORRECTIONS   DEPARTMENT</b>				
CSR Supervisor	29,425	29,425	29,425	-
Officers	70,621	70,621	70,621	-
Social Security	6,959	6,959	6,959	-
Retirement	21,759	21,759	21,759	-
Unemployment Insurance	136	136	136	-
Fiscal Service Fee	670	670	670	-
Employee Immunizations	250	250	250	-
Staff Training	563	563	563	-
Fuel	1,966	1,966	1,966	-
Travel	1,452	1,452	1,452	-
Furniture & Equipment	2,040	2,040	2,040	-
Office and Computer Supplies	4,943	4,943	4,943	-
<b>Total Adult Probation Office -   Community Corrections</b>	<b>140,784</b>	<b>140,784</b>	<b>140,784</b>	<b>-</b>
<b>Total Expenditures</b>	<b>814,047</b>	<b>814,047</b>	<b>814,047</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(31,585)</b>	<b>(31,585)</b>	<b>(31,585)</b>	<b>-</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>427,818</b>	<b>427,818</b>	<b>427,818</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 396,233</b>	<b>\$ 396,233</b>	<b>\$ 396,233</b>	<b>\$ -</b>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**DRUG COURT GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>INTERGOVERNMENTAL RECEIPTS</b>				
State Aid	\$ 84,936	\$ 84,936	\$ 84,936	\$ -
Total Intergovernmental Receipts	84,936	84,936	84,936	-
<b>FEES OF OFFICE</b>				
Intoxication/Drug Court Cost Fee	3,777	3,777	3,777	-
Drug Court Fees	718	718	718	-
Total Fees of Office	4,495	4,495	4,495	-
<b>MISCELLANEOUS</b>				
Interest Earned	548	548	548	-
Total Miscellaneous	548	548	548	-
<b>Total Revenues</b>	<b>89,979</b>	<b>89,979</b>	<b>89,979</b>	<b>-</b>
<b>EXPENDITURES</b>				
<b>COMMUNITY CORRECTIONS</b>				
<b>DEPARTMENT</b>				
Salary - Supervisors	18,258	18,258	18,258	-
Salaries - Officers	10,027	10,027	10,027	-
Social Security	2,546	2,546	2,546	-
Group Medical Insurance	2,984	2,984	2,984	-
Retirement	7,988	7,988	7,988	-
Unemployment Insurance	50	50	50	-
Workers Compensation	122	122	122	-
Prosecutor	5,000	5,000	5,000	-
Contractual & Professional Services	31,362	31,362	31,362	-
Office and Computer Supplies	2,393	2,393	2,393	-
Project Supplies	4,206	4,206	4,206	-
Total Drug Court Grant - Community Corrections	84,936	84,936	84,936	-
<b>Excess (Deficiency) of Revenues   Over (Under) Expenditures</b>	<b>5,043</b>	<b>5,043</b>	<b>5,043</b>	<b>-</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>39,215</b>	<b>39,215</b>	<b>39,215</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 44,258</b>	<b>\$ 44,258</b>	<b>\$ 44,258</b>	<b>\$ -</b>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**JUVENILE PROBATION SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>INTERGOVERNMENTAL RECEIPTS</b>				
Regular Juvenile Probation Program	\$ 177,401	\$ 177,401	\$ 177,401	\$ -
C.C.A. Program Funding	52,676	52,676	52,676	-
State Salary Adjustment Funding	6,000	6,000	6,000	-
State & Federal Grant Reimbursement	45,914	45,914	45,914	-
Diversionary Placement Fund Grant	(5,681)	(5,681)	(5,681)	-
Federal Title IV-E Funding	5,156	5,156	5,156	-
Commitment Reduction Program	12,500	12,500	12,500	-
Progressive Sanctions Program	40,860	40,860	40,860	-
Total Intergovernmental Receipts	334,826	334,826	334,826	-
<b>FEES OF OFFICE</b>				
Probation Fees	577	577	577	-
<b>MISCELLANEOUS</b>				
Interest Earned	9,933	9,933	9,933	-
Informal Adjustments	175	175	175	-
Total Miscellaneous	10,108	10,108	10,108	-
Total Revenues	345,511	345,511	345,511	-
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>JUVENILE PROBATION OFFICE -</b>				
<b>REGULAR PROGRAM</b>				
Salary - Chief Juvenile Probation Officer	47,927	47,927	47,927	-
Salary - Officers	15,213	15,213	15,213	-
Consultants Fee	81	81	81	-
Social Security	6,500	6,500	6,500	-
Group Medical Insurance	20,553	20,553	20,553	-
Retirement and Death Benefit	25,828	25,828	25,828	-
Worker's Compensation	433	433	433	-
Retiree Group Medical	6,305	6,305	6,305	-
Unemployment Insurance	178	178	178	-
Other Post Employment	16,677	16,677	16,677	-
Office Supplies	8,689	8,689	8,689	-
Travel	9,986	9,986	9,986	-
Nonresidential Services	5,147	5,147	5,147	-
Residential Services	91,691	91,691	91,691	-
Total Juvenile Probation Office - Regular Program	255,208	255,208	255,208	-



PANOLA COUNTY, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
JUVENILE PROBATION SPECIAL REVENUE FUND, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
JUVENILE PROBATION OFFICE				
INTENSIVE SUPERVISION PROGRAM				
Salary - Probation Officer	\$ 11,309	\$ 11,309	\$ 11,309	\$ -
Social Security	602	602	602	-
Group Medical Insurance	923	923	923	-
Retirement	1,737	1,737	1,737	-
Travel	1,903	1,903	1,903	-
Office Supplies	4,422	4,422	4,422	-
Nonresidential Services	1,250	1,250	1,250	-
Residential Services	33,250	33,250	33,250	-
Total Juvenile Probation Office - Intensive Supervision Program	55,396	55,396	55,396	-
JUVENILE PROBATION OFFICE				
PROGRESSIVE SANCTIONS PROGRAM				
Salaries - Officers	44,589	44,589	44,589	-
Social Security	1,851	1,851	1,851	-
Group Medical Insurance	1,669	1,669	1,669	-
Retirement	1,004	1,004	1,004	-
Nonresidential Services	2,456	2,456	2,456	-
Total Juvenile Probation Office - Intensive Supervision Program	51,569	51,569	51,569	-
Total Expenditures	362,173	362,173	362,173	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,662)	(16,662)	(16,662)	-
FUND BALANCE, BEGINNING OF YEAR	427,217	427,217	427,217	-
FUND BALANCE, END OF YEAR	\$ 410,555	\$ 410,555	\$ 410,555	\$ -

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**PROBATION SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Interest Earned	\$ 190	\$ 270	\$ 274	\$ 4
<b>Total Revenues</b>	<u>190</u>	<u>270</u>	<u>274</u>	<u>4</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>ADULT PROBATION</b>				
Capital Outlay Furniture and Equipment	-	200	130	70
Miscellaneous	190	270	253	17
<b>Total Expenditures</b>	<u>190</u>	<u>470</u>	<u>383</u>	<u>87</u>
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	-	(200)	(109)	91
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>11,213</u>	<u>11,213</u>	<u>11,213</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 11,213</u>	<u>\$ 11,013</u>	<u>\$ 11,104</u>	<u>\$ 91</u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**HOT CHECK FEE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>FEES OF OFFICE</b>				
Hot Check Fees	\$ 19,723	\$ 19,723	\$ 24,160	\$ 4,437
Total Fees of Office	19,723	19,723	24,160	4,437
<b>MISCELLANEOUS</b>				
Interest Earned	\$ -	\$ -	\$ 1,346	\$ 1,346
Total Miscellaneous	-	-	1,346	1,346
<b>Total Revenues</b>	<b>19,723</b>	<b>19,723</b>	<b>25,506</b>	<b>5,783</b>
<b>EXPENDITURES</b>				
<b>LEGAL</b>				
<b>DISTRICT ATTORNEY</b>				
Secretaries	2,798	2,798	2,798	-
Group Medical & Insurance	7,920	7,920	7,664	256
Social Security Taxes	215	215	214	1
Retirement	672	672	672	-
Workers Compensation	14	14	-	14
Unemployment Insurance	12	12	12	-
Other Post Employment	392	392	392	-
Professional Liability Insurance	6,000	6,000	3,332	2,668
Cellular Phone	1,200	1,200	220	980
Miscellaneous	500	500	-	500
Total Hot Check Fee	19,723	19,723	15,304	4,419
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>10,202</b>	<b>10,202</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>63,251</b>	<b>63,251</b>	<b>63,251</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 63,251</b>	<b>\$ 63,251</b>	<b>\$ 73,453</b>	<b>\$ 10,202</b>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**SHERIFF'S STATE FORFEITURE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Forfeitures/Auction & Seizure	\$ -	\$ -	\$ 28,377	\$ 28,377
Interest Earnings	-	-	7,755	7,755
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>36,132</u>	<u>36,132</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>SHERIFF</b>				
Narcotics Task Force	73,836	73,836	36,684	37,152
Group Medical & Liability	14,735	14,735	7,664	7,071
Social Security Taxes	5,649	5,649	2,806	2,843
Retirement	17,721	17,721	8,804	8,917
Workers Compensation	2,309	2,309	1,995	314
Unemployment Insurance	200	200	55	145
Other Post Employment	10,345	10,345	5,139	5,206
Supplies and Equipment	4,100	4,100	-	4,100
Body Armor	1,000	1,000	-	1,000
Conferences and Dues	5,700	5,700	-	5,700
Film Processing	2,000	2,000	-	2,000
Prevention	2,000	2,000	1,429	571
Special Response Team Supplies	1,500	1,500	-	1,500
Cellular Phone Expense	11,026	11,026	14	11,012
Criminal Investigation	5,000	5,000	3,000	2,000
Parts, Repairs, Ga	14,000	14,000	2,196	11,804
Miscellaneous	5,000	5,000	32	4,968
Capital Outlay - Furniture & Equipment	-	-	-	-
<b>Total Criminal Investigations</b>				
State Forfeitures	<u>176,121</u>	<u>176,121</u>	<u>69,818</u>	<u>106,303</u>
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	(176,121)	(176,121)	(33,686)	142,435
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>348,137</u>	<u>348,137</u>	<u>348,137</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 172,016</u>	<u>\$ 172,016</u>	<u>\$ 314,451</u>	<u>\$ 142,435</u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**DIST. ATTORNEY LONGEVITY PAY SUPPLEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>INTERGOVERNMENTAL RECEIPTS</b>				
State Longevity Funds	\$ 4,320	\$ 4,320	\$ 4,320	\$ -
<b>MISCELLANEOUS</b>				
Interest Earnings	-	-	3	3
<b>Total Revenues</b>	<b>4,320</b>	<b>4,320</b>	<b>4,323</b>	<b>3</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
Appointed Official	4,320	4,320	4,320	-
<b>Total Expenditures</b>	<b>4,320</b>	<b>4,320</b>	<b>4,320</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 38</b>	<b>\$ 38</b>	<b>\$ 41</b>	<b>\$ 3</b>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**DISTRICT ATTORNEY FOFEITURE SPECIAL REVENUE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Forfeitures	\$ -	\$ -	\$ 20,146	\$ 20,146
Interest Earnings	-	-	6,961	6,961
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>27,107</u>	<u>27,107</u>
<b>EXPENDITURES</b>				
<b>LEGAL</b>				
<b>DISTRICT ATTORNEY</b>				
Appointed Official	5,419	5,419	5,419	-
Administrator/Secr	19,336	19,336	19,335	1
Court Coordinator and Spec.	1,863	1,863	1,863	-
Social Security Taxes	5,122	5,122	5,122	-
Group Insurance	7,920	7,920	7,664	256
Retirement	16,069	16,069	16,069	-
Workers Compensation	580	580	538	42
Unemployment Insurance	328	328	195	133
Other Post Employment	9,171	9,171	9,161	10
Witness Expense	-	-	-	-
Parts, Repairs & Gas	-	4,500	1,883	2,617
Office Supplies	1,500	1,500	948	552
Advertising and Publications	500	500	-	500
Cellular Phone	1,200	1,200	460	740
Transfer to Sheriff's	-	-	-	-
Miscellaneous	3,409	2,913	1,252	1,661
<b>Total Expenditures</b>	<u>72,417</u>	<u>76,421</u>	<u>69,909</u>	<u>6,511</u>
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	(72,417)	(76,421)	(42,802)	33,619
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>267,674</u>	<u>267,674</u>	<u>267,674</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 195,257</u>	<u>\$ 191,253</u>	<u>\$ 224,872</u>	<u>\$ 33,619</u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**STATE APPORTIONMENT - DISTRICT ATTORNEY SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>INTERGOVERNMENTAL RECEIPTS</b>				
State Comptroller Payments	\$ 34,450	\$ 34,450	\$ 34,450	\$ -
Total Intergovernmental Receipts	<u>34,450</u>	<u>34,450</u>	<u>34,450</u>	<u>-</u>
<b>MISCELLANEOUS</b>				
Interest Earnings	-	-	26	26
Total Revenues	<u>34,450</u>	<u>34,450</u>	<u>34,476</u>	<u>26</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
Secretaries	20,317	20,317	20,317	-
Court Coordinator/Investigator	14,133	14,133	14,133	-
State Apportionment	-	38	37	
Total Expenditures	<u>34,450</u>	<u>34,488</u>	<u>34,487</u>	<u>(1)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	(38)	(11)	27
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>529</u>	<u>529</u>	<u>529</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 529</u>	<u>\$ 491</u>	<u>\$ 518</u>	<u>\$ 27</u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**CONSTABLE PCT. 1 & 4 STATE FORFEITURE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Interest Earned	\$ -	\$ -	\$ 4	\$ 4
Total Miscellaneous Receipts	-	-	4	4
<b>Total Revenues</b>	-	-	4	4
<b>EXPENDITURES</b>				
<b>FORFEITURES &amp; SEIZURES</b>				
Ammunition	-	-	-	-
Cellular Phone	-	200	4	196
Total Expenditures	-	200	4	196
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	-	(200)	-	200
<b>FUND BALANCE, BEGINNING OF YEAR</b>	294	294	294	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 294	\$ 94	\$ 294	\$ 200



