

The background of the report cover is a photograph of the Panola County Courthouse. The building is a two-story, light-colored structure with a prominent entrance featuring a set of green stairs. Above the entrance, the words "PANOLA COUNTY" are inscribed in large, capital letters. To the left of the building, a tall flagpole displays the United States flag and the Texas state flag. A large, leafy tree stands to the right of the building. The sky is blue with some light clouds.

COUNTY AUDITOR'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
DECEMBER 31, 2011
PANOLA COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PANOLA COUNTY, TEXAS

FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011**

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INTRODUCTORY SECTION

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

June 22, 2012

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, 2011. 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 Richard P. Loughlin, CPA, a licensed certified public accountant. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2011 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, 2011, 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 24,109.

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 2012 will minimize the cost to future taxpayers.

In mid-2010 Panola County began the process of changing computer software products for a majority of the County departments. This involved a major commitment of time and resources for training and implementation. This conversion was completed in early 2011.

During 2010, Panola County entered into construction contracts for the renovation of the old jail for expansion of the Sheriff's office. This project was completed in early 2011.

In 2011 Panola County began planning the renovation of the old Armory Building for use as the County library. Architects were hired and renovation is expected to begin in 2012.

Various costs associated with increased health care premiums for active and retired employees had a significant effect on the financial statements in 2011. 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, 2010.

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 that assisted and contributed to its preparation.


Respectfully submitted,



Sidney Burns
County Auditor



Jennifer Stacy
1st Assistant Auditor



Donna Burchett
2nd 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, 2010

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.



Linda C. Sandson

President

Jeffrey R. Emer

Executive Director

**PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2011**

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 John Gradberg, Commissioner Precinct #2
The Honorable Hermon E. Reed, Jr., Commissioner Precinct #3
The Honorable Dale LaGrone, Commissioner Precinct #4
Lee Ann 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, 2011**

COUNTY VETERAN SERVICE OFFICER:

Jim Young

JUSTICES OF THE PEACE:

Lora Taylor, Precincts #2 and #3

David Gray, Precincts #1 and #4

CONSTABLES:

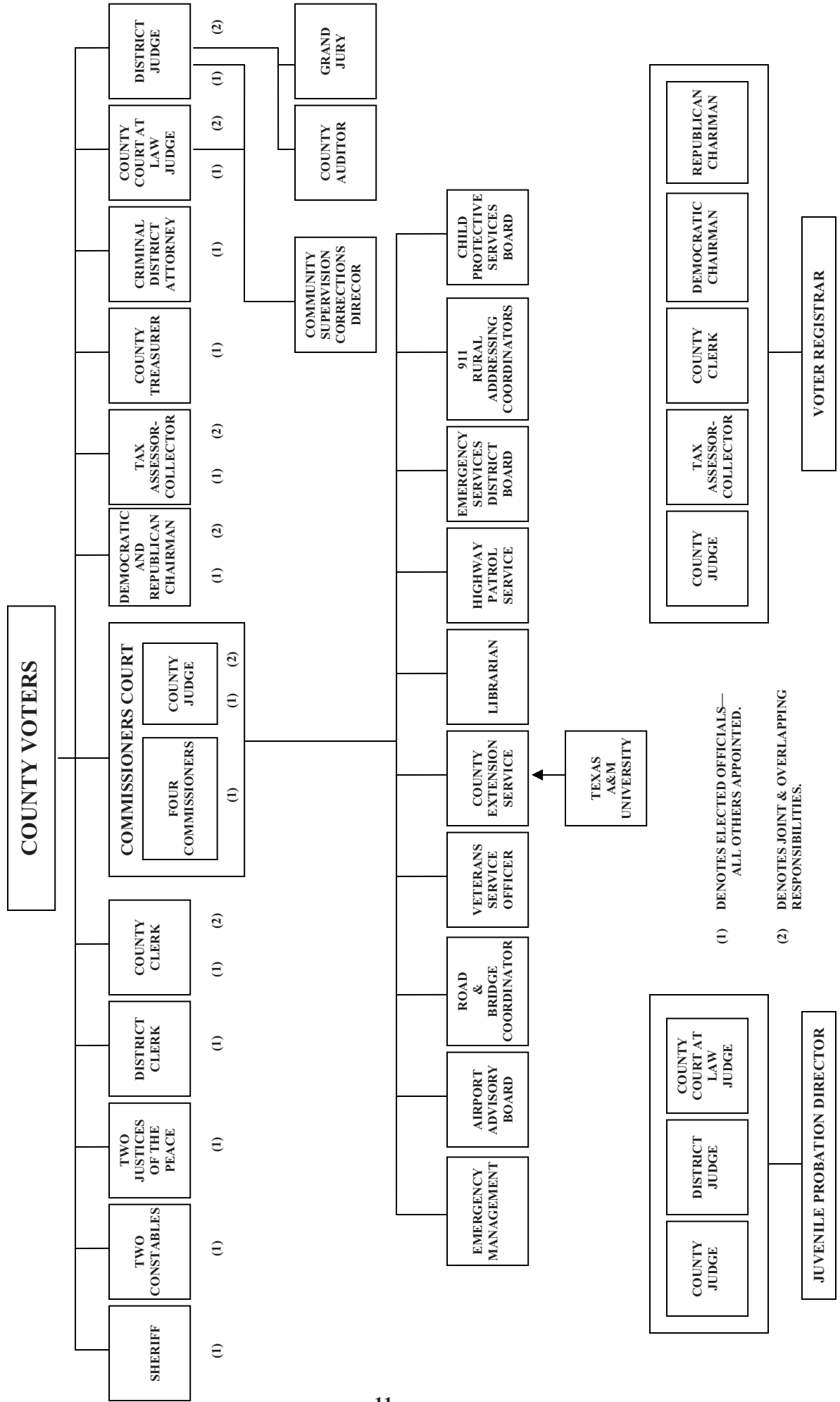
Kevin Lake, Precincts #1 and #4

Mitch Norton, Precincts #2 and #3

ELECTIONS ADMINISTRATOR:

Cheyenne Lampley

PANOLA COUNTY, TEXAS ORGANIZATION CHART



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FINANCIAL SECTION

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Richard P Loughlin
Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
P O Box 1716
Henderson TX 75654

INDEPENDENT AUDITOR'S REPORT

June 14, 2012

Panola County Commissioners' Court
Panola County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas, as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Panola County, Texas', 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, 2011, and the respective changes in financial position, 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 our report dated June 15, 2012, on our consideration of Panola County, Texas, internal control over financial reporting and 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 should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17-26; the Schedule of Funding Progress for the Retirement Plan for Employees of Panola County on page 56; the Schedule of Funding Progress – Other Post-Employment (OPEB) Plan on page 57; and budgetary comparison information on pages 59-63, 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

MEMBER

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise Panola County, Texas', basic financial statements. 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 also not a required part of the basic financial statements of the County. The combining and individual non-major fund financial statements, supplementary financial information and the Schedule of Expenditures of Federal and State Awards have 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 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 express no opinion on them.



Richard P. Loughlin
Certified Public Accountant

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2011

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, 2011. 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, 2011 by \$59,316,106 (net assets). Of this amount, \$35,513,233, (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 \$3,069,721.
- At December 31, 2011, the County's governmental funds reported combined ending fund balances of \$24,472,343, an increase of \$1,443,421 over the prior year. Of this amount, \$16,053 is nonspendable, \$10,783,085 is restricted, \$2,520,303 is committed, and \$11,152,902 is unassigned. Unassigned fund balance is available for spending at the County's discretion.
- At December 31, 2011, unassigned fund balance for the general fund was \$11,152,902, or 93.7% of total general fund expenditures.
- The County's general obligation bonded debt decreased by \$1,340,000 during the year ended December 31, 2011.

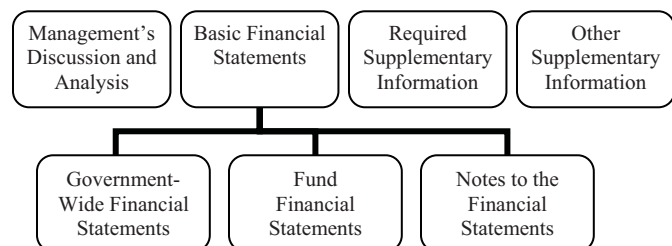
OVERVIEW OF THE FINANCIAL STATEMENTS

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 Management's 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, 2011

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, respectively.

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 compensated absences).

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 - 30 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 two categories: governmental 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.

The County maintains 40 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 and the Road and Bridge special revenue fund, which are considered to be major funds. Data from the other 38 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.

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2011

The County adopts an annual appropriated budget for 37 of its governmental funds. The Required Supplementary Information contains budget comparisons for the General Fund and the Road and Bridge 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 31 - 34 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 2011 totaled \$1,692,323. 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 35 - 36 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 37 – 52 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, 2011 and December 31, 2010 are summarized and analyzed on the following page.

Assets exceeded liabilities by \$59,316,106 as of December 31, 2011, and by \$56,246,385 as of December 31, 2010, an increase of \$3,069,721. As of December 31, 2011, the County's total assets were \$78,270,300. 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 40.1% of total net assets.

An amount of \$35,513,233 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, 2011

Panola County, Texas
Net Assets Used in Governmental Activities
(Table 1)

	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 54,467,427	\$ 52,650,307
Capital Assets	23,802,873	24,152,862
Total Assets	<u>78,270,300</u>	<u>76,803,169</u>
Long-Term Liabilities Outstanding	160,540	1,475,852
Other Liabilities	18,793,654	19,080,932
Total Liabilities	<u>18,954,194</u>	<u>20,556,784</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	23,802,873	22,812,862
Restricted	-	224,103
Unrestricted	35,513,233	33,209,420
Total Net Assets	<u>\$ 59,316,106</u>	<u>\$ 56,246,385</u>

Governmental activities increased the County's net assets by \$3,069,721 in 2011. Total revenues for Panola County were \$23,512,337 and \$25,295,508 in 2011 and 2010, respectively. Total expenses were \$20,442,616 and \$21,258,353 in 2011 and 2010, 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 \$1,762,786, or 31.75%. Charges for services were virtually unchanged from 2010. Operating grants and contributions decreased by \$1,760,787. The principal reason for the decrease was the receipt of a large payment from the County owned hospital in the prior year. Capital grants and contributions were also virtually unchanged.
- 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 \$200,369, or 1.08%. Other revenues decreased by \$220,754 principally due to decreasing interest rates on investments.
- Public safety, public transportation, and general administration are the three largest programs, in terms of expenses. These three activities accounted for 76.9% of total expenses.
- General administration activities for 2011 increased by \$460,045 from the prior year. Significant among the cause for the increase was insurance costs and an increased contribution to the County's OPEB plan.
- Public transportation activity expenses were virtually unchanged from 2010.
- Health and paupers care activities for 2011 decreased by \$1,470,356 as a result of the County's participation in the Texas Health and Human Services Commission's Rural Public Hospital Supplement Payments Program in the prior year.

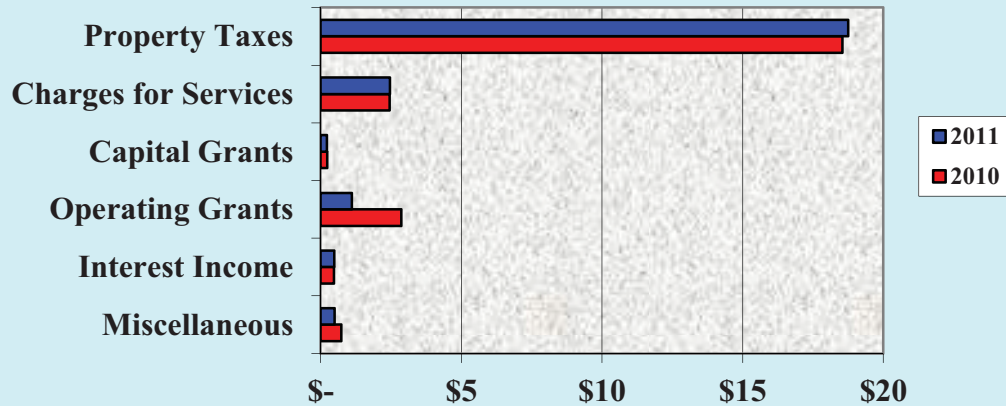
PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2011

Panola County, Texas
Changes in Net Assets Used in Governmental Activities
(Table 2)

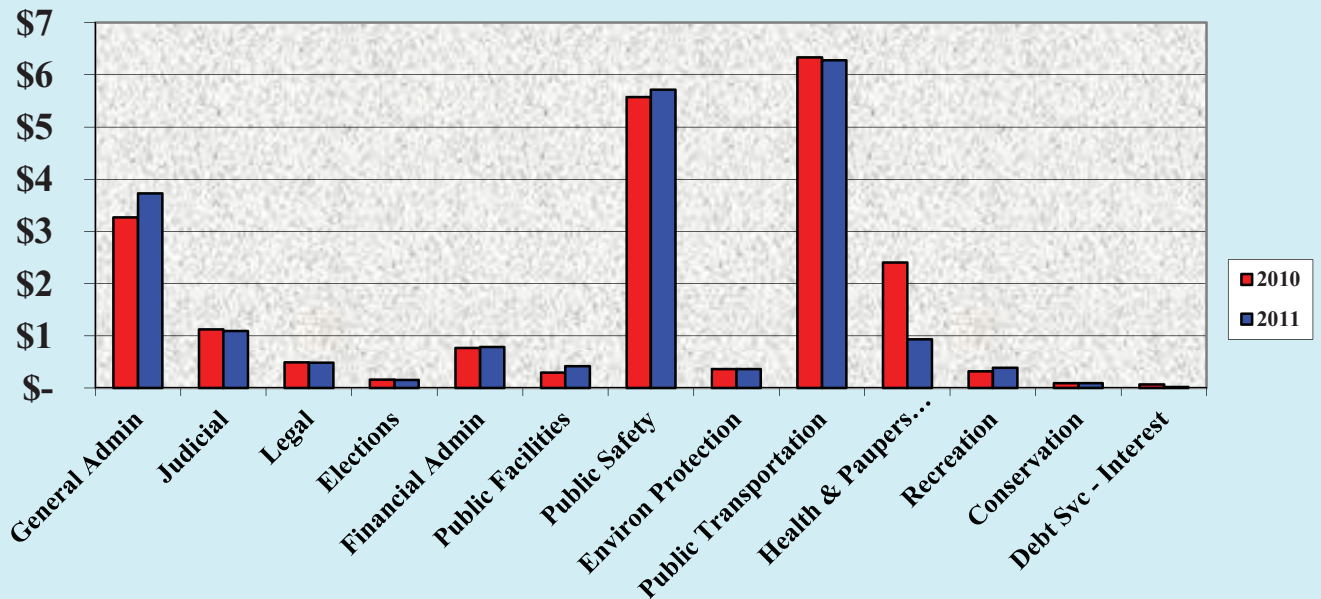
	<u>2011</u>	<u>2010</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,457,156	\$ 2,449,977
Operating Grants and Contributions	1,109,537	2,870,324
Capital Grants and Contributions	222,940	232,118
General Revenues:		
Property Taxes	18,742,731	18,542,362
Other	979,973	1,200,727
Total Revenues	<u>23,512,337</u>	<u>25,295,508</u>
Expenses:		
General administration	3,727,822	3,267,777
Judicial	1,091,066	1,120,449
Legal	483,307	490,452
Elections	153,511	163,105
Financial administration	786,036	766,574
Public facilities	417,517	297,677
Public safety	5,713,426	5,572,574
Environmental protection	363,458	361,383
Public transportation	6,279,662	6,333,001
Health & paupers care	931,689	2,402,045
Recreation	384,378	320,529
Conservation	93,050	92,987
Debt Service - Interest	17,694	69,800
	<u>20,442,616</u>	<u>21,258,353</u>
Increase in Net Assets	3,069,721	4,037,155
Net Assets - Beginning	56,246,385	52,209,230
Net Assets - Ending	<u>\$ 59,316,106</u>	<u>\$ 56,246,385</u>

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2011

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
December 31, 2011

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.

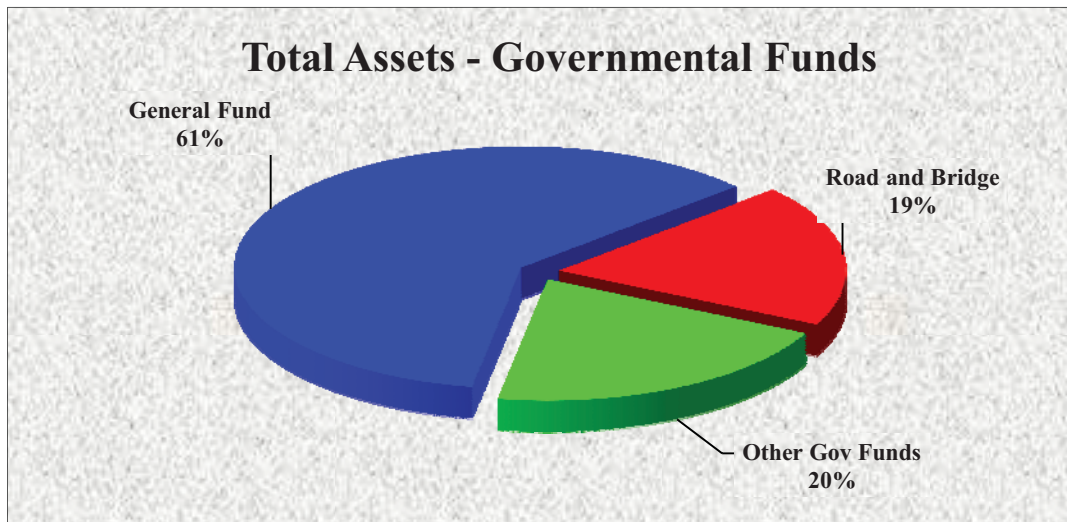
Governmental Funds

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, 2011, the County's governmental funds reported combined ending fund balances of \$24,472,343, an increase of \$1,443,421 over the prior year. Approximately 45.6% of this amount, \$11,152,902 constitutes unassigned 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, 2011, 84.8% of the General Fund's total fund balance, or \$11,152,902, is unassigned. The remaining \$2,000,000 of fund balance in the General Fund was committed by the Commissioners' Court to the County's library renovation project. Total fund balance for the General Fund increased by \$1,580,316, or 13.66% over the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance, which equals total fund balance, represents 93.7% of total General Fund expenditures. Key factors in the change in fund balance in the General Fund are as follows: revenues were relatively consistent with the prior year and exceeded the estimated amounts and the County continued to spend well within its budget. The change in fund balance in the Road and Bridge Fund approximated the amount from the prior year.

As shown below, as of December 31, 2011, total assets in the General Fund amounted to \$26,498,957, accounting for 61% of total governmental fund assets. The Road and Bridge special revenue fund, the County's other major fund's total asset amount is \$8,295,105. Together, these major funds account for 80%, of total governmental fund assets.



PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2011

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to an increase in appropriations of \$833,102. Significant among the amendments were:

- General Administration – Increased appropriations for the airport and computer services and supplies of \$282,383.
- Health and Paupers Care – Increased appropriations for indigent health care of \$97,326.
- Capital Outlay – Increased appropriations for capital expenditures in Non-departmental, Elections, Building Maintenance, Sheriff, and Corrections totaling \$206,851.

General Fund revenues exceeded the final budget by \$865,181. The majority of this increase was attributable to interest and miscellaneous revenues exceeding anticipated amounts by \$332,342. In addition, property taxes exceeded the final budget by \$275,227. Fees of office exceeded the final budget by \$174,547, principally due to additional fees collected by the Tax Assessor-Collector.

General Fund expenditures were \$1,245,395 less than final budgeted expenditures. Major contributors to lower than budgeted expenditures are as follows:

- Expenditures for public safety activities were \$390,985 less than final budgeted expenditures due to less than anticipated fuel costs and insurance costs.
- Expenditures for general administration activities were \$472,955 less than final budgeted expenditures due to the timing of the County's computer upgrade.
- Expenditures for health and paupers care activities were \$75,510 less than final budgeted expenditures, due to less than expected attorney's fees.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2011, amounts to \$23,802,873 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, furniture, and infrastructure. The net decrease in the County's investment in capital assets, after depreciation expense of \$1,712,129, for the current year was \$349,989.

This year's additions included buildings totaling \$537,675 and machinery and equipment totaling \$1,201,184.

Capital assets as of December 31, 2011 and 2010 are summarized on the following page.

Additional information on the County's capital assets can be found in Note 3, E on pages 44-45 of this report.

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2011

Capital Assets
As of December 31

	<u>2011</u>	<u>2010</u>
Land	\$ 1,289,889	\$ 1,289,889
Buildings	19,074,843	18,537,168
Improvements other than buildings	259,303	259,303
Machinery and equipment	9,713,790	9,034,877
Infrastructure	10,371,442	10,371,442
Construction in Progress	-	333,402
Total Capital Assets	<u>40,709,267</u>	<u>39,826,081</u>
 Less: Accumulated Depreciation	 <u>(16,906,394)</u>	 <u>(15,673,219)</u>
 Total Capital Assets	 <u><u>\$ 23,802,873</u></u>	 <u><u>\$ 24,152,862</u></u>

Long-Term Debt

As of December 31, 2011, the County has no outstanding bonded debt. The only debt outstanding is in the form of accrued compensated absences.

Additional information on the County's long-term debt can be found in Note 3, H on pages 46-47 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered in preparing the County's budget for 2012.

- The percentage decrease in total property assessed value for FY 2011 was 10.3% (FY 2010 decrease was 4.3%).
- Property tax receipts for FY 2011 were \$18.7 million, an increase of 2.1% over receipts of \$18.3 million for FY 2010.
- 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 5.9% for FY 2011 (FY 2010 increase was 10.1%).
- Fluctuating energy costs have affected the price of fuel and road surfacing materials.
- Property and liability insurance costs increased 1.7% for FY 2011 compared to an increase of 12.3% for FY 2010.

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2011

Original budgeted expenditures for FY 2012 are \$24.4 million, an increase of 3.8% over original budgeted expenditures of \$23.5 million for FY 2011. Property taxes account for the bulk of the revenues, as approximately 92.4% 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 \$0.4274/\$100. Since the general obligation bonds were paid off in 2011, the County benefited from the elimination of the debt service portion of the tax rate. The continued natural gas production value allows the County to maintain a relatively low tax rate for the maintenance and operations budget.

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, 2011**

	Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 3,582,670
Investments	35,800,000
Receivables (net of allowance for uncollectible taxes):	
Property Taxes	3,359,179
Due from Other Governments	601,460
Miscellaneous	363,435
Inventory	16,053
Capital Assets (net of accumulated depreciation):	
Land	1,289,889
Buildings	15,147,136
Improvements other than buildings	214,870
Machinery and equipment	4,397,074
Infrastructure	2,753,904
Negative net OPEB obligation asset	10,737,030
Other Assets	7,600
Total Assets	78,270,300
LIABILITIES:	
Accounts Payable-Trade	498,627
Unearned Revenues	18,295,027
Noncurrent liabilities:	
Due Within One Year	16,343
Due In More Than One Year	144,197
Total Liabilities	18,954,194
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	23,802,873
Unrestricted	35,513,233
Total Net Assets	\$ 59,316,106

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

**PANOLA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

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	\$ 3,727,822	\$ 339,152	\$ -	\$ -	\$ (3,388,670)
Judicial	1,091,066	460,165	80,489	-	(550,412)
Legal	483,307	37,671	74,543	-	(371,093)
Elections	153,511	-	988	-	(152,523)
Financial administration	786,036	807,132	-	-	21,096
Public facilities	417,517	-	-	144,558	(272,959)
Public safety	5,713,426	482,476	652,019	78,382	(4,500,549)
Environmental protection	363,458	-	-	-	(363,458)
Public transportation	6,279,662	182,614	30,041	-	(6,067,007)
Health & paupers care	931,689	1,525	271,457	-	(658,707)
Recreation	384,378	144,471	-	-	(239,907)
Conservation	93,050	1,950	-	-	(91,100)
Debt Service - Interest	17,694	-	-	-	(17,694)
Total primary government	<u>\$ 20,442,616</u>	<u>\$ 2,457,156</u>	<u>\$ 1,109,537</u>	<u>\$ 222,940</u>	<u>\$ (16,652,983)</u>
General Revenues:					
	Property Taxes				\$ 18,742,731
	Interest Income				483,015
	Miscellaneous				<u>496,958</u>
	Total general revenues and transfers				<u>19,722,704</u>
	Change in net assets				3,069,721
	Net assets, Beginning of Year				56,246,385
	Net Assets, End of Year				<u>\$ 59,316,106</u>