**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**CONSTABLE PCT. 2 & 3 STATE FORFEITURE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Interest Earned	\$ -	\$ -	\$ 30	\$ 30
Total Miscellaneous Receipts	-	-	30	30
<b>Total Revenues</b>	-	-	30	30
<b>EXPENDITURES</b>				
<b>FORFEITURES &amp; SEIZURES</b>				
Parts, Repairs, Gasoline	-	1,000	-	1,000
Capital Outlay - Furniture & Equipment	-	500	-	500
Total Expenditures	-	1,500	-	1,500
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	-	(1,500)	30	1,530
<b>FUND BALANCE, BEGINNING OF YEAR</b>	1,936	1,936	1,936	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 1,936	\$ 436	\$ 1,966	\$ 1,530

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**SHERIFF FEDERAL FORFEITURE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Interest Earned	\$ -	\$ 23	\$ 23	\$ -
Forfeitures	-	1,825	1,824	(1)
<b>Total Revenues</b>	-	1,848	1,847	(1)
<b>EXPENDITURES</b>				
<b>FORFEITURES &amp; SEIZURES</b>				
Parts, Repairs & Gasoline	-	-	-	-
Capital Outlay - Furniture & Equipment	1,490	3,343	3,342	1
<b>Total Expenditures</b>	1,490	3,343	3,342	1
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	(1,490)	(1,495)	(1,495)	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	1,495	1,495	1,495	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 5	\$ -	\$ -	\$ -

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**CDA FEDERAL FORFEITURE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Interest Earned	\$ -	\$ -	\$ 822	\$ 822
Total Miscellaneous Receipts	-	-	822	822
<b>Total Revenues</b>	-	-	822	822
<b>EXPENDITURES</b>				
<b>FORFEITURES &amp; SEIZURES</b>				
Capital Outlay - Furniture & Equipment	10,000	10,000	-	10,000
Total Expenditures	10,000	10,000	-	10,000
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	(10,000)	(10,000)	822	10,822
<b>FUND BALANCE, BEGINNING OF YEAR</b>	53,297	53,297	53,297	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 43,297	\$ 43,297	\$ 54,119	\$ 10,822

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**CONSTABLE PCT. 1 & 4 FEDERAL FORFEITURE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Interest Earned	\$ -	\$ -	\$ 54	\$ 54
Total Miscellaneous Receipts	-	-	54	-
<b>Total Revenues</b>	-	-	54	-
<b>EXPENDITURES</b>				
<b>FORFEITURES &amp; SEIZURES</b>				
Body Armor	-	1,000	565	435
Capital Outlay - Furniture & Equipment	-	2,200	-	2,200
Total Expenditures	-	3,200	565	2,635
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	-	(3,200)	(511)	2,689
<b>FUND BALANCE, BEGINNING OF YEAR</b>	3,435	3,435	3,435	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 3,435	\$ 235	\$ 2,924	\$ 2,689

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Interest Earned	\$ -	\$ -	\$ 83	\$ 83
Total Miscellaneous Receipts	-	-	83	83
<b>Total Revenues</b>	-	-	83	83
<b>EXPENDITURES</b>				
<b>FORFEITURES &amp; SEIZURES</b>				
Capital Outlay - Furniture & Equipment	-	5,201	5,201	-
Total Expenditures	-	5,201	5,201	-
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	-	(5,201)	(5,118)	83
<b>FUND BALANCE, BEGINNING OF YEAR</b>	7,715	7,715	7,715	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 7,715	\$ 2,514	\$ 2,597	\$ 83

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**CHILD PROTECTIVE SERVICES SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>INTERGOVERNMENTAL RECEIPTS</b>				
State Aid	\$ -	\$ -	\$ 2,012	\$ 2,012
Total Intergovernmental Receipts	-	-	2,012	2,012
<b>MISCELLANEOUS</b>				
Interest Earned	-	-	1,172	1,172
Donations	-	-	3,450	3,450
Panola County Funding	8,000	28,000	28,000	-
Total Miscellaneous Receipts	8,000	28,000	32,622	4,622
<b>Total Revenues</b>	<b>8,000</b>	<b>28,000</b>	<b>34,634</b>	<b>6,634</b>
<b>EXPENDITURES</b>				
<b>HEALTH AND PAUPERS CARE</b>				
Supplies and Child Care	28,000	28,000	18,878	9,122
Total Expenditures	28,000	28,000	18,878	9,122
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	(20,000)	-	15,756	15,756
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>30,922</b>	<b>30,922</b>	<b>30,922</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 10,922</b>	<b>\$ 30,922</b>	<b>\$ 46,678</b>	<b>\$ 15,756</b>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**AIRPORT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Miscellaneous	\$ 167,500	\$ 172,200	\$ 166,511	\$ (5,689)
Interest Earned	2,500	206	5,894	5,688
<b>Total Revenues</b>	<b>170,000</b>	<b>172,406</b>	<b>172,405</b>	<b>(1)</b>
<b>EXPENDITURES</b>				
<b>AIRPORT</b>				
Professional Services	-	995	995	-
Repairs & Renovation	-	-	-	-
Fuel & Repairs	170,000	176,574	160,011	16,563
Capital Outlay Furniture and Equipment	-	6,234	6,234	-
<b>Total Expenditures</b>	<b>170,000</b>	<b>183,803</b>	<b>167,240</b>	<b>16,563</b>
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	-	(11,397)	5,165	16,562
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>282,342</b>	<b>282,342</b>	<b>282,342</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 282,342</b>	<b>\$ 270,945</b>	<b>\$ 287,507</b>	<b>\$ 16,562</b>

## **CAPITAL PROJECT FUNDS**

**1971 ROAD BOND FUND** – This fund is used to account for funds remaining from bonds that were issued in 1971 and have been retired. Remaining funds represent the excess of bond proceeds and accumulated earnings on investments over debt retirement and expenditures. The remaining funds are used primarily for right of way purchases and utility adjustments.

**PERMANENT IMPROVEMENT FUND** - Currently, this fund is used to account for grants from the State and Federal Aviation Administration to be used for capital outlay expenditures of the County's airport.



**PANOLA COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2009**

	<b>ROAD BOND</b>	<b>PERMANENT</b>	<b>NON-MAJOR CAPITAL PROJECTS FUNDS</b>
	<b>1971</b>	<b>IMPROVEMENT</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,622	\$ 5,568	\$ 13,190
Investments	276,000	202,000	478,000
Receivables (net of allowance for doubtful accounts):			
Miscellaneous	228	178	406
<b>Total Assets</b>	<b>283,850</b>	<b>207,746</b>	<b>491,596</b>
<b>FUND BALANCES:</b>			
Unreserved, Designated For:			
Capital Projects	283,850	207,746	491,596
<b>Total Fund Balances</b>	<b>283,850</b>	<b>207,746</b>	<b>491,596</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 283,850</b>	<b>\$ 207,746</b>	<b>\$ 491,596</b>

**PANOLA COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>ROAD BOND</b>	<b>PERMANENT</b>	<b>NON-MAJOR CAPITAL PROJECTS FUNDS</b>
	<b>1971</b>	<b>IMPROVEMENT</b>	<b>TOTAL</b>
<b>REVENUES</b>			
Miscellaneous	\$ 7,984	\$ 5,829	\$ 13,813
<b>TOTAL REVENUES</b>	<u>7,984</u>	<u>5,829</u>	<u>13,813</u>
<b>EXPENDITURES</b>			
Current			
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues</b>			
Over (Under) Expenditures	7,984	5,829	13,813
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<u>275,866</u>	<u>201,917</u>	<u>477,783</u>
<b>FUND BALANCE-END OF YEAR</b>	<u><u>\$ 283,850</u></u>	<u><u>\$ 207,746</u></u>	<u><u>\$ 491,596</u></u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**1971 ROAD BOND CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Interest Earned	\$ 3,750	\$ 3,750	\$ 7,984	\$ 4,234
<b>Total Revenues</b>	<u>3,750</u>	<u>3,750</u>	<u>7,984</u>	<u>4,234</u>
<b>EXPENDITURES</b>				
Right of Way Purchase	3,750	3,750	-	3,750
<b>Total Expenditures</b>	<u>3,750</u>	<u>3,750</u>	<u>-</u>	<u>3,750</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	7,984	7,984
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>275,866</u>	<u>275,866</u>	<u>275,866</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 275,866</u>	<u>\$ 275,866</u>	<u>\$ 283,850</u>	<u>\$ 7,984</u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>MISCELLANEOUS</b>				
Interest Earned	\$ 2,700	\$ 2,700	\$ 5,829	\$ 3,129
<b>Total Miscellaneous Revenues</b>	<u>2,700</u>	<u>2,700</u>	<u>5,829</u>	<u>3,129</u>
<b>EXPENDITURES</b>				
Capital Outlay	2,700	2,700	-	2,700
<b>Total Expenditures</b>	<u>2,700</u>	<u>2,700</u>	<u>-</u>	<u>2,700</u>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	-	-	5,829	5,829
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>201,917</u>	<u>201,917</u>	<u>201,917</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 201,917</u>	<u>\$ 201,917</u>	<u>\$ 207,746</u>	<u>\$ 5,829</u>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
<b>PROPERTY TAXES</b>				
Current Property Tax	\$ 1,327,676	\$ 1,327,676	\$ 1,389,458	61,782
Delinquent Taxes	23,684	23,684	30,354	6,670
<b>Total Property Taxes</b>	<b>1,351,360</b>	<b>1,351,360</b>	<b>1,419,812</b>	<b>68,452</b>
<b>MISCELLANEOUS</b>				
Interest Earned	16,818	16,319	16,319	-
Miscellaneous	-	499	798	299
<b>Total Miscellaneous</b>	<b>16,818</b>	<b>16,319</b>	<b>17,117</b>	<b>299</b>
<b>Total Revenues</b>	<b>1,368,178</b>	<b>1,367,679</b>	<b>1,436,929</b>	<b>68,751</b>
<b>EXPENDITURES</b>				
Debt Service - Principal	1,240,000	1,240,000	1,240,000	
Debt Service - Interest	128,178	128,178	128,041	137
<b>Total Expenditures</b>	<b>1,368,178</b>	<b>1,368,178</b>	<b>1,368,041</b>	<b>137</b>
<b>Excess (Deficiency) Revenues   Over Expenditures</b>	<b>-</b>	<b>(499)</b>	<b>68,888</b>	<b>69,387</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>93,036</b>	<b>93,036</b>	<b>93,036</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 93,036</b>	<b>\$ 92,537</b>	<b>\$ 161,924</b>	<b>\$ 69,387</b>

**PANOLA COUNTY, TEXAS  
AGENCY FUNDS**

**AUTOMOBILE REGISTRATION** - This fund is used to account for activities related to automobile registration collections. The collections flow through to the general and special revenue funds as the character of the collections dictate. Those collections for which the County acts as an agent are remitted to other local governments and the state.

**TAX ASSESSOR - COLLECTOR** - This fund is used to account for activities related to ad valorem taxes. The portion of these collections designated for Panola County flow through to the general, special revenue or debt service funds as the character of the collections dictate. Those collections for which the County acts as an agent are remitted to other local governments and the State.