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

**PANOLA COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 921,351	\$ 589,472	\$ 2,071,847	\$ 3,582,670
Investments	22,648,269	6,592,175	6,559,556	35,800,000
Receivables (net of allowance for uncollectibles)				
Current Taxes	2,008,536	798,015	88,229	2,894,780
Delinquent Taxes	322,122	127,982	14,295	464,399
Due from Other Governments	418,504	164,668	18,288	601,460
Miscellaneous	172,575	22,793	168,067	363,435
Inventory	-	-	16,053	16,053
Other Assets	7,600	-	-	7,600
Total Assets	26,498,957	8,295,105	8,936,335	43,730,397
LIABILITIES				
Accounts Payable-Trade	312,624	10,319	175,684	498,627
Deferred Tax Revenues	13,033,431	5,153,840	572,156	18,759,427
Total Liabilities	13,346,055	5,164,159	747,840	19,258,054
FUND BALANCES				
Nonspendable	-	-	16,053	16,053
Restricted	-	3,130,946	7,652,139	10,783,085
Committed	2,000,000	-	520,303	2,520,303
Unassigned	11,152,902	-	-	11,152,902
Total Fund Balances	13,152,902	3,130,946	8,188,495	24,472,343
Total Liabilities and Fund Balances	\$ 26,498,957	\$ 8,295,105	\$ 8,936,335	\$ 43,730,397

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

**PANOLA COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

Total Fund Balances - Governmental Funds	\$ 24,472,343
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.	23,802,873
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.	10,737,030
Net Delinquent Property Taxes Receivable is a "long-term asset" and not available to pay for current period expenditures and therefore is deferred in the funds.	464,400
Long-term liabilities (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds.	(160,540)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 59,316,106</u>

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, 2011

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 11,997,478	\$ 4,813,166	\$ 1,898,245	\$ 18,708,889
Licenses	-	416,086	-	416,086
Intergovernmental Receipts	433,392	57,659	871,179	1,362,230
Fees of Office	697,341	-	628,441	1,325,782
Fines	-	309,141	-	309,141
Miscellaneous	620,332	239,150	540,200	1,399,682
TOTAL REVENUES	13,748,543	5,835,202	3,938,065	23,521,810
EXPENDITURES				
Current				
General Administration	3,558,572	-	239,609	3,798,181
Judicial	1,098,165	-	-	1,098,165
Legal	361,070	-	142,083	503,153
Elections	135,413	-	-	135,413
Financial Administration	824,190	-	-	824,190
Public Facilities	273,784	-	144,557	418,341
Public Safety	4,105,328	-	1,368,559	5,473,887
Environmental Protection	357,184	-	-	357,184
Public Transportation	-	3,568,823	699,186	4,268,009
Health and Paupers Care	410,091	-	453,962	864,053
Recreation	398,531	-	-	398,531
Conservation	96,046	-	-	96,046
Capital Outlay	283,853	1,957,943	234,975	2,476,771
Debt Service:				
Principal	-	-	1,340,000	1,340,000
Interest	-	-	26,465	26,465
TOTAL EXPENDITURES	11,902,227	5,526,766	4,649,396	22,078,389
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,846,316	308,436	(711,331)	1,443,421
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	266,000	266,000
Transfers Out	(266,000)	-	-	(266,000)
Total Other Financing Sources (Uses)	(266,000)	-	266,000	-
Net Change in Fund Balances	1,580,316	308,436	(445,331)	1,443,421
FUND BALANCE-BEGINNING	11,572,586	2,822,510	8,633,826	23,028,922
FUND BALANCE-ENDING	\$ 13,152,902	\$ 3,130,946	\$ 8,188,495	\$ 24,472,343

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

**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, 2011**

Net Change in Fund Balances - Governmental Funds	\$ 1,443,421
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. (See Note 2.A)	(349,989)
The repayment of long-term debt (e.g. certificates of obligation and capital leases) consumes current financial resources of governmental funds, but the transaction has no effect on net assets.	1,340,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (Increase in Net OPEB asset)	618,362
Delinquent property tax collections provide current financial resources to the funds but has no effect on net assets.	(411,732)
Delinquent property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.	445,576
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (See Note 2.A.)	<u>(15,917)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 3,069,721</u></u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011

	Panola County Retiree Health Benefits Trust Fund	Agency Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 484,777	\$ 5,618,121
Investments (Certificates of Deposit)	14,000,000	232,016
Interest receivable	105,984	-
Total Assets	14,590,761	5,850,137
LIABILITIES		
Current Liabilities:		
Accounts Payable-Trade	4,004	-
Due to Other Governments	-	3,782,058
Court Ordered Deposits	-	111,211
Court Ordered Trust Funds	-	1,944,562
Restitution Payable	-	8,028
Other Payables	-	4,278
Total Liabilities	4,004	\$ 5,850,137
NET ASSETS		
Held in trust for OPEB benefits	14,586,757	
Total Net Assets	\$ 14,586,757	

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, 2011

	Panola County Retiree Health Benefits Trust Fund
ADDITIONS	
Contributions:	
Reimbursement from Medicare	\$ 12,888
Employer Contributions	<u>1,692,323</u>
Total Employer Contributions	<u>1,705,211</u>
 Total Contributions	 <u>1,705,211</u>
 Investment Income:	
Interest earnings	<u>205,904</u>
Total Investment Income	<u>205,904</u>
 TOTAL ADDITIONS	 <u>1,911,115</u>
 DEDUCTIONS	
Benefit Payments	<u>556,796</u>
 TOTAL DEDUCTIONS	 <u>556,796</u>
 CHANGE IN NET ASSETS	 1,354,319
 NET ASSETS - BEGINNING OF YEAR	 <u>13,232,438</u>
 NET ASSETS - END OF YEAR	 <u><u>\$ 14,586,757</u></u>

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Panola County, Texas have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. For the fiscal year ended December 31, 2011, the County implemented the new reporting requirements of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions. The more significant of the government's accounting policies are described below.

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 interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of the government-wide consolidation. Governmental activities are primarily supported by taxes, intergovernmental, and fees of office revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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 and Road and Bridge special revenue fund meet the criteria and are reported as major governmental funds. Non-major funds include other special revenue, capital projects, and the debt service 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 fiduciary fund financial statements. However, the Agency 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, 2011**

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. 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.

Additionally, the government reports the following fund types:

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 Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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.

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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

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.

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. Property Taxes Receivable are shown net of an allowance for uncollectible taxes. The allowance is equal to seven (7) percent of current property taxes receivable plus twenty (20) percent of delinquent taxes receivable at December 31, 2011.

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.

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.

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

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

3. Inventories

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 \$16,053 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 nonspendable fund balance, which indicates that they are “not in spendable form” even though they are a component of net current assets.

4. 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

5. Compensated Absences

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 not paid for any unused leave upon termination of employment. Consequently, no provision is made for accrued vacation in the financial statements.

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, 2011

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

5. Compensated Absences (cont.)

Compensatory time is accrued by employees in lieu of paid overtime. Any compensatory time is accumulated and carried forward from year to year. Employees are paid for any accrued compensatory time upon termination. Consequently, a liability has been recorded in the government wide financial statements.

6. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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, 2011, long-term debt outstanding consists of compensatory time payable.

7. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

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

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the Commissioners' Court. Committed amounts cannot be used for any other purpose unless the Commissioners' Court removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Commissioners' Court. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners' Court or by an official or body to which the Commissioners' Court delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the fund itself.

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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

7. Fund Balances – Governmental Funds (cont.)

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

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

A. 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 \$349,989 difference are as follows:

Capital Outlay	\$ 1,405,457
Depreciation Expense	(1,712,129)
Capital Asset Retirements	<u>(43,317)</u>
Net Adjustment to Decrease Net Changes in Fund Balance-	
Total Governmental Funds to Arrive at Changes in Net Assets-	
Governmental Activities	<u><u>\$ (349,989)</u></u>

Another element of that reconciliation states that “Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$15,917 difference are as follows:

Increase in Compensated Absences	\$ (24,688)
Change in Accrued Interest Payable	<u>8,771</u>
Net Adjustment to Decrease Net Changes in Fund Balance-	
Total Governmental Funds to Arrive at Changes in Net Assets-	
Governmental Activities	<u><u>\$ (15,917)</u></u>

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Authorized Investments

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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 2011 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.

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.

Interest rate risk. This is the risk that changes in interest rates will adversely affect the fair value of an investment. 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.

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At December 31, 2011, and throughout the year, the County's only investments were certificates of deposit and was not exposed to credit risk.

Concentration of credit risk. This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As discussed above, the County's only investments were certificates of deposit and consequently was not exposed to concentration of credit risk.

Custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the County's name, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

The County was not exposed to custodial credit risk.

Foreign currency risk. This is the risk that exchange rates will adversely affect the fair value of an investment. The County does not engage in foreign currency transactions. The County was not exposed to foreign currency risk.

C. Receivables

Receivables at December 31, 2011 for the County's individual major funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectibles, are as follows:

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Current Property Taxes	\$ 2,159,716	\$ 858,080	\$ 94,870	\$ 3,112,666
Delinquent Property Taxes	402,652	159,978	17,868	580,498
Due from Other Governments	418,504	164,668	18,288	601,460
Miscellaneous	172,575	22,793	168,067	363,435
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Gross Receivables	\$ 3,153,447	\$ 1,205,519	\$ 299,093	\$ 4,658,059
Less: Allowance for Uncollectible Tax	(231,710)	(92,061)	(10,214)	(333,985)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Total Receivables	<u>\$ 2,921,737</u>	<u>\$ 1,113,458</u>	<u>\$ 288,879</u>	<u>\$ 4,324,074</u>

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

	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Net Current Property Taxes Receivable	\$ 2,008,535	\$ 798,015	\$ 88,229	\$ 2,894,779
Advanced Tax Collections	10,702,773	4,227,843	469,632	15,400,248
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Revenue	<u>\$ 12,711,308</u>	<u>\$ 5,025,858</u>	<u>\$ 557,861</u>	<u>\$ 18,295,027</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.

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.

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.

E. Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

	Balance January 1, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2011</u>
Capital Assets Not Being Depreciated:				
Land	\$ 1,289,889	\$ -	\$ -	\$ 1,289,889
Construction in Progress	333,402	-	333,402	-
Total Capital Assets Not Being Depreciated	<u>\$ 1,623,291</u>	<u>\$ -</u>	<u>\$ 333,402</u>	<u>\$ 1,289,889</u>
Capital Assets Being Depreciated:				
Buildings	\$ 18,537,168	\$ 537,675	\$ -	\$ 19,074,843
Improvements other than Buildings	259,303	-	-	259,303
Machinery & Equipment	9,034,878	1,201,184	522,272	9,713,790
Infrastructure	10,371,442	-	-	10,371,442
Total Capital Assets Being Depreciated	<u>\$ 38,202,791</u>	<u>\$ 1,738,859</u>	<u>\$ 522,272</u>	<u>\$ 39,419,378</u>
Less Accumulated Depreciation for:				
Buildings	\$ 3,562,830	\$ 364,877	\$ -	\$ 3,927,707
Improvements other than Buildings	40,202	4,231	-	44,433
Machinery & Equipment	4,924,874	870,797	478,955	5,316,716
Infrastructure	7,145,314	472,224	-	7,617,538
Total Accumulated Depreciation	<u>\$ 15,673,220</u>	<u>\$ 1,712,129</u>	<u>\$ 478,955</u>	<u>\$ 16,906,394</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 22,529,571</u>	<u>\$ 26,730</u>	<u>\$ 43,317</u>	<u>\$ 22,512,984</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,152,862</u>	<u>\$ 26,730</u>	<u>\$ 376,719</u>	<u>\$ 23,802,873</u>

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

General Administration	\$ 29,772
Judicial	42,839
Elections	23,290
Public Facilities	2,070
Public Safety	436,581
Environmental Protection	6,274
Public Transportation	1,103,667
Health & Paupers Care	67,636
Total Depreciation Expense	<u>\$ 1,712,129</u>

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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F. Interfund Transfers

Interfund transfers for the year ended December 31, 2011 were as follows:

	<u>Transfers In</u> <u>Nonmajor Governmental Funds</u>			<u>Totals</u>
	<u>Juvenile Services Fund</u>	<u>Child Protective Services Fund</u>	<u>Sheriff's Renovation Construction Fund</u>	
<u>Transfers Out</u>				
General Fund	\$ 138,000	\$ 28,000	\$ 100,000	\$ 266,000
Total	<u>\$ 138,000</u>	<u>\$ 28,000</u>	<u>\$ 100,000</u>	<u>\$ 266,000</u>

The purpose of these transfers was to supplement revenue.

G. Operating Leases

The County is obligated under certain leases for equipment accounted for as operating leases. General revenues of the General Fund will be used to pay these leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one (1) year as of December 31, 2011.

<u>Year Ending December 31</u>	<u>Governmental Activities</u>
2012	\$ 32,984
2013	24,834
2014	11,631
2015	8,923
2016	2,030
Total minimum lease payments	<u>\$ 80,402</u>

Total cost for these leases for the year ended December 31, 2011 was \$38,094.

H. Long-Term Debt

In 2007, Panola County issued \$5,055,000 of general obligation bonds for the construction of a new jail. The interest rate on the bonds is 3.95%. The bonds are direct obligations and pledge the full faith and credit of the County. The bonds were paid off during 2011.

Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2011 was as follows:

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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	Balance January 1, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2011</u>	Due Within <u>One Year</u>
Bonds Payable	\$ 1,340,000	\$ -	\$ 1,340,000	\$ -	\$ -
Compensated Absences	<u>135,852</u>	<u>39,501</u>	<u>14,813</u>	<u>160,540</u>	<u>16,343</u>
Total Governmental Activity					
Long-Term Liabilities	<u><u>\$ 1,475,852</u></u>	<u><u>\$ 39,501</u></u>	<u><u>\$ 1,354,813</u></u>	<u><u>\$ 160,540</u></u>	<u><u>\$ 16,343</u></u>

Compensated absences are liquidated by fund that records the employee's salary.

I. Governmental Fund Balances

Components of nonspendable fund balance and specific purposes for restricted and committed fund balances as of December 31, 2011 are as follows:

	General <u>Fund</u>	Major Special <u>Revenue Fund</u> Road & Bridge <u>Fund</u>	Other <u>Funds</u>	<u>Total</u>
Nonspendable:				
Inventory	\$ -	\$ -	\$ 16,053	\$ 16,053
Restricted:				
Road & Bridge maintenance	-	3,130,946	1,251,801	4,382,747
Law Library	-	-	30,004	30,004
Juvenile Delinquency Prevention	-	-	152	152
Courthouse Security	-	-	250,178	250,178
Records Management & Preservation	-	-	507,264	507,264
Court Technology	-	-	70,172	70,172
VIT Interest	-	-	6,491	6,491
Elections	-	-	15,294	15,294
Adult Probation	-	-	566,262	566,262
Juvenile Probation	-	-	399,825	399,825
Law Enforcement	-	-	275,316	275,316
Corrections Construction	-	-	207,556	207,556
Inmates	-	-	4,431	4,431
District Attorney	-	-	212,901	212,901
Grants	-	-	3,500	3,500
Child Protective Services	-	-	67,172	67,172
Health	-	-	3,482,548	3,482,548
Airport	-	-	301,272	301,272
Committed:				
Library Renovation Project	2,000,000	-	39,751	2,039,751
Right-of-Way Purchases	-	-	266,824	266,824
Airport Improvements	-	-	213,728	213,728
Unassigned	<u>11,152,902</u>	-	-	<u>11,152,902</u>
Total Fund Balances	<u><u>\$ 13,152,902</u></u>	<u><u>\$ 3,130,946</u></u>	<u><u>\$ 8,188,495</u></u>	<u><u>\$ 24,472,343</u></u>

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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, 2011 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.

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

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.

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 618 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a

**PANOLA COUNTY, TEXAS
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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.

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 23.51% for calendar year 2011. 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, 2011, the annual pension cost for the TCDRS plan for its employees was \$1,502,630, and the actual contributions were \$1,502,630.

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, 2009, the basis for determining the contribution rate for calendar year 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

D. Pension Plan (Cont.)

<u>Acuarial Valuation Information</u>			
Actuarial Valuation Date	12/31/08	12/31/09	12/31/10
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 in Years	8.1	5.4	4.7
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
Assumptions:			
Investment Return (**)	8%	8%	8%
Projected Salary Increases (**)	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-Living Adjustments	0%	0%	0%

(**) Includes inflation at the stated rate

<u>Trend Information for the Retirement Plan for the Employees of Panola County</u>			
Accounting Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/09	\$ 1,354,849	100%	\$ -
12/31/10	\$ 1,473,763	100%	\$ -
12/31/11	\$ 1,502,630	100%	\$ -

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.

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 No. 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 are included in the County's comprehensive annual financial report at pages 35 - 36 (financial statements) and page 57 (required supplementary information).

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

At December 31, 2011 the RHBT had 65 retirees receiving benefits and has a total of 163 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, 2011, the estimated past-service actuarially determined liabilities for active and retired employees amounted to \$14,058,743.

Annual OPEB Cost and Net OPEB Obligations

For 2011, the County's annual required contribution for the RHBT was \$890,019. Contributions of \$1,692,323 were made by the County. The activity for the year is shown in tabular form below.

Annual Required Contribution	\$ 890,019
Interest on Net OPEB Obligation	(455,340)
Amortization of Prior Year OPEB Obligation	639,281
Annual OPEB Cost (Expense)	<u>\$ 1,073,960</u>
Contributions Made	<u>(1,692,323)</u>
Change in OPEB Obligation	\$ (618,363)
Net OPEB Obligation (Asset) - Beginning of Year	<u>(10,118,667)</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ (10,737,030)</u></u>

Trend Information

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB (Obligation) Asset</u>
2009	\$ 759,472	\$ 1,044,936	137.59%	\$ 10,184,347
2010	\$ 974,227	\$ 908,548	93.26%	\$ 10,118,668
2011	\$ 1,073,960	\$ 1,692,323	157.58%	\$ 10,737,030

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.

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

The actuarial valuation for December 31, 2011, the unprojected unit credit cost method was used. The actuarial assumptions used included a 4.0% 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 actuarial accrued liability (UAAL) is being amortized at a level (decreasing yearly) over a 30-year closed period. At December 31, 2011, the remaining amortization period is 25 years.

Funded Status						
Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liabilities (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Annual Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
12/31/11	\$ 14,590,761	\$ 14,058,743	\$ (532,018)	103.78%	\$ 5,865,144	(9.07%)

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.

REQUIRED SUPPLEMENTARY INFORMATION

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**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2011**

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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.

Budgeting is done in accordance with GAAP. The County does not utilize a formal encumbrance accounting system.

Amendments may not be made during the year without approval by the Commissioners' Court. The final amended budget is used in this report. Supplemental budgetary appropriations were approved during the year. During the year ended December 31, 2011, the following funds had legally adopted budgets:

General Fund	Sheriff's State Forfeiture Fund
Road and Bridge Fund	District Attorney Longevity Pay Supplement Fund
Law Library Fund	District Attorney Forfeiture Fund
Courthouse Security Fund	State Apportionment - District Attorney Fund
Records Management Fund	Constable Pct. #1 & 4 State Forfeiture Fund
County & District Court Tech Fund	Constable Pct. #2 & 3 State Forfeiture Fund
Court Record Preservation Fund	CDA Federal Forfeiture Fund
District Court Records Technology Fund	Constable Pct. #1 & 4 Federal Forfeiture Fund
District Clerk Records Management & Preservation Fund	Constable Pct. #2 & 3 Federal Forfeiture Fund
Records Preservation Fund	Deadwood WSC Fund
Records Archive Fees Fund	Hurricane Generators Grant Fund
Justice Court Technology Fund	Child Protective Services Fund
VIT Interest Fund	Health Fund
Farm to Market and Lateral Road Fund	Airport Fund
Community Supervision and Corrections Fund	Sheriff's Renovation Construction Fund
Drug Court Grant Fund	Road Bond 1971 Fund
Juvenile Probation Fund	Permanent Improvement Fund
Old Probation Fund	Debt Service Fund
Hot Check Fee Fund	

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2011**

**Schedule of Funding Progress for the Retirement Plan
For the Employees of Panola County**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$ 16,289,095	\$ 21,977,969	\$ 5,688,874	74.12%	\$ 5,279,316	107.76%
12/31/09	\$ 19,387,325	\$ 24,085,046	\$ 4,697,721	80.50%	\$ 5,785,813	81.19%
12/31/10	\$ 22,181,886	\$ 26,595,557	\$ 4,413,671	83.40%	\$ 6,141,094	71.87%

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

² 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, 2011**

**Schedule of Funding Progress
Other Post Employment Benefits (OPEB) Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage 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%
12/31/10	\$ 13,232,438	\$ 15,588,645	\$ 2,356,207	84.89%	\$ 5,743,487	41.02%
12/31/11	\$ 14,590,761	\$ 14,058,743	\$ (532,018)	103.78%	\$ 5,865,144	(9.07%)

Notes to the Schedule of Funding Progress

Actuarial Valuation Date	12/31/09	12/31/10	12/31/11
Actuarial Cost Method	Unprojected Unit Credit	Unprojected Unit Credit	Unprojected Unit Credit
Amortization Method	Decreasing Yearly	Decreasing Yearly	Decreasing Yearly
Asset Valuation Method	Market Value	Market Value	Market Value
Assumptions:			
Investment Return (**)	4.5% per annum	4.5% per annum	4.0% per annum
Health Care Cost Trend	10% Pre-Medicare grading to 5% ultimate	10% Pre-Medicare grading to 5% ultimate	10% Pre-Medicare grading to 5% ultimate

(**) Includes inflation at 2.5%

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PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 11,722,251	\$ 11,722,251	\$ 11,997,478	\$ 275,227
Intergovernmental Receipts	281,962	350,327	433,392	83,065
Fees of Office	533,000	522,794	697,341	174,547
Total Miscellaneous	200,159	287,990	620,332	332,342
Total Revenues	12,737,372	12,883,362	13,748,543	865,181
EXPENDITURES				
Current				
General Administration	3,667,152	4,031,527	3,558,572	472,955
Judicial	1,172,072	1,176,095	1,098,165	77,930
Legal	398,312	405,811	361,070	44,741
Elections	142,581	147,710	135,413	12,297
Financial Administration	835,644	851,094	824,190	26,904
Public Facilities	287,988	301,588	273,784	27,804
Public Safety	4,483,320	4,496,313	4,105,328	390,985
Environmental Protection	346,000	357,185	357,184	1
Health and Paupers Care	376,900	485,601	410,091	75,510
Recreation	342,334	420,463	398,531	21,932
Conservation	99,118	99,118	96,046	3,072
Capital Outlay	163,099	375,117	283,853	91,264
Total Expenditures	12,314,520	13,147,622	11,902,227	1,245,395
Excess (Deficiency) of Revenues Over (Under) Expenditures	422,852	(264,260)	1,846,316	2,110,576
OTHER FINANCING SOURCES (USES):				
Transfers Out	(166,000)	(266,000)	(266,000)	-
Total Other Financing Sources (Uses)	(166,000)	(266,000)	(266,000)	-
Net Change in Fund Balance	256,852	(530,260)	1,580,316	2,110,576
FUND BALANCE, BEGINNING OF YEAR	11,572,586	11,572,586	11,572,586	-
FUND BALANCE, END OF YEAR	\$ 11,829,438	\$ 11,042,326	\$ 13,152,902	\$ 2,110,576