**DISTRICT CLERK** – This fund is used to account for transactions for three types of funds maintained by the District Clerk: "trust" funds, court cost deposits, and child support funds. The "trust" funds represent monies placed into the registry of the court pending final disposition of matters in litigation involving parties who have petitioned the court. Court cost deposits are maintained until final disposition of cases at which time the funds are recorded as revenues into the general or special revenue funds. The child support funds represent monies collected from those individuals whom the court has ordered child support payments be made through the court. As monies are collected, they are remitted to the intended recipient.

**COUNTY CLERK** – This fund is used to account for transactions for two types of funds maintained by the County Clerk: operating and court cost deposits. The operating fund is used to account for the transactions that ultimately flow through to the general or special revenue funds as the character of the transaction dictates. The court cost account represents those monies placed into the court registry pending final disposition of matters in the court docket.

**CRIMINAL DISTRICT ATTORNEY** – This fund is used to account for transactions of two funds maintained by the Criminal District Attorney. The restitution fund is used to collect and remit to merchants proceeds of collection of "hot checks". The collection fee fund is used to account for collection and processing fees assessed to makers of "hot checks". These monies are then remitted to the Hot Check Fee Fund on deposit in the County Treasury.

**JUSTICE OF THE PEACE** – This fund is used to account for the collection of monies for fines and other fees along with monies due other local or state governments. Each justice court maintains a separate fund for transactions taking place in the court's area of jurisdiction. Those monies collected for ultimate use by the County flow through to the general or other special revenue funds.

**SHERIFF** – This fund is used to account for the collection of monies by the Sheriff's office, for other county jurisdictions, other local governments, and fees of office. Fees of office flow through to the general or special revenue funds. Those monies collected for other governments are remitted directly to the other government.

**COMMUNITY SUPERVISION AND CORRECTION DEPARTMENT** - This fund is used to account for the collection of probationers fees, fines, restitution and attorney fees. Fees for the ultimate use of the county flow through to the general or special revenue funds. Restitution and attorney fees are remitted to those parties for whom the monies are intended.

**JUVENILE PROBATION** – This fund is used to account for the collection of restitution by the Juvenile Probation Department from juvenile offenders. These collections are then remitted to the damaged parties.

**CRIMINAL JUSTICE FUND** - This is an agency fund to which the State's portion of various fine collections are deposited into for remittance to the State.

**JAIL INMATE** - This fund is used to account for proceeds received from the sale of goods to inmates and other expenditures of the same.

**PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
<b>AUTOMOBILE REGISTRATION FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 386,288	\$ 4,345,407	\$ 4,394,731	\$ 336,964
<b>Total Assets</b>	<b>\$ 386,288</b>	<b>\$ 4,345,407</b>	<b>\$ 4,394,731</b>	<b>\$ 336,964</b>
<b>LIABILITIES</b>				
Due to State of Texas:				
Auto Registration	\$ 162,671	\$ 1,458,361	\$ 1,481,913	\$ 139,119
Sales Tax	223,617	2,269,020	2,294,792	197,845
Due to Other Funds	-	618,026	618,026	-
<b>Total Liabilities</b>	<b>\$ 386,288</b>	<b>\$ 4,345,407</b>	<b>\$ 4,394,731</b>	<b>\$ 336,964</b>
<b>TAX ASSESSOR-COLLECTOR ADVALOREM TAX FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,565,005	\$ 76,008,730	\$ 76,878,080	\$ 2,695,655
Due from Other Funds	59	-	59	-
<b>Total Assets</b>	<b>\$ 3,565,064</b>	<b>\$ 76,008,730</b>	<b>\$ 76,878,139</b>	<b>\$ 2,695,655</b>
<b>LIABILITIES</b>				
Due to City of Carthage, Texas	\$ 91,097	\$ 2,015,591	\$ 2,027,593	\$ 79,095
Due to Carthage Independent School District	2,277,842	40,709,852	41,468,938	1,518,756
Due to Panola Junior College	635,627	5,281,048	5,679,724	236,951
Due to Panola County Groundwater Cons Dist	43,619	331,251	359,804	15,066
Due to Gary Independent School District	101,486	3,876,715	3,548,206	429,995
Due to Elysian Fields Independent School District	223,533	3,747,127	3,731,986	238,674
Due to Joaquin Independent School District	25,384	265,257	200,094	90,547
Due to City of Beckville, Texas	12,201	102,841	109,367	5,675
Due to Other Funds	-	18,749,568	18,749,568	-
Due to Emergency Services District	84,914	716,155	767,265	33,804
Other Miscellaneous Payables	69,361	213,325	235,594	47,092
<b>Total Liabilities</b>	<b>\$ 3,565,064</b>	<b>\$ 76,008,730</b>	<b>\$ 76,878,139</b>	<b>\$ 2,695,655</b>

**PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
<b>COUNTY CLERK FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 341,122	\$ 11,999	\$ 37,257	\$ 315,864
Due From Other Agency Funds	3,626	5,042	3,626	5,042
<b>Total Assets</b>	<b>\$ 344,748</b>	<b>\$ 17,041</b>	<b>\$ 40,883</b>	<b>\$ 320,906</b>
<b>LIABILITIES</b>				
Court Cost Deposits and Cash Bonds	\$ 13,991	\$ 8,578	\$ 5,490	\$ 17,079
Trust Funds Payable	330,752	4,343	31,355	303,740
Due To Other Funds	-	4,033	4,033	-
Due To Other Agency Funds	5	87	5	87
<b>Total Liabilities</b>	<b>\$ 344,748</b>	<b>\$ 17,041</b>	<b>\$ 40,883</b>	<b>\$ 320,906</b>
<b>CRIMINAL JUSTICE FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 67,735	\$ 317,520	\$ 318,764	\$ 66,491
Due From Other Agency Funds	1,876	2,290	1,876	2,290
<b>Total Assets</b>	<b>\$ 69,611</b>	<b>\$ 319,810</b>	<b>\$ 320,640</b>	<b>\$ 68,781</b>
<b>LIABILITIES</b>				
Due to State of Texas	\$ 69,611	\$ 310,443	\$ 311,273	\$ 68,781
Due to Other Funds	-	9,367	9,367	-
<b>Total Liabilities</b>	<b>\$ 69,611</b>	<b>\$ 319,810</b>	<b>\$ 320,640</b>	<b>\$ 68,781</b>



**PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
<b>DISTRICT CLERK FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,549,727	\$ 958,080	\$ 1,130,779	\$ 1,377,028
Investments	367,688	60,650	122,350	305,988
Due From Other Agency Funds	9,092	3,658	9,092	3,658
<b>Total Assets</b>	<u><u>\$ 1,926,507</u></u>	<u><u>\$ 1,022,388</u></u>	<u><u>\$ 1,262,221</u></u>	<u><u>\$ 1,686,674</u></u>
<b>LIABILITIES</b>				
Court Cost Deposits & Cash Bonds	\$ 10,381	\$ 248,182	\$ 243,963	\$ 14,600
Due To Other Funds	-	20,260	20,260	-
Due To Other Agency Funds	1,841	1,878	1,841	1,878
District Clerk Trust Funds Payable	1,914,285	752,068	996,157	1,670,196
<b>Total Liabilities</b>	<u><u>\$ 1,926,507</u></u>	<u><u>\$ 1,022,388</u></u>	<u><u>\$ 1,262,221</u></u>	<u><u>\$ 1,686,674</u></u>
<b>PEACE JUSTICE COURT FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 396,632	\$ 396,632	\$ -
<b>Total Assets</b>	<u><u>\$ -</u></u>	<u><u>\$ 396,632</u></u>	<u><u>\$ 396,632</u></u>	<u><u>\$ -</u></u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ -	\$ 396,632	\$ 396,632	\$ -
<b>Total Liabilities</b>	<u><u>\$ -</u></u>	<u><u>\$ 396,632</u></u>	<u><u>\$ 396,632</u></u>	<u><u>\$ -</u></u>

**PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
<b>COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 21,644	\$ 1,122,783	\$ 1,126,432	\$ 17,995
Due from Other Agency Funds	-	-	-	-
<b>Total Assets</b>	<u><u>\$ 21,644</u></u>	<u><u>\$ 1,122,783</u></u>	<u><u>\$ 1,126,432</u></u>	<u><u>\$ 17,995</u></u>
<b>LIABILITIES</b>				
Restitution Payable	\$ 8,896	\$ 138,317	\$ 137,988	\$ 9,225
Due To Other Funds	-	975,696	975,696	-
Due To Other Agency Funds	12,748	8,770	12,748	8,770
<b>Total Liabilities</b>	<u><u>\$ 21,644</u></u>	<u><u>\$ 1,122,783</u></u>	<u><u>\$ 1,126,432</u></u>	<u><u>\$ 17,995</u></u>
<b>JUVENILE PROBATION FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 980	\$ 980	\$ -
<b>Total Assets</b>	<u><u>\$ -</u></u>	<u><u>\$ 980</u></u>	<u><u>\$ 980</u></u>	<u><u>\$ -</u></u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ -	\$ 980	\$ 980	\$ -
<b>Total Liabilities</b>	<u><u>\$ -</u></u>	<u><u>\$ 980</u></u>	<u><u>\$ 980</u></u>	<u><u>\$ -</u></u>

**PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS, continued  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Balance January 1, 2009</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2009</b>
<b>CRIMINAL DISTRICT ATTORNEY RESTITUTION FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 16,408	\$ 290,627	\$ 296,903	\$ 10,132
<b>Total Assets</b>	<u>\$ 16,408</u>	<u>\$ 290,627</u>	<u>\$ 296,903</u>	<u>\$ 10,132</u>
<b>LIABILITIES</b>				
Restitution Payable	\$ 16,408	\$ 265,141	\$ 271,417	\$ 10,132
Due To Other Funds	-	25,486	25,486	-
<b>Total Liabilities</b>	<u>\$ 16,408</u>	<u>\$ 290,627</u>	<u>\$ 296,903</u>	<u>\$ 10,132</u>
<b>SHERIFF COLLECTIONS FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 19,730	\$ 19,475	\$ 255
Due from Other Agency Funds	-	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 19,730</u>	<u>\$ 19,475</u>	<u>\$ 255</u>
<b>LIABILITIES</b>				
Due To Other Agency Funds	\$ -	\$ 19,730	\$ 19,475	\$ 255
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 19,730</u>	<u>\$ 19,475</u>	<u>\$ 255</u>
<b>JAIL INMATE FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 803	\$ -	\$ 65	\$ 738
<b>Total Assets</b>	<u>\$ 803</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 738</u>
<b>LIABILITIES</b>				
Other Payables	\$ 803	\$ -	\$ 65	\$ 738
<b>Total Liabilities</b>	<u>\$ 803</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 738</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,331,073</u>	<u>\$ 83,544,128</u>	<u>\$ 84,737,101</u>	<u>\$ 5,138,100</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 6,331,073</u>	<u>\$ 83,544,128</u>	<u>\$ 84,737,101</u>	<u>\$ 5,138,100</u>

**PANOLA COUNTY, TEXAS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS - AGENCY FUNDS**  
**DECEMBER 31, 2009**

	BALANCE JANUARY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE DECEMBER 31, 2009
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,948,732	\$ 83,472,488	\$ 84,600,098	\$ 4,821,122
Investments	367,688	60,650	122,350	305,988
Due From Other Funds	59	-	59	-
Due From Other Agency Funds	14,594	10,990	14,594	10,990
<b>TOTAL ASSETS</b>	<b>\$ 6,331,073</b>	<b>\$ 83,544,128</b>	<b>\$ 84,737,101</b>	<b>\$ 5,138,100</b>
<b>LIABILITIES</b>				
<b>Due to State of Texas:</b>				
Law Enforcement related	\$ 69,611	\$ 310,443	\$ 311,273	\$ 68,781
Auto Registration	162,671	1,458,361	1,481,913	139,119
Sales Tax	223,617	2,269,020	2,294,792	197,845
Due to Other Funds	-	20,800,048	20,800,048	-
Due to Other Agency Funds	14,594	30,465	34,069	10,990
Due to City of Carthage	91,097	2,015,591	2,027,593	79,095
Due to Carthage Independent				
School District	2,277,842	40,709,852	41,468,938	1,518,756
Due to Panola Junior College	635,627	5,281,048	5,679,724	236,951
Due to Panola County Groundwater				
Conservation District	43,619	331,251	359,804	15,066
Due to Gary Independent				
School District	101,486	3,876,715	3,548,206	429,995
Due to Elysian Fields Independent				
School District	223,533	3,747,127	3,731,986	238,674
Due to Joaquin Independent	25,384	265,257	200,094	90,547
School District				
Due to City of Beckville	12,201	102,841	109,367	5,675
Due to Fire District	84,914	716,155	767,265	33,804
Court Cost Deposits and Cash				
Bonds	24,372	256,760	249,453	31,679
Restitution Payable	25,304	403,458	409,405	19,357
Trust Funds Payable	2,245,037	756,411	1,027,512	1,973,936
Other Miscellaneous Payables	70,164	213,325	235,659	47,830
<b>TOTAL LIABILITIES</b>	<b>\$ 6,331,073</b>	<b>\$ 83,544,128</b>	<b>\$ 84,737,101</b>	<b>\$ 5,138,100</b>

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**CAPITAL ASSETS  
USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

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**PANOLA COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE**  
**DECEMBER 31, 2009**

**CAPITAL ASSETS:**

<b>Land</b>	<b>\$ 1,289,889</b>
<b>Buildings</b>	<b>18,537,168</b>
<b>Improvements Other Than Buildings</b>	<b>259,303</b>
<b>Machinery and Equipment</b>	<b>8,618,260</b>
<b>Infrastructure</b>	<b><u>10,371,442</u></b>
 <b>Total Capital Assets</b>	 <b><u><u>\$ 39,076,062</u></u></b>

**INVESTMENTS IN CAPITAL ASSETS:**

<b>Current Revenues - Current Year</b>	<b>\$ 3,485,416</b>
<b>Current Revenues - Prior Years</b>	<b>25,155,940</b>
<b>Capital Assets of Former Panola General Hospital</b>	<b>3,879,706</b>
<b>General Obligation Debt - Prior Years</b>	<b>5,555,000</b>
<b>Certificates of Obligation - Prior Years</b>	<b><u>1,000,000</u></b>
	 <b><u><u>\$ 39,076,062</u></u></b>



**PANOLA COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
**DECEMBER 31, 2009**

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>
<b>GENERAL ADMINISTRATION</b>						
County Clerk	\$ 15,169	\$ -	\$ -	\$ -	\$ 15,169	\$ -
Total General Administration	<u>15,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,169</u>	<u>-</u>
<b>JUDICIAL</b>						
District Court	892,484	-	892,484	-	-	-
County Court at Law	892,487	-	892,487	-	-	-
District Clerk	16,623	-	-	-	16,623	-
Peace Justices	7,585	-	-	-	7,585	-
Total Judicial	<u>1,809,179</u>	<u>-</u>	<u>1,784,971</u>	<u>-</u>	<u>24,208</u>	<u>-</u>
<b>LEGAL</b>						
District Attorney	356,995	-	356,995	-	-	-
Total Legal	<u>356,995</u>	<u>-</u>	<u>356,995</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>ELECTIONS</b>						
Voter Registration	264,800	-	-	-	264,800	-
Total Elections	<u>264,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,800</u>	<u>-</u>
<b>PUBLIC TRANSPORTATION</b>						
Road and Bridge	17,234,620	139,656	11,778	-	6,711,744	10,371,442
Airport	580,477	188,639	315,909	-	75,929	-
Total Public Transportation	<u>17,815,097</u>	<u>328,295</u>	<u>327,687</u>	<u>-</u>	<u>6,787,673</u>	<u>10,371,442</u>
<b>PUBLIC FACILITIES</b>						
Courthouse	1,468,420	815,452	635,109	-	17,859	-
Miscellaneous & Non-Departmental	308,933	-	-	169,270	139,663	-
Total Public Facilities	<u>1,777,353</u>	<u>815,452</u>	<u>635,109</u>	<u>169,270</u>	<u>157,522</u>	<u>-</u>

PANOLA COUNTY, TEXAS  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY, continued  
DECEMBER 31, 2009

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>
<b>PUBLIC SAFETY</b>						
Sheriff	\$ 787,914	\$ -	\$ -	\$ -	\$ 787,914	\$ -
Constables	132,353	-	-	-	132,353	-
Corrections and Jail	11,344,574	60,754	11,211,314	-	72,506	-
Emergency Management	118,418	-	-	-	118,418	-
911 Rural Addressing	41,546	-	-	-	41,546	-
Probation Services -						
Adult	182,809	-	-	-	182,809	-
Probation Services -						
Juvenile	33,342	-	-	-	33,342	-
<b>Total Public Safety</b>	<u>12,640,956</u>	<u>60,754</u>	<u>11,211,314</u>	<u>-</u>	<u>1,368,888</u>	<u>-</u>
<b>HEALTH AND WELFARE</b>						
Hospital	3,879,706	32,138	3,757,535	90,033	-	-
Incinerator	401,782	53,250	348,532	-	-	-
<b>Total Health and Welfare</b>	<u>4,281,488</u>	<u>85,388</u>	<u>4,106,067</u>	<u>90,033</u>	<u>-</u>	<u>-</u>
<b>CULTURE AND RECREATION</b>						
Exposition Center	115,025	-	115,025	-	-	-
<b>Total Culture and Recreation</b>	<u>115,025</u>	<u>-</u>	<u>115,025</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>TOTAL CAPITAL ASSETS</b>	 <u><u>\$ 39,076,062</u></u>	 <u><u>\$ 1,289,889</u></u>	 <u><u>\$ 18,537,168</u></u>	 <u><u>\$ 259,303</u></u>	 <u><u>\$ 8,618,260</u></u>	 <u><u>\$ 10,371,442</u></u>

**PANOLA COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	General Capital Assets January 1, 2009	Additions	Deductions	Transfers	General Capital Assets December 31, 2009
<b>GENERAL ADMINISTRATION</b>					
County Clerk	\$ 15,169	\$ -	\$ -	\$ -	\$ 15,169
Total General Administration	<u>15,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,169</u>
<b>JUDICIAL</b>					
District Court	892,484	-	-	-	892,484
County Court at Law	892,487	-	-	-	892,487
District Clerk	16,623	-	-	-	16,623
Peace Justices	7,585	-	-	-	7,585
Total Judicial	<u>1,809,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,809,179</u>
<b>LEGAL</b>					
District Attorney	356,995	-	-	-	356,995
Total Legal	<u>356,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,995</u>
<b>ELECTIONS</b>					
Voter Registration	264,800	-	-	-	264,800
Total Elections	<u>264,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,800</u>
<b>PUBLIC TRANSPORTATION</b>					
Road and Bridge-Equipment	6,670,272	934,768	764,729	22,867	6,863,178
Road and Bridge-Infrastructure	10,371,442	-	-	-	10,371,442
Airport	574,243	6,234	-	-	580,477
Total Public Transportation	<u>17,615,957</u>	<u>941,002</u>	<u>764,729</u>	<u>22,867</u>	<u>17,815,097</u>
<b>PUBLIC FACILITIES</b>					
Courthouse	1,468,420	-	-	-	1,468,420
Miscellaneous and Non- Departmental	308,933	-	-	-	308,933
Total Public Facilities	<u>1,777,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,777,353</u>

**PANOLA COUNTY, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY, continued**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	General Capital Assets January 1, 2009	Additions	Deductions	Transfers	General Capital Assets December 31, 2009
<b>PUBLIC SAFETY</b>					
Sheriff	\$ 797,009	\$ 150,530	\$ 159,625	\$ -	\$ 787,914
Constables	67,643	64,710	-	-	132,353
Corrections and Jail	9,110,801	2,233,773	-	-	11,344,574
Emergency Management	102,267	16,151	-	-	118,418
911 Rural Addressing	36,619	27,794	-	(22,867)	41,546
Probation Services - Adult	178,823	51,456	47,470	-	182,809
Probation Services - Juvenile	33,342	-	-	-	33,342
Criminal Investigations	-	-	-	-	-
Total Public Safety	<u>10,326,504</u>	<u>2,544,414</u>	<u>207,095</u>	<u>(22,867)</u>	<u>12,640,956</u>
<b>HEALTH AND WELFARE</b>					
Hospital	3,879,706	-	-	-	3,879,706
Incinerator	401,782	-	-	-	401,782
Total Health and Welfare	<u>4,281,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,281,488</u>
<b>CULTURE AND RECREATION</b>					
Exposition Center	115,025	-	-	-	115,025
Total Culture and Recreation	<u>115,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,025</u>
<b>TOTAL GENERAL CAPITAL ASSETS</b>	<u><u>\$ 36,562,470</u></u>	<u><u>\$ 3,485,416</u></u>	<u><u>\$ 971,824</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,076,062</u></u>

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**STATISTICAL DATA SECTION  
(UNAUDITED)**

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## **Panola County, Texas Statistical Section Overview**

The Statistical Section of the comprehensive annual financial report of Panola County, Texas provides additional information and details to assist users in understanding and assessing the overall economic condition of the County. The Statistical Section is organized in five sections, listed below.

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### **Financial Trends:**

These schedules compile information reported in the comprehensive annual financial report over the past ten years. Information for government-wide statements is only available for the fiscal periods 2002 – 2009. The County implemented the new reporting model in fiscal year 2002. These schedules report how the County's financial position and well-being have changed over time.

TABLE 1 – Net Assets by Component

TABLE 2 – Changes in Net Assets

TABLE 3 – Net Changes in Fund Balance, Governmental Funds

TABLE 4 – Fund Balances, Governmental Funds

### **Revenue Capacity Information:**

These schedules provide information regarding the County's major own-source revenue (property taxes) and the stability and growth of that revenue.

TABLE 5 – Assessed Value and Estimated Actual Value of Taxable Property

TABLE 6 – Direct and Overlapping Property Tax Rates

TABLE 7 – Principle Property Tax Payers

TABLE 8 – Property Tax Levies and Collections

### **Debt Capacity Information:**

These schedules provide information regarding the County's outstanding debt, the ability to repay the debt, and the ability to issue new debt.

TABLE 9 – Ratio of Outstanding Debt by Type

TABLE 10 – Direct and Overlapping Governmental Debt

TABLE 11 – Legal Debt Margin Information

### **Demographic and Economic Information:**

These schedules provide information regarding the County's socioeconomic environment, specifically its taxpayers and employers, and the changes to those groups over the past ten years.

TABLE 12 – Demographic and Economic Statistics

TABLE 13 – Principle Employers

### **Operating Information:**

These schedules provide information regarding the County's employees, operations, and facilities.

TABLE 14 – Full-Time Equivalent County Government Employees

TABLE 15 – Capital Assets by Function/Program

TABLE 16 – Operating Indicators by Function/Program

TABLE 17 – Schedule of Insurance Policies in Force



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TABLE 1

PANOLA COUNTY, TEXAS  
NET ASSETS BY COMPONENT  
LAST SEVEN FISCAL YEARS  
(Unaudited)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Governmental activities:							
Invested in Capital Assets, Net of Related Debt	\$ 21,868,287	\$ 18,861,947	\$ 16,661,147	\$ 16,881,438	\$ 17,299,813	\$ 17,438,024	\$ 17,777,789
Restricted for Debt Service	161,924	93,036	2,610	-	-	-	-
Restricted for Capital Projects	491,596	3,212,248	4,750,323	-	-	-	-
Restricted for Other Purposes	15,994	-	-	-	-	-	-
Unrestricted	29,525,131	26,134,625	13,814,903	25,740,509	23,081,440	21,556,174	19,994,783
Total governmental activities net assets	\$ 52,062,932	\$ 48,301,856	\$ 35,228,983	\$ 42,621,947	\$ 40,381,253	\$ 38,994,198	\$ 37,772,572

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented; therefore, ten years of data will be accumulated over time.

PANOLA COUNTY, TEXAS  
CHANGES IN NET ASSETS  
LAST SEVEN FISCAL YEARS  
(UNAUDITED)

TABLE 2

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Expenses:							
Governmental Activities:							
General administration	\$ 2,814,331	\$ 3,358,623	\$ 3,096,305	\$ 2,524,507	\$ 2,261,577	\$ 1,950,152	\$ 1,701,656
Judicial	1,134,624	953,205	931,862	922,265	839,466	818,993	743,435
Legal	350,538	377,261	346,592	400,559	369,369	294,366	313,788
Elections	167,952	137,636	139,319	128,458	121,455	120,751	93,132
Financial administration	755,563	630,297	648,448	617,867	582,235	539,091	508,942
Public facilities	258,652	238,315	225,256	272,874	245,345	266,789	217,472
Public safety	5,364,448	4,175,436	4,183,927	4,232,178	4,055,915	3,523,072	3,374,098
Environmental protection	363,925	339,837	307,438	382,184	354,714	301,933	289,887
Public transportation	5,642,668	5,825,025	5,604,489	4,963,793	4,884,111	4,391,725	4,176,987
Health and Paupers care	734,454	618,051	581,604	564,173	557,335	576,106	543,899
Recreation	305,744	278,591	263,934	247,134	257,177	287,491	215,439
Conservation	90,679	73,981	76,901	77,840	73,242	70,072	68,738
Debt Service - Interest	119,877	167,161	138,052	-	-	-	-
Capital Outlay	-	-	-	-	-	-	6,279
Total Governmental Activities Expenses	\$ 18,103,455	\$ 17,173,419	\$ 16,544,127	\$ 15,333,832	\$ 14,601,941	\$ 13,140,541	\$ 12,253,752
Program Revenues:							
Governmental Activities:							
Charges for Services							
General administration	\$ 383,448	\$ 421,277	\$ 380,871	\$ 396,728	\$ 302,054	\$ 314,748	\$ 287,103
Judicial	116,763	136,563	139,673	156,932	131,831	137,484	54,738
Legal	77,514	134,391	61,487	269,754	257,946	87,766	54,547
Elections	2,400	22,203	200	11,712	-	-	-
Financial administration	338,835	291,567	266,226	245,162	218,408	204,701	146,608
Public facilities	8,658	1,053	-	3,158	-	-	19,087
Public safety	531,439	501,528	428,739	842,383	739,526	442,640	420,850
Environmental protection	-	871	14,425	15,082	13,667	9,695	-
Public transportation	748,835	795,779	808,936	849,388	786,067	886,405	814,972
Health and Paupers care	5,351	19,966	114,372	121,428	109,346	100,729	153,968
Recreation	136,024	121,372	114,718	105,137	98,065	121,989	1,800
Total Charges for Services	\$ 2,349,267	\$ 2,446,570	\$ 2,329,647	\$ 3,016,864	\$ 2,656,910	\$ 2,306,157	\$ 1,953,673

TABLE 2 (cont.)