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
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Property Taxes:				
Current	\$ 4,620,400	\$ 4,620,400	\$ 4,709,578	\$ 89,178
Delinquent	82,421	82,421	103,588	21,167
Total Property Taxes	4,702,821	4,702,821	4,813,166	110,345
Licenses:				
Motor Vehicle Registration	445,000	416,085	416,086	1
Intergovernmental Receipts:				
State Lateral Road Fund	29,000	29,000	30,041	1,041
Weight and Axle Fees	30,000	27,617	27,618	1
Total Intergovernmental Receipts	59,000	56,617	57,659	1,042
Fines:				
County and District Court Fines	260,000	260,000	309,141	49,141
Miscellaneous:				
Interest Earned	35,433	62,041	73,822	11,781
Miscellaneous	-	154,576	165,328	10,752
Total Miscellaneous	35,433	216,617	239,150	22,533
Total Revenues	5,502,254	5,652,140	5,835,202	183,062
EXPENDITURES				
PUBLIC TRANSPORTATION				
MAINTENANCE-ROADS AND BRIDGES				
PRECINCT 1				
Salaries - Road and Bridge Department	374,287	376,597	360,347	16,250
Benefits Termination Pay	3,403	3,403	-	3,403
Social Security Taxes	28,894	29,071	27,201	1,870
Group Insurance	102,564	102,564	99,244	3,320
Retirement and Death Benefits	90,646	91,201	82,895	8,306
Workers Compensation	36,004	36,004	15,103	20,901
Unemployment Insurance	1,889	1,889	808	1,081
Other Post Employment	50,670	50,982	46,559	4,423
Retiree Medical Insurance Trust	63,849	63,849	63,849	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	123,200	132,952	132,868	84
Parts and Supplies	31,250	30,250	30,161	89
Rentals and Leases	-	800	750	50
TOTAL PRECINCT 1	937,961	950,867	891,090	59,777

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
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
PRECINCT 2				
Salaries - Road and Bridge Department	\$ 310,500	\$ 312,390	\$ 301,298	\$ 11,092
Benefits Termination Pay	3,403	3,403	2,578	825
Social Security Taxes	24,010	24,159	22,818	1,341
Group Insurance	83,916	83,916	80,774	3,142
Retirement and Death Benefits	75,337	75,791	68,935	6,856
Workers Compensation	36,004	36,004	12,196	23,808
Unemployment Insurance	1,570	1,570	677	893
Other Post Employment	42,315	42,570	38,718	3,852
Retiree Medical Insurance Trust	63,849	63,849	63,849	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	123,500	105,756	105,720	36
Parts and Supplies	31,250	53,310	53,268	42
TOTAL PRECINCT 2	826,959	834,023	782,136	51,887
PRECINCT 3				
Salaries - Road and Bridge Department	377,484	372,794	356,559	16,235
Benefits Termination Pay	3,402	10,402	9,157	1,245
Social Security Taxes	29,138	29,315	27,791	1,524
Group Insurance	102,564	102,564	99,289	3,275
Retirement and Death Benefits	91,413	91,968	84,562	7,406
Workers Compensation	36,004	36,004	14,113	21,891
Unemployment Insurance	1,905	1,905	820	1,085
Other Post Employment	51,101	51,413	47,495	3,918
Retiree Medical Insurance Trust	63,849	63,849	63,849	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	123,200	108,746	108,680	66
Parts and Supplies	31,250	23,600	23,561	39
Miscellaneous Supplies	500	250	250	-
TOTAL PRECINCT 3	943,115	924,115	867,431	56,684

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
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
PRECINCT 4				
Salaries - Road and Bridge Department	\$ 409,379	\$ 412,107	\$ 390,655	\$ 21,452
Benefits Termination Pay	3,403	3,403	1,725	1,678
Social Security Taxes	31,578	31,787	29,848	1,939
Group Insurance	111,888	111,888	107,669	4,219
Retirement and Death Benefits	99,068	99,724	91,630	8,094
Workers Compensation	36,004	36,004	15,485	20,519
Unemployment Insurance	2,064	2,064	887	1,177
Other Post Employment	55,380	55,749	51,465	4,284
Retiree Medical Insurance Trust	63,849	63,849	63,849	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	123,050	139,245	139,076	169
Parts and Supplies	31,250	33,846	33,478	368
Contractor Service	-	71,094	71,094	-
TOTAL PRECINCT 4	998,218	1,092,065	1,028,166	63,899
Total Maintenance-Roads and Bridges	3,706,253	3,801,070	3,568,823	232,247
CAPITAL OUTLAY-ROAD AND BRIDGES				
PRECINCT 1				
Furniture & Equipment	319,515	422,775	422,775	-
Road Oil	238,977	256,911	256,911	-
Lumber, Piling and Culverts	13,500	9,769	9,769	-
TOTAL PRECINCT 1	571,992	689,455	689,455	-
PRECINCT 2				
Furniture & Equipment	160,853	159,727	159,420	307
Road Oil	150,467	195,841	195,840	1
Lumber, Piling and Culverts	8,500	8,500	8,500	-
TOTAL PRECINCT 2	319,820	364,068	363,760	308
PRECINCT 3				
Furniture & Equipment	139,515	95,900	95,900	-
Road Oil	212,424	325,569	325,514	55
Lumber, Piling and Culverts	12,000	12,000	11,968	32
TOTAL PRECINCT 3	363,939	433,469	433,382	87

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
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
PRECINCT 4				
Furniture & Equipment	\$ 139,515	\$ 135,919	\$ 135,919	\$ -
Road Oil	283,233	316,195	316,121	74
Lumber, Piling and Culverts	16,000	19,306	19,306	-
TOTAL PRECINCT 4	438,748	471,420	471,346	74
Total Construction and Capital Outlay	1,694,499	1,958,412	1,957,943	469
Total Expenditures	5,400,752	5,759,482	5,526,766	232,716
Net Change in Fund Balances	101,502	(107,342)	308,436	415,778
FUND BALANCE, BEGINNING OF YEAR	2,822,510	2,822,510	2,822,510	-
FUND BALANCE, END OF YEAR	\$ 2,924,012	\$ 2,715,168	\$ 3,130,946	\$ 415,778

Note: See accompanying independent auditor's report.

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SUPPLEMENTAL FINANCIAL INFORMATION

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PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
PROPERTY TAXES				
Current	\$ 11,516,809	\$ 11,516,809	\$ 11,739,270	\$ 222,461
Delinquent	205,442	205,442	258,208	52,766
Total Property Taxes	11,722,251	11,722,251	11,997,478	275,227
INTERGOVERNMENTAL RECEIPTS				
State Judicial	33,000	33,000	74,880	41,880
City - Public Library	143,324	143,324	144,471	1,147
Housing Prisoners	-	-	19,040	19,040
Law Enforcement Officer	5,088	5,088	5,610	522
State Voter Registration	-	988	988	-
SAVNS Program	-	18,995	18,995	-
Federal Grant-Homeland Security	-	48,382	48,382	-
Indigent Defense Services Grant	3,000	3,000	19,476	16,476
Carthage and Gary School Tax				
Collection Contract	63,250	63,250	63,250	-
City of Carthage Tax				
Collection Contract	8,300	8,300	8,300	-
State 911 Rural Addressing	26,000	26,000	30,000	4,000
Total Intergovernmental Receipts	281,962	350,327	433,392	83,065
FEES OF OFFICE				
County Judge	1,000	1,000	5,632	4,632
Sheriff	34,000	25,000	25,166	166
District Attorney	5,000	4,270	4,275	5
County Clerk	200,000	201,324	224,663	23,339
Tax Assessor-Collector	174,000	174,000	302,043	128,043
District Clerk	60,000	58,200	58,226	26
County Treasurer	16,000	16,000	17,453	1,453
Justices of the Peace	43,000	43,000	59,883	16,883
Total Fees of Office	533,000	522,794	697,341	174,547

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
MISCELLANEOUS				
Interest Earned	\$ 160,159	\$ 210,159	\$ 285,391	\$ 75,232
Hospital Collections	-	-	1,525	1,525
Time Payment EFTIC	-	-	1,171	1,171
Exposition Building	-	-	1,950	1,950
Vital Archive - County Clerk	-	-	630	630
Judiciary Support Fee	-	-	1,534	1,534
Miscellaneous	40,000	77,831	321,689	243,858
County Clerk Civil	-	-	2,536	2,536
Family Protection Fee	-	-	2,070	2,070
Child Abuse Prevention	-	-	28	28
Miscellaneous Unclaimed Funds	-	-	1,808	1,808
Total Miscellaneous	200,159	287,990	620,332	332,342
Total Revenues	12,737,372	12,883,362	13,748,543	865,181
EXPENDITURES				
CURRENT				
GENERAL ADMINISTRATION				
COUNTY JUDGE				
Salary - County Judge	56,534	56,534	56,534	-
Salary - Co. Judge Admin. Assist	34,365	34,365	34,365	-
Social Security	6,954	6,954	6,930	24
Group Medical Insurance	18,648	18,648	18,470	178
Retirement and Death Benefits	21,816	21,816	21,816	-
Worker's Compensation	461	461	141	320
Unemployment Insurance	172	172	45	127
Other Post Employment Benefits	12,254	12,254	12,253	1
Office Supplies, Postage & Repairs	1,200	1,100	740	360
Law Books	2,000	3,500	3,496	4
Communication Telephone	400	250	85	165
Conferences and Dues	2,000	3,600	3,571	29
Total County Judge	156,804	159,654	158,446	1,208

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
COMMISSIONERS				
Salaries - Commissioners	\$ 182,752	\$ 182,752	\$ 182,752	\$ -
Salaries - Secretaries	26,479	26,479	26,478	1
Social Security Taxes	16,007	16,007	15,829	178
Group Insurance	46,620	46,620	45,619	1,001
Retirement and Death Benefits	50,216	50,216	50,215	1
Worker's Compensation	6,699	6,699	1,643	5,056
Unemployment Insurance	133	133	35	98
Other Post Employment Benefits	28,205	28,205	28,205	-
Office Supplies, Postage and Repairs	1,200	1,200	505	695
Communication Telephone	800	591	81	510
Miscellaneous	600	600	600	-
Conferences and Dues	6,000	5,783	5,782	1
Total Commissioners	365,711	365,285	357,744	7,541
COUNTY CLERK				
Salary - County Clerk	45,688	45,688	45,688	-
Salary - Deputies	136,139	136,139	120,806	15,333
Social Security	13,910	13,910	12,693	1,217
Group Medical Insurance	55,944	55,944	50,771	5,173
Retirement and Death Benefits	43,639	43,639	39,959	3,680
Worker's Compensation	908	908	293	615
Unemployment Insurance	681	681	160	521
Other Post Employment Benefits	24,511	24,511	22,443	2,068
Office Supplies, Postage & Repairs	14,500	14,500	13,228	1,272
Communication Telephone	850	850	505	345
Professional Services	-	1,324	1,317	7
Rentals, Microfilming & Indexing	85,621	85,621	72,707	12,914
Copy Machine Rental	8,000	8,000	4,952	3,048
Conferences & Dues	1,400	1,900	1,794	106
Miscellaneous	250	250	-	250
Total County Clerk	432,041	433,865	387,316	46,549

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
VETERANS SERVICE OFFICER				
Salary - Service Officer	\$ 33,085	\$ 33,085	\$ 33,085	\$ -
Salary - Secretary	26,479	26,479	26,478	1
Social Security	4,557	4,557	4,557	-
Group Medical Insurance	18,648	18,648	18,470	178
Retirement and Death Benefits	14,296	14,296	14,295	1
Worker's Compensation	302	302	92	210
Unemployment Insurance	297	297	78	219
Other Post Employment Benefits	8,030	8,030	8,029	1
Office Supplies, Postage & Repairs	600	600	354	246
Communication Telephone	500	500	133	367
Conferences and Dues	800	1,200	1,047	153
Programming & Computer	1,300	900	700	200
Miscellaneous	250	250	-	250
Total Vet. Service Officer	109,144	109,144	107,318	1,826
AIRPORT				
Airport Manager	33,738	33,738	33,738	-
Travel Allowance	1,200	1,200	1,200	-
Social Security	2,673	2,673	2,673	-
Group Insurance	9,324	9,324	9,235	89
Retirement	8,386	8,386	8,385	1
Worker's Compensation	1,563	1,563	1,201	362
Unemployment Insurance	175	175	46	129
Other Post Employment Benefits	4,710	4,710	4,710	-
Office Supplies	1,500	1,500	1,389	111
Professional Services	5,000	45,919	38,059	7,860
Communication Telephone	1,700	2,300	2,166	134
Utilities	10,200	12,200	11,567	633
Repairs and Renovation	4,245	4,245	3,991	254
Rentals and Leases	2,200	3,600	3,311	289
Total Airport	86,614	131,533	121,671	9,862