PANOLA COUNTY  
CHANGES IN NET ASSETS, Continued  
LAST SEVEN FISCAL YEARS  
(UNAUDITED)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Operating Grants and Contributions							
Judicial	\$ 74,192	\$ 67,116	\$ 33,766	\$ 38,304	\$ 39,008	\$ 36,914	\$ 37,085
Legal	4,320	4,080	3,840	3,600	3,360	-	-
Elections	12,337	-	10,561	6,250	-	-	-
Financial administration	-	-	-	-	-	-	51,250
Public facilities	-	-	103,960	86,642	29,180	-	-
Public safety	963,272	904,822	806,355	978,516	949,305	1,072,061	691,565
Environmental protection	-	-	-	-	-	1,664	10,073
Public transportation	30,279	30,284	30,276	30,905	35,720	30,504	77,430
Health and Paupers care	69,548	101,349	72,308	58,249	87,591	43,574	39,707
Recreation	-	-	-	-	-	-	85,686
Total Operating Grants and Contributions	\$ 1,153,948	\$ 1,107,651	\$ 1,061,066	\$ 1,202,466	\$ 1,144,164	\$ 1,184,717	\$ 992,796
Program Revenues, Continued:							
Capital Grants and Contributions							
Elections	\$ -	\$ -	\$ -	\$ -	\$ 250,872	\$ -	\$ -
Total Capital Grants and Contrib	\$ -	\$ -	\$ -	\$ -	\$ 250,872	\$ -	\$ -
Total Governmental Activities							
Program Revenues	\$ 3,503,215	\$ 3,554,221	\$ 3,390,713	\$ 4,219,330	\$ 4,051,946	\$ 3,490,874	\$ 2,946,469
Net (Expense) Revenue							
Governmental Activities:	\$ (14,600,240)	\$ (13,619,198)	\$ (13,153,414)	\$ (11,114,502)	\$ (10,549,995)	\$ (9,649,667)	\$ (9,307,283)

PANOLA COUNTY  
CHANGES IN NET ASSETS, Continued  
LAST SEVEN FISCAL YEARS  
(UNAUDITED)

TABLE 2 (cont.)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Property Taxes	\$ 16,744,039	\$ 15,328,340	\$ 12,714,869	\$ 11,324,789	\$ 10,636,866	\$ 10,179,315	\$ 9,371,021
Interest Income	826,889	962,442	1,572,387	1,343,345	767,685	485,990	724,151
Gain on Sale of Capital Assets	90,507	-	-	-	-	-	-
Miscellaneous	699,881	1,232,637	641,846	687,062	532,499	205,988	174,500
Total Governmental Activities	\$ 18,361,316	\$ 17,523,419	\$ 14,929,102	\$ 13,355,196	\$ 11,937,050	\$ 10,871,293	\$ 10,269,672
Increase in Net Assets Before Transfers	3,761,076	3,904,221	1,775,688	2,240,694	1,387,055	1,221,626	962,389
Transfers	-	-	(9,168,652)	-	-	-	-
Change in Net Assets							
Governmental Activities	\$ 3,761,076	\$ 3,904,221	\$ (7,392,964)	\$ 2,240,694	\$ 1,387,055	\$ 1,221,626	\$ 962,389
Total Primary Government	\$ 3,761,076	\$ 3,904,221	\$ (7,392,964)	\$ 2,240,694	\$ 1,387,055	\$ 1,221,626	\$ 962,389
% Change from Prior Year	-3.67%	-152.81%	-429.94%	61.54%	13.54%	26.94%	N/A (1)

Notes:

(1) Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented; therefore, ten years of data will be accumulated over time.

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**PANOLA COUNTY, TEXAS  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year			
	2009	2008	2007	2006
<b>General Fund:</b>				
Unreserved and Undesignated				
Reported in the General Fund	\$ 9,427,291	\$ 6,918,110	\$ 5,354,493	\$ 13,021,195
<b>Total General Fund</b>	<u>9,427,291</u>	<u>6,918,110</u>	<u>5,354,493</u>	<u>13,021,195</u>
<b>Road and Bridge Fund</b>				
Unreserved and Undesignated:				
Reported in the Special Revenue Funds	2,380,980	1,920,819	1,697,457	3,725,932
<b>Total Road and Bridge Fund</b>	<u>2,380,980</u>	<u>1,920,819</u>	<u>1,697,457</u>	<u>3,725,932</u>
<b>Community Supervision and Correction Fund</b>				
Unreserved and Undesignated:				
Reported in the Special Revenue Funds	-	427,818	252,827	-
<b>Total Community Supervision and Correction</b>	<u>-</u>	<u>427,818</u>	<u>252,827</u>	<u>-</u>
<b>Health Fund</b>				
Unreserved and Designated:				
Reported in the Special Revenue Funds	3,592,568	3,582,790	3,508,797	3,291,687
<b>Total Health Fund</b>	<u>3,592,568</u>	<u>3,582,790</u>	<u>3,508,797</u>	<u>3,291,687</u>
<b>Bond Proceeds 2007 Detention Ctr Construction CPF</b>				
Unreserved and Designated:				
Reported in the Capital Projects Funds	-	-	4,700,310	-
<b>Total Bond Proceeds 2007 Detention Ctr Construction CPF</b>	<u>-</u>	<u>-</u>	<u>4,700,310</u>	<u>-</u>
<b>Reserve Detention Ctr Construction CPF</b>				
Unreserved and Designated:				
Reported in the Capital Projects Funds	-	2,734,465	4,144,029	-
<b>Total Reserve Detention Ctr Construction CPF</b>	<u>-</u>	<u>2,734,465</u>	<u>4,144,029</u>	<u>-</u>
<b>Other Governmental Funds:</b>				
Reserved for:				
Debt Service	161,924	93,036	2,610	-
Inventory	15,994	47,998	35,022	27,068
Unreserved and Designated				
Designated:				
Capital Project funds	491,596	477,783	461,548	441,702
Special Revenue Funds	-	-	-	-
Undesignated:				
Other Governmental Funds	4,007,080	3,383,932	3,037,345	3,418,226
<b>Total Other Governmental Funds</b>	<u>4,676,594</u>	<u>4,002,749</u>	<u>3,536,525</u>	<u>3,886,996</u>
<b>Total Governmental Funds</b>	<u>\$ 20,077,433</u>	<u>\$ 19,586,751</u>	<u>\$ 23,194,438</u>	<u>\$ 23,925,810</u>
<b>% Change from Prior Year</b>	2.51%	-15.55%	-3.06%	11.96%

**Notes:**

- (1) The County implemented GASB Statement 34, the new reporting standard in fiscal year 2003.
- (2) The substantial change in fund balances for fiscal year 2007 was due to partial funding of OPEB obligations as defined by GASB 45.

TABLE 3

2005	2004	2003	2002	2001	2000
<u>\$ 11,693,223</u>	<u>\$ 10,704,447</u>	<u>\$ 9,612,242</u>	<u>\$ 8,676,002</u>	<u>\$ 10,535,365</u>	<u>\$ 9,809,682</u>
<u>11,693,223</u>	<u>10,704,447</u>	<u>9,612,242</u>	<u>8,676,002</u>	<u>10,535,365</u>	<u>9,809,682</u>
<u>3,538,889</u>	<u>3,613,433</u>	<u>3,152,174</u>	<u>3,601,879</u>	<u>3,603,038</u>	<u>3,654,045</u>
<u>3,538,889</u>	<u>3,613,433</u>	<u>3,152,174</u>	<u>3,601,879</u>	<u>3,603,038</u>	<u>3,654,045</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,132,534</u>	<u>3,019,871</u>	<u>3,007,508</u>	<u>2,963,337</u>	<u>2,828,848</u>	<u>2,484,473</u>
<u>3,132,534</u>	<u>3,019,871</u>	<u>3,007,508</u>	<u>2,963,337</u>	<u>2,828,848</u>	<u>2,484,473</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	35,262
30,668	10,996	7,266	6,157	5,563	9,092
422,175	410,687	811,609	2,257,767	385,810	374,669
-	-	-	848,476	714,653	667,056
<u>2,552,509</u>	<u>1,930,194</u>	<u>1,668,941</u>	<u>231,060</u>	<u>177,737</u>	<u>189,027</u>
<u>3,005,352</u>	<u>2,351,877</u>	<u>2,487,816</u>	<u>3,343,460</u>	<u>1,283,763</u>	<u>1,275,106</u>
<u>\$ 21,369,998</u>	<u>\$ 19,689,628</u>	<u>\$ 18,259,740</u>	<u>\$ 18,584,678</u>	<u>\$ 18,251,014</u>	<u>\$ 17,223,306</u>
8.53%	7.83%	-1.75%	1.83%	5.97%	N/A



**PANOLA COUNTY, TEXAS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	Fiscal Year			
	2009	2008	2007	2006
<b>REVENUES</b>				
Property Taxes	\$ 16,745,188	\$ 15,320,932	\$ 12,723,922	\$ 11,325,188
Licenses	449,020	448,726	455,247	455,632
Inter-Governmental	1,297,019	1,317,459	1,274,782	1,526,620
Fees of Office	1,316,252	1,351,374	1,218,383	1,248,867
Fines	267,732	316,701	325,430	369,783
Miscellaneous	1,783,828	2,373,096	2,257,336	2,611,688
Total Revenues	<u>21,859,039</u>	<u>21,128,288</u>	<u>18,255,100</u>	<u>17,537,778</u>
<b>EXPENDITURES</b>				
General Administration	2,843,693	3,582,482	3,128,061	2,499,009
Judicial	1,111,988	949,103	884,851	878,548
Legal	359,050	393,592	345,467	400,734
Elections	146,889	118,781	115,715	105,215
Financial Administration	771,927	661,741	646,209	618,215
Public Facilities	257,823	238,645	491,713	270,839
Public Safety	7,523,381	10,557,159	4,594,412	4,179,181
Environmental Protection	357,651	333,563	301,164	375,910
Conservation	91,964	5,617,679	76,719	77,868
Public Transportation	5,557,318	550,415	5,212,632	4,832,644
Health & Paupers Care	666,818	291,280	513,968	496,537
Culture & Recreation	311,814	76,540	263,064	247,265
Debt Service - Principal	1,240,000	1,190,000	72,920	-
Debt Service - Interest	128,041	174,995	104,773	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>21,368,357</u>	<u>24,735,975</u>	<u>16,751,668</u>	<u>14,981,965</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>490,682</u>	<u>(3,607,687)</u>	<u>1,503,432</u>	<u>2,555,813</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Capital Lease Financing Agreement	-	-	-	-
Proceeds from Sale of Bonds	-	-	5,055,000	-
Transfers In	523,977	-	4,174,944	-
Transfers Out	(523,977)	-	(11,464,748)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,234,804)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 490,682</u>	<u>\$ (3,607,687)</u>	<u>\$ (731,372)</u>	<u>\$ 2,555,813</u>
<b>Debt Service as a percentage of Noncapital Expenditures</b>	6.40%	5.52%	1.06%	0.00%

TABLE 4

2005	2004	2003	2002	2001	2000
\$ 10,652,164	\$ 10,073,746	\$ 9,413,140	\$ 8,636,759	\$ 7,813,304	\$ 7,556,941
459,902	461,437	453,226	459,997	451,772	443,902
1,578,406	1,366,830	992,796	1,017,538	930,987	890,116
1,078,243	1,082,685	951,535	912,568	933,313	853,131
326,165	326,263	285,416	296,613	328,726	315,297
1,936,574	928,512	1,142,414	1,375,957	1,426,441	2,115,334
<u>16,031,454</u>	<u>14,239,473</u>	<u>13,238,527</u>	<u>12,699,432</u>	<u>11,884,543</u>	<u>12,174,721</u>
2,235,101	1,939,667	1,738,705	1,669,636	1,592,482	1,459,955
796,024	776,783	726,208	719,553	727,519	661,894
369,645	294,651	314,042	197,945	197,141	249,147
354,433	120,832	93,203	96,224	93,673	84,654
582,799	539,639	509,416	479,226	452,430	420,695
243,352	264,801	215,507	188,653	185,020	303,098
4,112,227	3,613,004	3,426,371	3,326,239	3,062,711	2,977,321
348,440	295,659	283,613	280,200	412,895	376,397
73,284	70,116	68,776	64,130	61,097	52,348
4,681,143	3,868,038	4,108,066	3,988,152	3,879,370	3,512,280
489,699	508,470	484,263	526,845	418,531	321,696
257,394	287,713	215,636	218,215	209,367	176,848
-	-	-	-	-	400,000
-	-	-	-	-	15,000
-	230,211	1,484,172	664,073	4,232	4,900
<u>14,543,541</u>	<u>12,809,584</u>	<u>13,667,978</u>	<u>12,419,091</u>	<u>11,296,468</u>	<u>11,016,233</u>
<u>1,487,913</u>	<u>1,429,889</u>	<u>(429,451)</u>	<u>280,341</u>	<u>588,075</u>	<u>1,158,488</u>
-	-	321,823	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>321,823</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,487,913</u>	<u>\$ 1,429,889</u>	<u># \$ (107,628)</u>	<u>\$ 280,341</u>	<u>\$ 588,075</u>	<u>\$ 1,158,488</u>
0.00%	0.00%	0.00%	0.00%	0.00%	3.77%

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TABLE 5

**PANOLA COUNTY, TEXAS  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Estimated Market Value			Total Taxable Assesed Value	Total Direct Tax Rate
	Real Property	Personal Property	Less: Tax-Exempt Property		
2009	\$ 3,989,087,500	\$ 1,143,264,835	\$ 151,231,090	\$ 4,981,121,245	0.3632
2008	4,443,456,210	995,452,149	129,631,210	5,309,277,149	0.3096
2007	3,845,247,267	634,948,073	123,038,850	4,357,156,490	0.3441
2006	3,894,896,147	479,011,483	118,394,230	4,255,513,400	0.2869
2005	2,981,872,892	418,440,315	114,613,060	3,285,700,147	0.3330
2004	2,511,868,481	387,538,653	111,254,590	2,788,152,544	0.3811
2003	2,128,641,879	323,531,404	105,682,080	2,346,491,203	0.4382
2002	2,312,729,313	369,464,920	97,874,390	2,584,319,843	0.3677
2001	2,568,521,833	210,819,321	94,882,780	2,684,458,374	0.3249
2000	1,921,613,028	185,440,072	85,693,950	2,021,359,150	0.3949

Source: Panola County Appraisal District

**PANOLA COUNTY, TEXAS  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b><u>Panola County Direct Rates</u></b>					
GENERAL	0.23612	0.19374	0.21039	0.19350	0.22450
SPECIAL REVENUE	0.09938	0.08962	0.10140	0.09340	0.10850
DEBT SERVICE	0.02770	0.02624	0.03231	-	-
TOTAL DIRECT RATE	0.36320	0.30960	0.34410	0.28690	0.33300
 <b><u>Overlapping Rates</u></b>					
<b>City and Town Rates:</b>					
CARTHAGE	0.41000	0.41000	0.39000	0.45940	0.45940
BECKVILLE	0.26044	0.22289	0.26684	0.26000	0.27415
<b>School Districts Rates:</b>					
CARTHAGE ISD	1.14000	1.14000	1.14000	1.50000	1.53000
GARY ISD	1.20459	1.13855	1.12310	1.24560	1.36930
BECKVILLE ISD	1.04000	1.05586	1.10865	1.36860	1.51314
ELYSIAN FIELDS ISD	1.20000	1.22110	1.26990	1.40800	1.53600
TATUM ISD	1.04000	1.04000	1.04000	1.37000	1.56840
TENAHHA ISD	1.20438	1.41210	1.39762	1.37000	1.50000
JOAQUIN ISD	1.34110	1.12050	1.11010	1.28130	1.47620
<b>Other Special District Rates:</b>					
PANOLA JR. COLLEGE	0.10579	0.09593	0.10477	0.09430	0.10850
PANOLA COUNTY ESD	0.01605	0.01393	0.01515	0.01360	0.01571

Source: Various taxing entities

TABLE 6

2004	2003	2002	2001	2000
0.25690	0.29210	0.24660	0.21690	0.26960
0.12420	0.14610	0.12110	0.10800	0.12530
-	-	-	-	-
0.38110	0.43820	0.36770	0.32490	0.39490
0.55000	0.56000	0.53500	0.54474	0.54474
0.27260	0.26642	0.24637	0.27593	0.32061
1.53000	1.56000	1.56000	1.50000	1.53000
1.21480	1.51980	1.48000	1.09670	1.30000
1.46450	1.65545	1.64550	1.62550	1.63000
1.24500	1.57000	1.44610	1.10364	1.44750
1.56800	1.47000	1.47000	1.47000	1.47000
1.50000	1.50000	1.50000	1.41000	1.39520
1.51480	1.61030	1.60060	1.43920	1.38640
0.11717	0.13483	0.11647	0.10828	0.13923
0.01700	0.02000	0.01750	0.02000	0.25200

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TABLE 7

**PANOLA COUNTY, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
(Amounts expressed in thousands)  
(UNAUDITED)

Name of Taxpayer	Fiscal Year 2009		Fiscal Year 2000	
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Devon Energy Production Co LP	\$ 705,899	14.17 %	\$ -	-
Anadarko E&P Company LP	422,062	8.47 %	-	-
Chevron USA Inc	225,485	4.53 %	-	-
Lacy Operations LTD	129,763	2.61 %	-	-
Exxon Mobil Corp	129,655	2.60 %	-	-
XTO Energy Corp	123,160	2.47 %	-	-
Markwest Eastern TX Gas Co LP	117,309	2.36 %	-	-
EOG Resources Inc	115,854	2.33 %	-	-
BP American Production Company	115,563	2.32 %	-	-
DCP Midstream LP	97,956	1.97 %	-	-
Union Pacific Resources	-	-	199,100	9.85 %
Devon Energy	-	-	152,616	7.55 %
Texaco Producing, Inc.	-	-	140,078	6.93 %
EOG Resources Inc	-	-	88,673	4.39 %
Exxon Corporation	-	-	70,689	3.50 %
Duke Energy	-	-	66,955	3.31 %
R. Lacy, Inc.	-	-	55,642	2.75 %
B.P. Amoco Corp	-	-	46,097	2.28 %
TXU Mining	-	-	39,476	1.95 %
Vastar Resources, Inc.	-	-	37,935	1.88 %
<b>Total</b>	<b>\$ 2,182,706</b>		<b>\$ 897,261</b>	
<b>Total Assessed Value and Percentage of Total</b>	<b>\$ 4,981,121</b>	<b>43.82 %</b>	<b>\$ 1,962,192</b>	<b>45.73 %</b>

Source: Panola County Appraisal District



**PANOLA COUNTY, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN TAX ROLL YEARS  
(UNAUDITED)**

<b>Tax Levy Fiscal Year</b>	<b>Tax Levy (1)</b>	<b>Current Tax Collection</b>	<b>Percent Of Levy Collected</b>	<b>Delinquent Collections &amp; Adjustments</b>	<b>Collections &amp; Adjustments</b>
2009	\$ 17,125,293	\$ 16,760,071	97.87%	\$ 231,043	\$ 16,991,114
2008	15,591,091	15,348,762	98.44%	218,515	15,567,277
2007	12,929,930	12,724,856	98.41%	218,959	12,943,815
2006	11,508,292	11,330,572	98.46%	214,957	11,545,529
2005	10,825,727	10,617,597	98.08%	274,464	10,892,061
2004	10,279,634	10,007,852	97.36%	236,408	10,244,260
2003	9,608,967	9,370,791	97.52%	215,728	9,586,519
2002	8,728,788	8,532,642	97.75%	240,307	8,772,949
2001	7,964,420	7,756,713	97.39%	182,572	7,939,285
2000	7,714,814	7,498,485	97.20%	169,063	7,667,548

Source: Tax Rolls

Notes:

(1) Represents adjusted levy.

**TABLE 8**

<b>Percent Of Total Collections and Adjustments To Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Percent of Delinquent Taxes to Tax Levy</b>
99.22%	\$ 721,820	4.20%
99.85%	587,642	3.80%
100.11%	563,828	4.36%
100.32%	577,713	5.02%
100.61%	614,950	5.68%
99.66%	681,284	6.63%
99.77%	645,910	6.72%
100.51%	623,462	7.14%
99.68%	667,623	8.38%
99.39%	642,488	8.33%

TABLE 9

**PANOLA COUNTY, TEXAS  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Certificates of Obligation	Other Obligations				
2009	\$ 2,625,000	\$ -	\$ -	\$ 2,625,000	0.05%	0.32%	116.12
2008	3,865,000	-	-	3,865,000	0.07%	0.53%	167.43
2007	5,055,000	-	-	5,055,000	0.12%	0.74%	219.76
2006	-	-	72,920	72,920	0.00%	0.01%	3.14
2005	-	-	145,840	145,840	0.00%	0.02%	6.24
2004	-	-	287,171	287,171	0.01%	0.05%	12.63
2003	-	-	427,567	427,567	0.02%	0.08%	18.71
2002	-	-	-	-	0.00%	0.00%	-
2001	-	-	-	-	0.00%	0.00%	-
2000	-	415,000	-	415,000	0.02%	0.09%	18.24

**Notes:**

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 173.

(2) See the schedule of Demographic Statistics found on page 184 for personal income and population data.

TABLE 10

**PANOLA COUNTY, TEXAS  
DIRECT AND OVERLAPPING GOVERNMENTAL DEBT  
AS OF DECEMBER 31, 2009  
(UNAUDITED)**

<b>Jurisdiction</b>	<b>Net Debt Outstanding Amount (1)</b>	<b>Applicable to Panola County Percent (2)</b>	<b>Amount Applicable to Panola County</b>
<b>Panola County</b>	<b>\$ 2,625,000</b>	<b>100.00%</b>	<b>2,625,000</b>
<b>Cities</b>			
<b>Carthage</b>	<b>19,260,000</b>	<b>100.00%</b>	<b>19,260,000</b>
<b>Beckville</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>
<b>School Districts:</b>			
<b>Carthage ISD</b>	<b>13,970,000</b>	<b>100.00%</b>	<b>13,970,000</b>
<b>Gary ISD</b>	<b>6,712,665</b>	<b>100.00%</b>	<b>6,712,665</b>
<b>Beckville ISD</b>	<b>4,226,714</b>	<b>100.00%</b>	<b>4,226,714</b>
<b>Elysian Fields ISD</b>	<b>12,810,000</b>	<b>52.55%</b>	<b>6,731,655</b>
<b>Tatum ISD</b>	<b>13,060,000</b>	<b>2.27%</b>	<b>296,462</b>
<b>Tenaha ISD</b>	<b>7,211,056</b>	<b>4.75%</b>	<b>342,525</b>
<b>Joaquin ISD</b>	<b>12,357,131</b>	<b>5.05%</b>	<b>624,035</b>
<b>Panola Junior College</b>	<b>8,534,912</b>	<b>100.00%</b>	<b>8,534,912</b>
<b>Total Net Debt Outstanding</b>	<b>\$ 100,767,478</b>		<b>\$ 63,323,968</b>

(Total Consolidated Debt  
1.21% of actual value-  
\$2,787.52 per capita)

**Sources:**

(1) Respective entities and auditors of  
respective entities.