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
MISCELLANEOUS AND NON-DEPARTMENTAL				
Floating Secretary	\$ 26,479	\$ 26,479	\$ 26,478	\$ 1
Emergency Management Coordinator	6,000	6,000	6,000	-
Benefits Termination Pay	10,534	22,534	18,768	3,766
Social Security	3,291	4,209	3,803	406
Group Insurance	9,324	9,324	9,235	89
Retirement	10,324	13,204	11,973	1,231
Worker's Compensation	5,307	5,307	968	4,339
Unemployment Insurance	216	216	66	150
Other Post Employment	5,799	7,417	6,725	692
Retiree Medical Insurance Trust	630,000	630,000	630,000	-
Optional Retirement	350,000	350,000	350,000	-
Advertising and Publications	12,000	12,000	9,551	2,449
Appraisal District	215,000	223,976	204,828	19,148
Outside Audit	39,000	39,000	34,997	4,003
Economic Development	14,000	24,372	24,371	1
Computer Services	690,000	918,467	599,173	319,294
Professional Services	20,000	25,000	24,227	773
Postage	70,000	70,000	53,304	16,696
Emergency Management	5,000	5,000	1,368	3,632
Physicals & Drug Screening	2,000	2,510	2,300	210
Dues, Memberships & Fees	7,500	7,500	7,469	31
Insurance	280,000	280,000	274,219	5,781
Historical Markers	1,000	1,000	-	1,000
Historical Commission	6,564	6,564	-	6,564
Miscellaneous	4,500	4,500	2,150	2,350
Copy Machine Rental & Supplies	24,000	24,000	16,360	7,640
Soil and Conservation Contract	1,000	1,000	1,000	-
Communication Telephone	50,000	56,000	53,278	2,722
Animal Control	15,000	37,391	37,391	-
Homeland Security	-	16,076	16,075	1
Loss Control	3,000	3,000	-	3,000
Total Miscellaneous and Non-Depart.	2,516,838	2,832,046	2,426,077	405,969
Total General Administration	3,667,152	4,031,527	3,558,572	472,955

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (cont'd.)				
JUDICIAL				
DISTRICT COURT				
Salary - Court Reporter	\$ 29,721	\$ 29,721	\$ 29,721	\$ -
Salary - Secretary	33,758	33,758	33,758	-
Social Security	4,857	4,857	4,756	101
Group Medical Insurance	18,648	18,648	18,470	178
Retirement and Death Benefits	15,235	15,235	15,235	-
Worker's Compensation	311	311	100	211
Unemployment Insurance	318	318	84	234
Other Post Employment	8,557	8,557	8,557	-
Office Supplies, Postage & Repairs	1,000	1,000	1,000	-
Professional Services	2,500	2,500	1,570	930
Telephone	800	800	588	212
Conference and Dues	1,500	1,750	1,612	138
Visiting Court Reporters	750	750	120	630
Law Books for Law Library	2,900	3,650	3,626	24
Miscellaneous	600	350	323	27
Total District Court	121,455	122,205	119,520	2,685
COUNTY COURT AT LAW				
Salary - County Court at Law Judge	125,000	125,000	125,000	-
Salary - Court Reporter	51,826	51,826	51,826	-
Visiting Judges	1,000	1,931	1,931	-
Social Security	13,528	13,528	12,368	1,160
Group Medical Insurance	18,648	18,648	18,470	178
Retirement and Death Benefits	42,439	42,439	42,438	1
Worker's Compensation	1,053	1,053	276	777
Unemployment Insurance	260	260	68	192
Other Post Employment	23,837	23,837	23,836	1
Office Supplies, Postage & Repairs	1,400	1,400	1,384	16
Law Books	2,000	2,750	2,750	-
Telephone	750	464	380	84
Conferences and Dues	1,100	955	955	-
Miscellaneous	300	300	209	91
Total County Court at Law	283,141	284,391	281,891	2,500

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (cont'd.)				
JUDICIAL (con'td.)				
DISTRICT CLERK				
Salary - District Clerk	\$ 45,688	\$ 45,688	\$ 45,688	\$ -
Salaries - Deputies	136,139	136,139	136,136	3
Social Security	13,910	13,910	13,691	219
Group Medical Insurance	55,944	55,944	55,411	533
Retirement and Death Benefits	43,639	43,639	43,638	1
Worker's Compensation	908	908	293	615
Unemployment Insurance	681	681	180	501
Other Post Employment	24,511	24,511	24,510	1
Office Supplies, Postage & Repairs	13,000	13,000	8,150	4,850
Telephone	400	700	566	134
Conferences and Dues	2,000	3,500	2,746	754
Rentals, Microfilming, & Indexing	35,800	35,800	-	35,800
Miscellaneous	300	300	228	72
Total District Clerk	372,920	374,720	331,237	43,483
JUSTICE OF THE PEACE PCT. 1 & 4				
Salaries - Justice of the Peace	45,688	45,688	45,688	-
Salaries - Secretary	39,719	39,719	39,718	1
Social Security	6,537	6,537	6,482	55
Group Medical Insurance	23,310	23,310	23,088	222
Retirement and Death Benefits	20,498	20,498	20,498	-
Worker's Compensation	406	406	133	273
Unemployment Insurance	199	199	52	147
Other Post Employment	11,513	11,513	11,513	-
Office Supplies and Repairs	3,500	3,500	3,303	197
Professional Services	3,500	3,723	3,653	70
Telephone	1,000	1,000	717	283
Travel	1,250	1,250	663	587
Conferences and Dues	1,800	1,800	1,142	658
Miscellaneous	200	200	-	200
Total Justices of the Peace Pct. 1 and 4	159,120	159,343	156,650	2,693

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	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	\$ 45,688	\$ 45,688	\$ 45,688	\$ -
Salaries - Secretary	39,719	39,719	39,718	1
Social Security	6,534	6,534	6,512	22
Group Medical Insurance	23,310	23,310	23,088	222
Retirement	20,498	20,498	20,497	1
Worker's Compensation	406	406	133	273
Unemployment Insurance	199	199	52	147
Other Post Employment	11,513	11,513	11,513	-
Office Supplies and Repairs	4,000	4,500	4,443	57
Computer Replacement	1,000	500	-	500
Professional Services	3,970	3,970	3,496	474
Telephone	1,200	1,200	448	752
Travel	2,000	2,000	651	1,349
Conferences and Dues	2,000	2,000	1,963	37
Miscellaneous	200	200	123	77
Total Justices of the Peace Pct. 2 and 3	162,237	162,237	158,325	3,912
BAILIFFS AND JURORS				
Bailiffs	21,482	21,482	21,481	1
Social Security Taxes	1,644	1,644	1,629	15
Group Medical Insurance	9,324	9,324	9,235	89
Retirement	5,156	5,156	5,156	-
Worker's Compensation	690	690	496	194
Unemployment Insurance	107	107	28	79
Other Post Employment	2,896	2,896	2,896	-
Telephone	800	800	491	309
Conferences and Dues	1,000	1,000	125	875
Jurors, District & County	30,000	30,000	9,005	20,995
Miscellaneous	100	100	-	100
Total - Bailiffs, Jurors and Law Books	73,199	73,199	50,542	22,657
Total Judicial	1,172,072	1,176,095	1,098,165	77,930

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (Cont'd.)				
LEGAL				
DISTRICT ATTORNEY				
Salary - Assistant District Attorney	\$ 72,153	\$ 72,153	\$ 72,153	\$ -
Administrative Assistant	-	2,318	2,317	1
Salary - Secretaries	79,437	79,437	75,317	4,120
Court Coordinator	30,500	30,500	30,500	-
Social Security	13,930	13,930	13,583	347
Group Medical Insurance	37,296	37,296	37,296	-
Retirement and Death Benefits	43,702	43,702	42,996	706
Worker's Compensation	1,191	1,191	873	318
Unemployment Insurance	911	911	237	674
Other Post Employment	24,546	24,546	24,150	396
Office Supplies and Repairs	12,000	10,000	5,949	4,051
Professional Services	36,450	36,450	23,458	12,992
Witness Expense	5,000	4,000	-	4,000
Telephone	2,000	2,000	1,515	485
Conference & Dues	5,000	2,754	1,540	1,214
Law Enforcement Officer Standard Traini	696	696	-	696
Law Books	10,000	16,427	16,427	-
Miscellaneous	1,000	5,000	4,472	528
Total District Attorney	375,812	383,311	352,783	30,528
LAWSUITS AGAINST PANOLA COUNTY				
Attorney Fees	10,000	10,000	-	10,000
Settlements and Other	12,500	12,500	8,287	4,213
Total Lawsuits	22,500	22,500	8,287	14,213
Total Legal	398,312	405,811	361,070	44,741
ELECTIONS				
ELECTION JUDGES, CLERKS AND SUPPLIES				
Election Judges and Clerks	16,000	16,000	7,442	8,558
Social Security	1,224	1,224	-	1,224
Worker's Compensation	182	182	25	157
Professional Services	6,000	9,000	7,792	1,208
Polling Place Rent	900	900	520	380
Supplies and Miscellaneous	3,034	4,564	4,563	1
Total Election Judges, Clerks, and Supplies	27,340	31,870	20,342	11,528

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (Cont'd.)				
ELECTIONS (Cont'd.)				
VOTER REGISTRATION				
Salary - Voter Registrar	\$ 31,720	\$ 31,720	\$ 31,720	\$ -
Deputies	26,479	26,479	26,478	1
Social Security	4,453	4,453	4,442	11
Group Medical Insurance	18,648	18,648	18,470	178
Retirement and Death Benefits	13,968	13,968	13,968	-
Worker's Compensation	281	281	91	190
Unemployment Insurance	291	291	77	214
Other Post Employment	7,846	7,846	7,845	1
Office Supplies and Repairs	2,500	2,774	2,737	37
Telephone	500	800	728	72
Internet Service	7,200	7,125	7,068	57
Conferences and Dues	1,000	1,450	1,447	3
Miscellaneous	355	5	-	5
Total Voter Registration	115,241	115,840	115,071	769
Total Elections	142,581	147,710	135,413	12,297
FINANCIAL ADMINISTRATION				
AUDITOR				
Salary - Auditor	56,534	56,534	56,534	-
Salaries - Assistant Auditors	85,340	85,340	85,340	-
Social Security	10,854	10,854	10,662	192
Group Medical Insurance	27,972	27,972	27,705	267
Retirement and Death Benefits	34,050	34,050	34,050	-
Worker's Compensation	730	730	220	510
Unemployment Insurance	710	710	188	522
Other Post Employment	19,125	19,125	19,125	-
Office Supplies and Repairs	2,000	2,000	2,000	-
Professional Computer Services	1,700	1,700	-	1,700
Telephone	600	600	575	25
Conferences and Dues	5,000	5,000	3,133	1,867
Re-creation, printing	1,600	1,600	1,576	24
Miscellaneous	376	376	127	249
Total Auditor	246,591	246,591	241,235	5,356

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (Cont'd.)				
FINANCIAL ADMINISTRATION (Cont'd.)				
TREASURER				
Salary - Treasurer	\$ 45,688	\$ 45,688	\$ 45,688	\$ -
Salary - Deputies	56,702	56,702	56,138	564
Social Security	7,833	7,833	7,722	111
Group Medical Insurance	27,972	27,972	27,705	267
Retirement and Death Benefits	24,574	24,574	24,438	136
Worker's Compensation	518	518	159	359
Unemployment Insurance	284	284	74	210
Other Post Employment	13,803	13,803	13,726	77
Office Supplies and Repairs	2,400	3,681	3,637	44
Telephone	500	500	402	98
Professional Services	6,000	21,000	11,753	9,247
Conferences and Dues	4,000	2,669	2,668	1
Total Treasurer	190,274	205,224	194,110	11,114
TAX ASSESSOR-COLLECTOR				
Salaries - Tax Assessor-Collector	45,688	45,688	45,688	
Salaries - Deputies	166,362	166,362	165,565	797
Salaries - Extra Help	10,600	10,600	10,600	-
Social Security	17,033	17,033	16,883	150
Group Medical Insurance	65,268	65,268	64,646	622
Retirement and Death Benefits	53,436	53,436	50,676	2,760
Worker's Compensation	1,107	1,107	345	762
Unemployment Insurance	885	885	233	652
Other Post Employment	28,585	28,585	28,463	122
Office Supplies and Repairs	3,925	3,925	2,908	1,017
Telephone	1,390	1,390	1,192	198
Conference and Dues	4,000	3,105	405	2,700
Professional Services	-	1,395	1,241	154
Miscellaneous	500	500	-	500
Total Tax Assessor-Collector	398,779	399,279	388,845	10,434
Total Financial Administration	835,644	851,094	824,190	26,904