(2) Texas Municipal Reports

**PANOLA COUNTY, TEXAS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year			
	2009	2008	2007	2006
Debt Limit	\$ 1,035,079,648	\$ 1,143,271,855	\$ 988,691,307	\$ 963,182,428
Total net debt applicable to limit	2,625,000	3,865,000	5,055,000	-
Legal debt margin	<u>\$ 1,032,454,648</u>	<u>\$ 1,139,406,855</u>	<u>\$ 983,636,307</u>	<u>\$ 963,182,428</u>
Total net debt applicable to the limit as a percentage of debt limit	0.25%	0.34%	0.51%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2009**

Assessed value	\$ 3,989,087,500
Add back: exempt real property	<u>151,231,090</u>
Total assessed value	\$ 4,140,318,590
Debt limit 25% of assessed value of real property (Article 3, Section 52, Constitution of the State of Texas)	\$ 1,035,079,648
Amount of Debt applicable to debt limit	<u>2,625,000</u>
Legal Debt Margin	<u>\$ 1,032,454,648</u>

**Note:** This constitutional limit applies only to the General Bonded Debt of the County.

TABLE 11

2005	2004	2003	2002	2001	2000
\$ 716,822,523	\$ 697,045,701	\$ 586,615,235	\$ 646,157,558	\$ 671,114,594	\$ 458,987,335
-	-	-	-	-	-
<u>\$ 716,822,523</u>	<u>\$ 697,045,701</u>	<u>\$ 586,615,235</u>	<u>\$ 646,157,558</u>	<u>\$ 671,114,594</u>	<u>\$ 458,987,335</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

TABLE 12

**PANOLA COUNTY, TEXAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>	<b>College &amp; School Enrollment</b>
2009	22,606	\$ 838,756	\$ 19,723	6.40%	5,806
2008	23,084	731,314	31,882	4.60%	5,732
2007	23,002	682,930	29,572	3.90%	5,342
2006	23,206	654,853	26,904	4.40%	5,613
2005	23,374	613,158	25,674	4.90%	5,630
2004	22,734	581,815	21,585	5.70%	5,683
2003	22,855	535,363	21,213	6.90%	5,367
2002	22,606	505,997	20,909	6.80%	5,385
2001	22,689	502,986	20,894	5.50%	5,152
2000	22,756	487,230	20,886	5.60%	5,232

Sources: United States Census Bureau, East Texas Council of Governments,  
Texas Workforce Commission, Various Education Entities,  
Bureau of Economic Analysis

TABLE 13

**PANOLA COUNTY, TEXAS  
PRINCIPAL EMPLOYERS  
CURRENT AND PRIOR FISCAL YEAR  
(UNAUDITED)**

<b>EMPLOYER</b>	<b>Fiscal Year 2009</b>		<b>Fiscal Year 2008</b>	
	<b>Number of Employees</b>	<b>Percentage of Total Employment</b>	<b>Number of Employees</b>	<b>Percentage of Total Employment</b>
Tyson Poultry Inc.	524	6.40 %		
Carthage Independent School District	484	5.90 %		
Smith Equipment Rental & Services	396	4.80 %		
D Courtney Construction Inc	255	3.12 %		
Pinnergy Inc.	250	3.42 %		
East Texas Medical Center - Carthage	220	2.69 %		
Panola County	191	2.34 %		
WNA	160	1.95 %		
Pierce Construction	148	1.81 %		
Louisiana Pacific	130	1.59 %		
Tyson Poultry Inc.			550	6.28 %
Carthage Independent School District			464	5.29 %
Smith Equipment Rental & Services			320	3.65 %
Pinnergy Inc.			160	3.42 %
Courtney Construction Inc.			300	3.21 %
Panola College			281	2.26 %
Pierce Construction			175	2.00 %
East Texas Medical Center - Carthage			198	2.00 %
Panola County			178	1.95 %
Genpak - Carthage			175	1.83 %
<b>Total</b>	<b>2,758</b>	<b>34.02 %</b>	<b>2,801</b>	<b>31.89 %</b>

Source: East Texas Council of Governments; Sites on Texas;  
Texas Metropolitan Statistical Area Data

Note: GASB Statement 44 was implemented in fiscal year 2007;  
in future years, data from the period nine years prior to  
the report, rather than the prior fiscal year, will be presented.



**PANOLA COUNTY, TEXAS  
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES  
LAST - TEN FISCAL YEARS  
(UNAUDITED)**

<b>Function/Program</b>	<b>Fiscal Year</b>				
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>General Administration</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Judicial</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Elections</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Financial Administration</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Legal</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Public Facilities</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Public Safety</b>	<b>79</b>	<b>66</b>	<b>65</b>	<b>61</b>	<b>65</b>
<b>Public Transportation</b>	<b>47</b>	<b>47</b>	<b>46</b>	<b>45</b>	<b>48</b>
<b>Culture and Recreation</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Conservation-Agriculture</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Totals</b>	<b>191</b>	<b>178</b>	<b>175</b>	<b>170</b>	<b>178</b>

Source: Panola County Payroll History Report

TABLE 14

<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b>16</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>16</b>
<b>16</b>	<b>16</b>	<b>16</b>	<b>17</b>	<b>16</b>
<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>
<b>63</b>	<b>63</b>	<b>61</b>	<b>56</b>	<b>63</b>
<b>48</b>	<b>48</b>	<b>47</b>	<b>50</b>	<b>49</b>
<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>175</b>	<b>175</b>	<b>174</b>	<b>174</b>	<b>178</b>

TABLE 15

**PANOLA COUNTY, TEXAS  
CAPITAL ASSETS BY FUNCTION/PROGRAM  
DECEMBER 31, 2009  
(UNAUDITED)**

<b>Function/Program</b>	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>General Administration</b>				
Furniture & Equipment	8	8	8	8
Facilities	5	5	5	5
Tracts of Land	10	10	10	9
<b>Judicial</b>				
Furniture & Equipment	3	3	3	3
Facilities	1	1	1	1
<b>Elections</b>				
Equipment	2	2	2	2
<b>Public Facilities</b>				
Facilities	1	1	1	1
<b>Public Safety</b>				
Vehicles	45	45	41	41
Equipment	13	13	13	13
Facilities	1	1	1	1
<b>Environmental Protection</b>				
Facilities	2	2	2	2
Landfill	1	1	1	1
<b>Public Transportation</b>				
Miles of County Roads	614	614	614	614
Number of Bridges	12	12	12	12
Facilities	5	5	5	5
Equipment & Vehicles	141	141	134	134
Tracts of Land	5	5	5	4
<b>Health/Paupers Care</b>				
Facilities	2	2	2	2
Tracts of Land	1	1	1	1

Source: Panola County Capital Asset Inventory Listing

NOTE: GASB Statement 44 was implemented in fiscal year 2006; in future years, additional years will be reported, cumulating a ten-year presentation.

TABLE 16

**PANOLA COUNTY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**DECEMBER 31, 2009**  
**(UNAUDITED)**

Function/Program	Fiscal Year			
	2009	2008	2007	2006
<b>General Administration</b>				
Official Public Records Filed	9564	10,804	10,325	9,780
Vital Statistics Filed	247	233	324	288
<b>Judicial</b>				
Number of Civil Cases	679	742	696	754
Number of Criminal Cases	1669	1,031	431	1,347
<b>Legal</b>				
Number of Convictions - Misdemeanors	432			
Number of Convictions - Felony	381	95	94	353
<b>Elections</b>				
Number of Registered Voters	15,648	15,658	16,197	15,924
Number of Elections	3	3	2	3
<b>Financial Administration</b>				
Number of mineral tax items	2,546,560	2,443,147	1,849,374	1,705,536
Number of real estate tax items	170,678	168,619	136,656	137,864
Number of registered vehicles	30,880	28,813	28,345	27,052
<b>Public Facilities</b>				
Number of repair jobs	54	30	31	87
<b>Public Safety</b>				
Number of emergency responses	4852	3,526	5,054	5,145
Number of book-ins	1522	1,706	1,756	1,593
<b>Environmental Protection</b>				
Number of solid waste transfers(tons)	12588	12,557	12,606	17,482
Number of Diversions (tons)	510	512	711	867
<b>Public Transportation</b>				
Miles of road resurfaced	14	11	17	53
Number of repairs	387	361	338	117
<b>Health and Paupers Care</b>				
Number of autopsies performed	28	23	37	29
Number of indigent admissions	771	503	666	878
<b>Recreation</b>				
Number of patrons to Library	9,329	8,294	10,635	9,537
Number of books in library	53,201	49,907	51,083	41,117
Number of programs	60	77	48	80
<b>Conservation</b>				
Number of programs	30	42	51	26
Number of radio programs	130	67	-	-
County Extension mailouts	5,102	4,152	5,955	5,754

Source: Individual County Departments

NOTE: GASB Statement 44 was implemented in fiscal year 2006; in future years, additional years will be reported, cumulating a ten-year presentation.

**PANOLA COUNTY, TEXAS  
SCHEDULE OF INSURANCE IN FORCE  
DECEMBER 31, 2009  
(Unaudited)**

<b>Insurer or Name of Company</b>	<b>Number</b>	<b>Policy Period</b>	
		<b>From</b>	<b>To</b>
The St. Paul Ins. Co.	GP09313692	1/1/2009	12/31/2009
The St. Paul Ins. Co.	GP09313692	1/1/2009	12/31/2009
The St. Paul Ins. Co.	GP09313692	1/1/2009	12/31/2009
The St. Paul Ins. Co.	GP09313692	1/1/2009	12/31/2009
The St. Paul Ins. Co.	GP09313692	1/1/2009	12/31/2009
The St. Paul Ins. Co.	GP09313692	1/1/2009	12/31/2009
The St. Paul Ins. Co.	GP09313692	1/1/2009	12/31/2009
EBCO	UA00134783-06	12/31/2009	12/31/2010
Texas Association of Counties	#1830	1/1/2009	12/31/2009
Texas Association of Counties	#1830	1/1/2009	12/31/2009
Texas Association of Counties - BCBS	62946	12/1/2009	11/30/2010
The CIMA Companies, Inc.	SPS900305	7/1/2009	7/31/2010

- (1) 2009 Funding
- (2) As prescribed by law Art. #8309H
- (3) As prescribed by law - Texas Unemployment Compensation Act
- (4) For covered expenses - Lifetime maximum \$2,000,000

TABLE 17

<b>Building and/or Department &amp; Description</b>	<b>Amount of Coverage</b>	<b>Premiums &amp; Funding</b>
<b>Physical Damage-Comp. Limit PD; 500 Deduct; Bodily Injury - Limit; Comp. Auto liab. Ins. 1,000</b>	<b>\$ 2,000,000</b>	<b>\$ 79,495</b>
<b>General Liability; 2,000,000</b>	<b>2,000,000</b>	<b>58,704</b>
<b>Commercial Property and Equipment</b>	<b>2,622,834</b>	<b>29,620</b>
<b>Commercial Umbrella Liability- 1,000,000 each occurrence Aggregate 1,000,000; Retention 10,000</b>	<b>2,000,000</b>	<b>17,060</b>
<b>Law Enforcement Professional Liability; Each Person 1,000,000 Aggregate 3,000,000; Each occurrence 1,000,000</b>	<b>2,000,000</b>	<b>71,791</b>
<b>2,000,000 Limit Each 2,000,000 Aggregate 25,000 retention; Public Officials and Employees Legal Liability</b>	<b>2,000,000</b>	<b>53,557</b>
<b>Crime - Employee Theft, Forgery</b>	<b>2,000,000</b>	<b>1,734</b>
<b>Property Damage 1,000,000; General Liability- Airport 1,000,000 each occurrence, 2,000,000 aggregate</b>	<b>2,000,000</b>	<b>2,650</b>
<b>Workers Compensation Self-Funded Insurance through Texas Association of Counties</b>	<b>(2)</b>	<b>117,427</b>
<b>Unemployment Insurance Self-Funded through Texas Association of Counties</b>	<b>(3)</b>	<b>10,804</b>
<b>Employee Group Ins - TAC Health and Employee Benefit Pool 500 deductible - 2,000 co-ins; Emp Life Ins 10,000 &amp; Acc Death/ Dsmb 10,000</b>	<b>(4)</b>	<b>1,761,440</b>
<b>Volunteers Insurance Service Association (VIS) Work Release Volunteer Accident Insurance</b>	<b>25,000</b>	<b>1,053</b>

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF INSURANCE IN FORCE**  
**DECEMBER 31, 2009**  
**(Unaudited)**

<b>Insurer or Name of Company</b>	<b>Number</b>	<b>Policy Period</b>	
		<b>From</b>	<b>To</b>
Safeco Ins.	6195460	1/1/2007	1/1/2011
Safeco Ins.	952904	1/1/2009	1/1/2013
	6510934	12/31/2008	12/31/2010
Safeco Ins.	6001534	1/1/2007	1/1/2011
	6510939	7/18/2007	12/31/2010
Safeco Ins.	5978951	1/1/2009	1/1/2013
	6510936	12/31/2008	12/31/2010
Safeco Ins.	6194986	1/1/2007	1/1/2011
	6510940	7/18/2007	12/31/2010
Safeco Ins.	6604896	10/1/2008	1/1/2011
Safeco Ins.	EX916865	12/31/2006	12/31/2010
RISC	MGM826411-M	1/14/2009	1/14/2010
Safeco Ins.	6001533	1/1/2007	1/1/2011
Safeco Ins.	6464731	1/1/2007	1/1/2011
Safeco Ins.	E855300	12/31/2006	12/31/2010
RISC	EO-835434	1/14/2009	1/14/2010
Travelers	6608010A867TCT	8/27/2009	8/27/2010
Safeco Ins.	6609553	11/12/2008	12/31/2010
Safeco Ins.	E879393	1/1/2007	1/1/2011
Safeco Ins.	E879390	1/1/2007	1/1/2011
Safeco Ins.	6575455	6/1/2009	6/1/2010
Safeco Ins.	850592	2/2/2009	2/28/2011
	6224019	6/1/2009	6/1/2010
	6603669	9/26/2009	9/26/2010
Safeco Ins.	EX879011	12/31/2006	12/31/2010
Safeco Ins.	EX879022	12/31/2009	12/31/2010
	6325132	11/1/2009	11/1/2010
Safeco Ins.	6487992	8/31/2008	1/1/2012

TABLE 17 (cont.)

<b>Building and/or Department &amp; Description</b>	<b>Amount of Coverage</b>	<b>Premiums &amp; Funding</b>
County Judge	\$ 1,000	\$ 355
Commissioner Precinct 1	3,000	355
	3,000	145
Commissioner Precinct 2	3,000	355
	3,000	315
Commissioner Precinct 3	3,000	355
	3,000	145
Commissioner Precinct 4	3,000	355
	3,000	315
County Clerk	150,000	1,104
Deputy County Clerks	160,000	1,988
County Clerk Errors & Omissions	500,000	3,200
County Court at Law Judge	1,000	355
District Clerk - Bond	100,000	1,243
District Clerk - Public Official Bond	25,000	1,243
District Clerk Errors & Omissions	500,000	3,934
Crime - Money & Securities - District Clerk	20,000	264
Justice of the Peace Pct 1&4	1,000	198
Justice of the Peace Pct 2&3	1,000	355
Criminal District Attorney	5,000	355
Elections Administrator	1,000	100
Auditor	5,000	185
1st Assistant Auditor	5,000	100
2nd Assistant Auditor	5,000	100
County Treasurer	1,000	355
Assistant Treasurer/Chief Deputy	25,000	125
Deputy Treasurer	25,000	125
Tax Assessor/Collector (Auto Registration Office)	100,000	1,140



**PANOLA COUNTY, TEXAS  
SCHEDULE OF INSURANCE IN FORCE  
DECEMBER 31, 2009  
(Unaudited)**

<b>Insurer or Name of Company</b>	<b>Number</b>	<b>Policy Period</b>	
		<b>From</b>	<b>To</b>
Safeco Ins.	6483966	12/31/2007	12/31/2012
Safeco Ins.	01FI0122504	1/1/2009	1/1/2013
Safeco Ins.	01EX850744	1/1/2009	1/1/2013
Safeco Ins.		12/31/2009	12/31/2010
Safeco Ins.	01EX952902	1/1/2009	1/1/2013
Safeco Ins.	6321576	12/31/2008	12/31/2012
The Travelers	1-660-287x6078-TCT-07	12/30/2007	12/30/2008
The Travelers	1-660-226x9543-TCT-07	12/30/2007	12/30/2008
Safeco Ins.	EX850916	1/1/2007	1/1/2011
Safeco Ins.	EX981374	9/2/2009	9/2/2010
Safeco Ins.	6273850	3/24/2009	3/24/2010
Safeco Ins.	6182632	9/1/2009	9/1/2010
Safeco Ins.	E885283	8/29/2009	8/29/2010
Safeco Ins.	6190678	10/18/2009	10/18/2010
Safeco Ins.	6326182	1/10/2009	1/10/2010
	6325834	1/10/2009	1/10/2010
Safeco Ins.	6576907	5/22/2009	5/22/2010
	6572659	4/28/2009	4/28/2010

TABLE 17 (cont.)

<b>Building and/or Department &amp; Description</b>	<b>Amount of Coverage</b>	<b>Premiums &amp; Funding</b>
<b>Tax Assessor/Collector (Ad Valorem Tax Office)</b>	<b>\$ 100,000</b>	<b>\$ 1,331</b>
<b>Tax Assessor/Collector (Deputies) Crime Bond</b>	<b>35,000</b>	<b>1,287</b>
<b>Sheriff</b>	<b>30,000</b>	<b>533</b>
<b>Reserve Deputies - Eighteen @ 2,000</b>	<b>36,000</b>	<b>100</b>
<b>Constable Precinct 1</b>	<b>1,000</b>	<b>355</b>
<b>Constable Precinct 2</b>	<b>1,000</b>	<b>355</b>
<b>123rd Judicial District Adult Probation</b>	<b>10,000</b>	<b>250</b>
<b>123rd Judicial District Juvenile Probation</b>	<b>10,000</b>	<b>250</b>
<b>County Surveyor</b>	<b>1,000</b>	<b>355</b>
<b>Road and Bridge Administrator</b>	<b>3,000</b>	<b>100</b>
<b>Special Prosecutor</b>	<b>5,000</b>	<b>100</b>
<b>Special Prosecutor</b>	<b>2,500</b>	<b>100</b>
<b>Court Coordinator LE &amp; Forfeiture Spec.</b>	<b>2,000</b>	<b>100</b>
<b>Asst. District Attorney</b>	<b>5,000</b>	<b>100</b>
<b>Reserve Constable Deputy Pct. 1 - Two @ 2,000</b>	<b>4,000</b>	<b>200</b>
<b>Reserve Constable Deputy Pct. 2 - Two @ 2,000</b>	<b>4,000</b>	<b>200</b>

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## **OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION**

**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 Members  
of The Commissioners' Court  
of Panola County  
Carthage, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas (the County) as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 11, 2010. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As a part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, 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.

Commissioners Court  
Panola County  
Page 2

The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Commissioners Court, management of Panola County, others within the entity, and appropriate state and federal agencies and is not intended to be used and should not be used by anyone other than these specified parties.

*Robinson & Payne*

Robinson & Payne, PLLC  
Certified Public Accountants

June 11, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
*THE STATE OF TEXAS SINGLE AUDIT CIRCULAR***

To the Honorable Members  
Of the Commissioners' Court  
Of Panola County, Texas  
Carthage, Texas 75633

**Compliance**

We have audited the compliance of Panola County, Texas, with the types of compliance requirements described in *The State of Texas Single Audit Circular* that are applicable to each of its major state programs for the year ended December 31, 2009. Panola County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of management of Panola County, Texas. Our responsibility is to express an opinion on the compliance of Panola County, Texas, based on our audit.

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 the *State of Texas Single Audit Circular*. Those standards 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 compliance of Panola County, Texas, 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. Our audit does not provide a legal determination on compliance of Panola County, Texas, with those requirements.

In our opinion, Panola County, Texas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2009.

**Internal Control Over Compliance**

Management of Panola County, Texas, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Panola County's internal control over compliance with the requirements that could have a direct and material effect on major state programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Commissioners Court, management of Panola County, others within the entity, and appropriate state and federal agencies and is not intended to be used and should not be used by anyone other than these specified parties.

*Robinson & Payne*

Robinson & Payne, PLLC  
Certified Public Accountants

June 11, 2010



**PANOLA COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**I. Summary of the Auditor's Results:**

- A. The type of report issued on the financial statements of Panola County, Texas, was an unqualified opinion.
- B. There were no significant deficiencies in internal control disclosed by the audit of the financial statements.
- C. There were no instances of noncompliance which is material to the financial statements.
- D. There were no significant deficiencies in internal control over major state programs that were disclosed by the audit.
- E. The type of report the auditor issued on compliance for major state programs was an unqualified opinion.
- F. The audit disclosed no findings which were required to be reported under Section \_\_.510 of the *State of Texas Single Audit Circular*.
- G. Major state programs identified during the audit were:
  - 1. Community Supervision & Correction Department CJAD Contracts.
  - 2. Texas Juvenile Probation Commission TJPC Contracts.
- H. The dollar threshold used to distinguish between State Type A and State Type B programs was \$300,000.
- I. Based on the criteria given in OMB Circular A-133, Panola County, Texas, did not qualify as a low-risk auditee.

**II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with Generally Accepted Government Auditing Standards.**

- 1. None

**III. Findings and Questioned Costs for Federal and State Awards Including Audit Findings as Described in If Above**

- 1. None

**FEDERAL AND STATE  
AWARD SECTION**

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**SCHEDULE OF EXPENDITURES  
OF  
FEDERAL AND STATE AWARDS**

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**DECEMBER 31, 2009**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA (1) Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures Indirect Costs And Refunds</u>	<u>Pass Through Amounts To Subrecipients</u>
<b><u>FEDERAL GRANTS</u></b>				
United States Department of Justice Passed Through Office of the Governor, Criminal Justice Division / Edward Byrne Memorial Justice Assistance Grant Program	16.738	1747006	\$ 84,936	\$ -
United States Department of Justice Passed Through Office of the Governor, Criminal Justice Division / Patrol Vehicle In-Car Video Project Grant Program	16.804	2009-SB-B9-2063	\$ 29,771	\$ -
United States Election Assistance Commission Passed Through Texas Secretary of State/Title II, Section 251 Voting System Accessibility and General HAVA Compliance Program - General HAVA Title III Compliance Grant	90.401		11,770	-
United States Department of Health and Human Services Passed Through Texas Department of Protective and Regulatory Services	93.658		2,012	-
Title IV - E Federal Foster Care Reimbursement Program Passed Through Texas Juvenile Probation Commission	93.658		5,156	-
United States Department of Homeland Security Passed Through Texas Department of Public Safety's Division of Emergency Management	97.036		2,480	-
United States Department of Health and Human Services Passed Through Centers for Medicare & Medicaid Services - Medicare Prescription Drug Coverage - Medicare Part D	93.770		57,359	-
2008 Buffer Zone Protection Program Passed Through Division of Emergency Management Office of the Governor, State of Texas	97.078		41,432	
<b>TOTAL FEDERAL GRANTS</b>			<u>\$ 234,916</u>	<u>\$ -</u>

See notes to Schedule of Federal and State Financial Assistance.

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**DECEMBER 31, 2009**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA (1) Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures Indirect Costs And Refunds</u>	<u>Pass Through Amounts To Subrecipients</u>
<b>STATE GRANTS AND ASSISTANCE</b>				
Texas State Comptroller of Public Accounts/ Indigent Defense Grant			\$ 30,552	\$ -
Community Justice Assistance Division/ Community Supervision & Correction Department - CJAD Contracts			395,558	-
Texas Juvenile Probation Commission - TJPC Contracts			222,418	-
Texas Commission on State Emergency Communications Passed Through East Texas Council of Governments/ Rural Addressing Maintenance Reimbursement Program			32,767	-
Texas State Comptroller of Public Accounts/ District Attorney Apportionment Funds			34,450	-
Texas State Comptroller of Public Accounts/ Tobacco Settlement Funds			36,515	-
Texas State Comptroller of Public Accounts/ Assistant Felony Prosecutor Longevity Supplement			4,320	-
Texas State Comptroller of Public Accounts/ County Lateral Road Funds			30,279	-
<b>TOTAL STATE ASSISTANCE</b>			<b>\$ 786,859</b>	<b>\$ -</b>

(1) Catalog of Federal Domestic Assistance number.

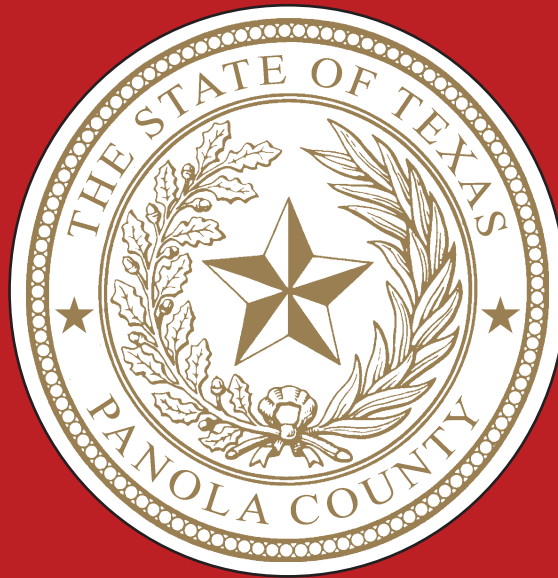
See notes to Schedule of Federal and State Financial Assistance.

**PANOLA COUNTY, TEXAS  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
DECEMBER 31, 2009**

**The federal program activity reflected in the schedules present only the activity applicable to each program. No other assets (cash, accounts receivable) or residual fund balances originating from other than federal sources are included in the schedule.**

**The state grants and assistance reflect residual fund balances, if any, in the funds used to account for the various programs of assistance.**

**During the year ended December 31, 2009, Panola County did not expend any Federal awards in the form of non-cash assistance, loans or loan guarantees.**



**Panola County  
Office of County Auditor  
Courthouse Annex Room 213A  
Carthage, TX 75633**