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
EXPENDITURES (Cont'd.)				
PUBLIC FACILITIES				
BUILDING MAINTENANCE				
Salary - Building Superintendent	\$ 33,620	\$ 33,620	\$ 33,620	\$ -
Travel Allowance	1,200	1,200	1,200	-
Social Security	2,664	2,664	2,664	-
Group Medical Insurance	9,324	9,324	9,223	101
Retirement	8,357	8,357	8,357	-
Worker's Compensation	2,272	2,272	984	1,288
Unemployment Insurance	175	175	46	129
Other Post Employment	4,694	4,694	4,694	-
S.W.E.A.T. Supplies	5,000	5,000	2,299	2,701
Operating Supplies	30,000	30,000	24,572	5,428
Repair and Maintenance Supplies	19,720	14,720	3,437	11,283
Professional Services	70,006	80,006	79,119	887
Telephone	800	800	377	423
Utilities	60,000	60,000	58,421	1,579
Repairs and Renovations	40,000	48,600	44,755	3,845
Miscellaneous	156	156	16	140
Total Building Maintenance	287,988	301,588	273,784	27,804
Total Public Facilities	287,988	301,588	273,784	27,804
PUBLIC SAFETY				
SHERIFF				
Salary - Sheriff	45,808	45,808	45,808	-
Salary - Chief Deputy	44,204	44,204	44,204	-
Salary - Administrative Deputy	29,776	29,776	29,725	51
Salaries - Secretaries	53,198	53,198	53,198	-
Salaries - Juvenile Investigator	39,654	39,654	39,366	288
Salaries - Communication Officers	271,805	271,805	271,149	656
Salaries - Patrol and Investigative Deputies	431,659	432,235	429,854	2,381
Criminal Investigators	118,919	118,919	118,231	688
Captain	41,689	41,689	41,689	-
S.W.E.A.T. Coordinator	39,261	39,261	38,973	288
Social Security	85,372	85,417	84,556	861
Group Medical Insurance	289,044	289,044	285,523	3,521
Retirement and Death Benefits	267,834	267,973	266,929	1,044
Worker's Compensation	50,980	50,980	28,226	22,754
Unemployment Insurance	5,333	5,333	2,352	2,981
Other Post Employment	150,434	150,511	149,924	587
Office Supplies	24,500	26,500	25,517	983
Canine Expense	3,000	3,000	2,143	857

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
SHERIFF (Cont'd)				
Uniforms	\$ 8,220	\$ 8,220	\$ 7,593	\$ 627
Repair and Maintenance	3,000	3,000	1,396	1,604
Telephone and Radio Communications	11,000	14,000	14,000	-
Criminal Investigation	5,000	9,000	8,714	286
Animal Control	-	4,000	2,791	1,209
Utilities	30,000	22,663	16,014	6,649
Gasoline, Auto Parts and Repairs	225,000	216,040	176,301	39,739
Conference and Dues	22,000	22,000	15,052	6,948
Law Enforcement Officer Standard Traini	3,000	3,000	-	3,000
Miscellaneous	7,800	7,800	7,795	5
Total Sheriff	2,307,490	2,305,030	2,207,023	98,007
CONSTABLE PCT. 1 AND 4				
Salary - Constable Precinct #1	43,705	43,705	43,705	-
Social Security	3,344	3,344	3,313	31
Group Medical Insurance	9,324	9,324	9,235	89
Retirement and Death Benefits	10,490	10,490	10,489	1
Worker's Compensation	3,387	3,387	914	2,473
Other Post Employment	5,892	5,892	5,891	1
Law Enforcement Officer Standard Traini	696	696	100	596
Parts & Repairs	10,000	12,630	12,292	338
Telephone	800	800	592	208
Ammunition	1,000	1,000	1,000	-
Uniforms	880	1,080	1,059	21
Conferences & Dues	1,000	170	170	-
Miscellaneous	500	500	426	74
Total Constable Pct. 1 & 4	91,018	93,018	89,186	3,832
CONSTABLE PCT. 2 AND 3				
Salary - Constable Precinct #2	43,705	43,705	43,705	-
Social Security	3,344	3,344	3,316	28
Group Medical Insurance	9,324	9,324	9,235	89
Retirement and Death Benefits	10,490	10,490	10,489	1
Worker's Compensation	3,387	3,387	914	2,473
Other Post Employment	5,892	5,892	5,891	1
Ammunition	1,000	330	330	-
Uniforms	630	80	80	-
Telephone	800	697	604	93
Law Enforcement Officer Standard Traini	696	696	-	696
Parts & Repairs	10,000	13,308	13,307	1
Conferences & Dues	1,000	120	120	-
Miscellaneous	565	65	43	22
Total Constable Pct. 2 & 3	90,833	91,438	88,034	3,404

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
CORRECTIONS				
Salary - Sergeant and Jailors	\$ 680,747	\$ 681,413	\$ 644,753	\$ 36,660
Social Security	51,867	51,918	49,167	2,751
Group Medical Insurance	214,452	214,452	199,944	14,508
Retirement	162,717	162,877	154,893	7,984
Worker's Compensation	26,715	26,715	13,375	13,340
Unemployment Insurance	3,390	3,390	1,453	1,937
Other Post Employment	91,392	91,482	86,997	4,485
Clothing and Bedding	10,000	10,000	3,572	6,428
Jail Laundry	6,000	8,000	6,509	1,491
Office Supplies	3,000	3,000	214	2,786
Jail Board - Prisoners	175,000	165,000	99,346	65,654
Telephone	5,000	5,000	1,959	3,041
Medical - Prisoners	190,000	178,000	113,161	64,839
Utilities	100,000	100,000	68,816	31,184
Jail Repairs and Maintenance	21,000	21,000	5,459	15,541
Jail Repairs and Renovations	20,000	40,000	39,094	906
Rentals	3,600	3,600	1,281	2,319
Miscellaneous Supplies	40,000	40,000	39,526	474
Miscellaneous	5,000	5,000	4,767	233
Total Corrections	1,809,880	1,810,847	1,534,286	276,561
RURAL ADDRESSING				
Salaries - Coordinators	62,942	69,460	66,893	2,567
Social Security	4,816	5,315	5,079	236
Group Medical Insurance	18,648	20,946	20,002	944
Retirement	15,107	16,672	16,055	617
Worker's Compensation	662	679	69	610
Unemployment Insurance	315	325	89	236
Other Post Employment	8,485	9,364	9,017	347
Office Supplies	1,200	1,200	1,104	96
Signs & Posts	10,000	10,000	9,586	414
Software & Supplies	800	800	-	800
Telephone	1,600	1,600	1,166	434
Rental	3,600	4,095	3,780	315
Miscellaneous	500	100	100	-
Total Rural Addressing	128,675	140,556	132,940	7,616

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
HIGHWAY PATROL				
Salary - Secretary	\$ 26,479	\$ 26,479	\$ 26,479	\$ -
Social Security	2,026	2,026	2,026	-
Group Medical Insurance	9,324	9,324	9,235	89
Retirement and Death Benefits	6,355	6,355	6,355	-
Worker's Compensation	137	137	41	96
Unemployment Insurance	133	133	35	98
Other Post Employment	3,570	3,570	3,569	1
Telephone	1,000	1,000	135	865
Game Warden's Supplies	500	500	441	59
Highway Patrol's Cellular Phone	2,200	2,200	2,171	29
Office Supplies and Repairs	1,700	1,700	1,680	20
Miscellaneous	500	500	192	308
Total Highway Patrol	53,924	53,924	52,359	1,565
FIRE SAFETY				
Fire Services	1,500	1,500	1,500	-
Total Fire Safety	1,500	1,500	1,500	-
Total Public Safety	4,483,320	4,496,313	4,105,328	390,985
ENVIRONMENTAL PROTECTION				
Trash Disposal	346,000	357,185	357,184	1
Total Trash Disposal	346,000	357,185	357,184	1
Total Environmental Protection	346,000	357,185	357,184	1
HEALTH AND PAUPERS CARE				
Medical Indigent	15,000	14,500	6,985	7,515
Aging Match	3,200	3,200	-	3,200
Indigent Health Care	-	97,326	97,181	145
Mental Health/Mental Retardation	28,000	28,000	28,000	-
Statements of Facts	14,000	14,000	1,593	12,407
Autopsies, Inquests, & Burials	70,000	81,375	81,373	2
Mental Evaluation of Prisoners	5,000	5,000	1,250	3,750
Retarded Citizens Association	6,500	6,500	6,500	-
Alcohol Abuse Program	4,000	4,000	2,000	2,000
Attorney Fees -Juveniles	20,000	20,000	9,349	10,651
Attorney Fees	200,000	200,000	164,360	35,640
Open Door/Juvenile Care	5,000	5,000	5,000	-
Miscellaneous	200	700	500	200
Health Officer	6,000	6,000	6,000	-
Total Health and Paupers Care	376,900	485,601	410,091	75,510

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
RECREATION				
LIBRARY				
Salaries - Librarians	\$ 157,767	\$ 157,767	\$ 156,743	\$ 1,024
Temporary Librarian	7,700	7,700	7,700	-
Social Security	12,659	12,659	12,604	55
Group Medical Insurance	55,944	55,944	53,879	2,065
Retirement & Death Benefits	39,713	39,713	37,760	1,953
Worker's Compensation	1,391	1,391	589	802
Unemployment Insurance	828	828	219	609
Other Post Employment Benefits	22,305	22,305	21,209	1,096
Supplies & Books	20,027	20,027	20,000	27
Repairs & Renovations	-	60,200	55,060	5,140
Professional Services	-	17,929	17,928	1
Insurance	2,000	2,000	1,340	660
Total Library	320,334	398,463	385,031	13,432
YOUTH PROGRAMS				
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	5,000	1,500	3,500
Boys and Girls Club	2,000	2,000	-	2,000
Total Youth Programs	22,000	22,000	13,500	8,500
Total Recreation	342,334	420,463	398,531	21,932
CONSERVATION				
AGRICULTURAL EXTENSION SERVIC				
Salary - County Extension Agent	13,903	13,903	13,903	-
Salary - Home Extension Agent	13,903	13,903	13,903	-
Expense Allowances - Agents	11,100	11,100	11,100	-
Salaries - Secretaries	26,479	26,479	26,478	1
Social Security	5,002	5,002	5,002	-
Group Medical Insurance	9,324	9,324	9,235	89
Retirement and Death Benefit	6,355	6,355	6,355	-
Worker's Compensation	1,727	1,727	1,112	615
Unemployment Insurance	327	327	86	241
Other Post Employment	3,570	3,570	3,569	1
Office Supplies, Postage & Repairs	1,350	1,350	1,350	-
Telephone	600	600	583	17
Travel	3,500	3,500	1,872	1,628
Conferences and Dues	1,500	1,500	1,457	43
Miscellaneous Supplies	250	250	-	250
Miscellaneous	228	228	41	187
Total Extension Service	99,118	99,118	96,046	3,072
Total Conservation	99,118	99,118	96,046	3,072

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
CAPITAL OUTLAY				
GENERAL ADMINISTRATION				
County Judge	\$ 650	\$ 650	\$ 589	\$ 61
Commissioners	250	676	615	61
County Clerk	8,128	7,628	1,875	5,753
Veterans Service Officer	300	300	-	300
Airport	-	9,000	8,988	12
Miscellaneous and Non-Departmental	10,000	93,000	23,577	69,423
JUDICIAL				
District Court	3,500	2,750	1,755	995
County Court at Law	3,650	2,400	1,755	645
District Clerk	7,628	5,828	4,945	883
Justice of the Peace Pct. 1 & 4	695	472	-	472
Justice of the Peace Pct. 2 & 3	495	495	420	75
LEGAL				
District Attorney	4,250	2,069	2,069	-
ELECTIONS				
Election Judges, Clerks and Supplies	-	11,559	11,547	12
Voter Registration	-	448	440	8
FINANCIAL ADMINISTRATION				
Auditor	3,300	3,300	-	3,300
Treasurer	-	250	243	7
PUBLIC FACILITIES				
Building Maintenance	-	15,156	14,856	300
PUBLIC SAFETY				
Sheriff	100,000	139,698	139,579	119
Constable Pct. 1 and 4	5,000	3,000	2,779	221
Constable Pct. 2 and 3	1,253	648	647	1
Corrections	10,000	66,990	58,634	8,356
Rural Addressing	-	1,800	1,773	27
Highway Patrol	3,000	3,000	2,969	31
RECREATION				
Library	-	3,000	3,000	-
CONSERVATION				
Agriculture Extension Service	1,000	1,000	798	202
Total Capital Outlay	163,099	375,117	283,853	91,264
		-		
Total Expenditures	12,314,520	13,147,622	11,902,227	1,245,395
Excess (Deficiency) of Revenues Over (Under) Expenditures	422,852	(264,260)	1,846,316	2,110,576

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OTHER FINANCING SOURCES (USES):				
Transfers Out	(166,000)	(266,000)	(266,000)	-
Total Other Financing Sources (Uses)	(166,000)	(266,000)	(266,000)	-
 Net Change in Fund Balance	 256,852	 (530,260)	 1,580,316	 2,110,576
FUND BALANCE, BEGINNING	11,572,586	11,572,586	11,572,586	-
FUND BALANCE, ENDING	\$ 11,829,438	\$ 11,042,326	\$ 13,152,902	\$ 2,110,576

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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**PANOLA COUNTY, TEXAS
COMBINED BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	Special Revenue	Debt Service	Capital Projects	Total Other Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 1,704,010	\$ 206,344	\$ 161,493	\$ 2,071,847
Investments	6,202,556	-	357,000	6,559,556
Receivables (net of allowance for uncollectible taxes)				
Current Taxes	88,229	-	-	88,229
Delinquent Taxes	14,295	-	-	14,295
Miscellaneous	166,257	-	1,810	168,067
Due from Other Funds	17,076	1,212	-	18,288
Inventory	16,053	-	-	16,053
Total Assets	8,208,476	207,556	520,303	8,936,335
LIABILITIES:				
Accounts Payable-Trade	175,684	-	-	175,684
Deferred Tax Revenues	572,156	-	-	572,156
Total Liabilities	747,840	-	-	747,840
FUND BALANCES:				
Nonspendable	16,053	-	-	16,053
Restricted	7,444,583	207,556	-	7,652,139
Committed	-	-	520,303	520,303
Total Fund Balances	7,460,636	207,556	520,303	8,188,495
Total Liabilities and Fund Balances	\$ 8,208,476	\$ 207,556	\$ 520,303	\$ 8,936,335

PANOLA COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special	Debt	Capital	Total Other
	Revenue	Service	Projects	Governmental
REVENUES				Funds
Property Taxes	\$ 535,023	\$1,363,222	\$ -	\$ 1,898,245
Intergovernmental Receipts	871,179	-	-	871,179
Fees of Office	628,441	-	-	628,441
Miscellaneous	523,687	9,209	7,304	540,200
TOTAL REVENUES	2,558,330	1,372,431	7,304	3,938,065
EXPENDITURES				
Current:				
General Administration	239,609	-	-	239,609
Legal	142,083	-	-	142,083
Public Facilities	144,557	-	-	144,557
Public Safety	1,368,559	-	-	1,368,559
Public Transportation	699,186	-	-	699,186
Health & Paupers Care	453,962	-	-	453,962
Capital Outlay:				
Public Safety	-	-	234,975	234,975
Debt Service:				
Principal	-	1,340,000	-	1,340,000
Interest	-	26,465	-	26,465
TOTAL EXPENDITURES	3,047,956	1,366,465	234,975	4,649,396
Excess (Deficiency) of Revenues				
Over Expenditures	(489,626)	5,966	(227,671)	(711,331)
OTHER FINANCING SOURCES (USES)				
Transfers In	166,000	-	100,000	266,000
TOTAL OTHER FINANCING SOURCES	166,000	-	100,000	266,000
NET CHANGE IN FUND BALANCES	(323,626)	5,966	(127,671)	(445,331)
FUND BALANCE-BEGINNING OF YEAR	7,784,262	201,590	647,974	8,633,826
FUND BALANCE-END OF YEAR	\$ 7,460,636	\$ 207,556	\$ 520,303	\$ 8,188,495

**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.

JUVENILE DELINQUENCY PREVENTION FUND – This fund is used to account for fees collected for the prevention of juvenile delinquency and graffiti eradication.

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 and is similar to the Records Preservation Fund.

COUNTY & DISTRICT COURT TECHNOLOGY FUND – This fund is used to account for fees paid by defendants in county and district courts to be used to fund costs of education and training regarding technological enhancements and for purchase and maintenance of technological enhancements, including computer systems, networks, hardware, software, imaging systems, electronic kiosks, and docket management systems.

COURT RECORD PRESERVATION FUND – This fund is used to account for fees paid in each civil case filed in a county or district court to be used only to digitize court records to preserve them from natural disasters.

DISTRICT COURT RECORDS TECHNOLOGY FUND – This fund is used to account for fees paid by defendants in district court to be used to fund costs of education and training regarding technological enhancements and for purchase and maintenance of technological enhancements, including computer systems, networks, hardware, software, imaging systems, electronic kiosks, and docket management systems.

DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION FUND – This fund is used to account for the collection of the District Clerk’s statutory document preservation fee and the expenditure of those fees for records management and preservation services.

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.

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

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 123rd 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 types of expenditures.

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.

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

JAIL COMMISARY FUND – This fund is used to account for proceeds received from the sale of goods to inmates and expenditures of same.

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.

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 District Attorney 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.

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.

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

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.

DEADWOOD WATER SUPPLY CORPORATION FUND – This fund is used to account for funds received from the State to be used for a water improvement system. The grant monies were awarded from the Texas Community Development Block Grant Program (TXCDBG).

HURRICANE GENERATORS GRANT FUND – This fund is used to account for funds received from the State to be used for disaster generators for the Gary and Deadwood Water Systems. The grant monies were awarded from the Texas Community Development Block Grant Program (TXCDBG).

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.

HEALTH FUND – This fund is used only to finance items related to providing health care to County residents, including indigent residents.

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, 2011**

	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT
ASSETS:				
Cash and Cash Equivalents	\$ 8,764	\$ 152	\$ 60,960	\$ 39,068
Investments	22,000	-	188,000	92,000
Receivables (net of allowance for uncollectible taxes)				
Current Taxes	-	-	-	-
Delinquent Taxes	-	-	-	-
Miscellaneous	374	-	1,218	621
Due From Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	31,138	152	250,178	131,689
LIABILITIES:				
Accounts Payable-Trade	1,134	-	-	-
Deferred Tax Revenues	-	-	-	-
Total Liabilities	1,134	-	-	-
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	30,004	152	250,178	131,689
Total Fund Balances	30,004	152	250,178	131,689
Total Liabilities and Fund Balances	\$ 31,138	\$ 152	\$ 250,178	\$ 131,689

COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION	RECORDS PRESERVATION	RECORDS ARCHIVE FEES
\$ 721	\$ 6,957	\$ 863	\$ 1,488	\$ 142,284	\$ 17,787
-	-	-	-	166,000	44,000
-	-	-	-	-	-
-	-	-	-	-	-
2	100	35	55	930	274
-	-	-	-	-	-
-	-	-	-	-	-
723	7,057	898	1,543	309,214	62,061
-	-	-	-	4,300	-
-	-	-	-	-	-
-	-	-	-	4,300	-
-	-	-	-	-	-
723	7,057	898	1,543	304,914	62,061
723	7,057	898	1,543	304,914	62,061
\$ 723	\$ 7,057	\$ 898	\$ 1,543	\$ 309,214	\$ 62,061

**PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011**

	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT
ASSETS:			
Cash and Cash Equivalents	\$ 21,341	\$ 6,138	\$ 15,294
Investments	47,000	-	-
Receivables (net of allowance for uncollectible taxes)			
Current Taxes	-	-	-
Delinquent Taxes	-	-	-
Miscellaneous	210	353	-
Due From Other Funds	-	-	-
Inventory	-	-	-
Total Assets	68,551	6,491	15,294
LIABILITIES:			
Accounts Payable-Trade	-	-	-
Deferred Tax Revenues	-	-	-
Total Liabilities	-	-	-
FUND BALANCES:			
Nonspendable	-	-	-
Restricted	68,551	6,491	15,294
Total Fund Balances	68,551	6,491	15,294
Total Liabilities and Fund Balances	\$ 68,551	\$ 6,491	\$ 15,294

FM & LATERAL	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT GRANT	JUVENILE PROBATION	OLD PROBATION	HOT CHECK FEE	SHERIFF'S STATE FORFEITURE
\$ 94,828	\$ 381,193	\$ 52,936	\$ 193,360	\$ 1,273	\$ 24,444	\$ 59,297
1,607,556	100,000	-	200,000	10,000	52,000	158,000
88,229	-	-	-	-	-	-
14,295	-	-	-	-	-	-
8,743	27,196	13,476	1,007	36	1,414	907
17,076	-	-	-	-	-	-
-	-	-	-	-	-	-
1,830,727	508,389	66,412	394,367	11,309	77,858	218,204
6,770	5,711	2,828	5,851	-	20	-
572,156	-	-	-	-	-	-
578,926	5,711	2,828	5,851	-	20	-
-	-	-	-	-	-	-
1,251,801	502,678	63,584	388,516	11,309	77,838	218,204
1,251,801	502,678	63,584	388,516	11,309	77,838	218,204
\$ 1,830,727	\$ 508,389	\$ 66,412	\$ 394,367	\$ 11,309	\$ 77,858	\$ 218,204

**PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011**

	JAIL COMM	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE	STATE APPORTION- MENT - DA
ASSETS:				
Cash and Cash Equivalents	\$ 4,431	\$ 105	\$ 21,988	\$ 564
Investments	-	-	112,000	-
Receivables (net of allowance for uncollectible taxes)				
Current Taxes	-	-	-	-
Delinquent Taxes	-	-	-	-
Miscellaneous	-	-	603	-
Due From Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	4,431	105	134,591	564
LIABILITIES:				
Accounts Payable-Trade	-	-	197	-
Deferred Tax Revenues	-	-	-	-
Total Liabilities	-	-	197	-
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	4,431	105	134,394	564
Total Fund Balances	4,431	105	134,394	564
Total Liabilities and Fund Balances	\$ 4,431	\$ 105	\$ 134,591	\$ 564

CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 1&4 FEDERAL FORFEITURES	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	DEADWOOD WATER SUPPLY CORPORATION
\$ 301	\$ 1,103	\$ 55,359	\$ 318	\$ 31	\$ 66,260
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
301	1,103	55,359	318	31	66,260
-	-	-	-	-	62,760
-	-	-	-	-	-
-	-	-	-	-	62,760
-	-	-	-	-	-
301	1,103	55,359	318	31	3,500
301	1,103	55,359	318	31	3,500
\$ 301	\$ 1,103	\$ 55,359	\$ 318	\$ 31	\$ 66,260

**PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011**

	GENERATOR GRANT	CHILD PROTECTIVE SERVICES	HEALTH FUND	AIRPORT
ASSETS:				
Cash and Cash Equivalents	\$ -	\$ 13,942	\$ 309,733	\$ 100,727
Investments	-	48,000	3,159,000	197,000
Receivables (net of allowance for uncollectible taxes)				
Current Taxes	-	-	-	-
Delinquent Taxes	-	-	-	-
Miscellaneous	-	5,230	99,928	3,545
Due From Other Funds	-	-	-	-
Inventory	-	-	-	16,053
Total Assets	-	67,172	3,568,661	317,325
LIABILITIES:				
Accounts Payable-Trade	-	-	86,113	-
Deferred Tax Revenues	-	-	-	-
Total Liabilities	-	-	86,113	-
FUND BALANCES:				
Nonspendable	-	-	-	16,053
Restricted	-	67,172	3,482,548	301,272
Total Fund Balances	-	67,172	3,482,548	317,325
Total Liabilities and Fund Balances	\$ -	\$ 67,172	\$ 3,568,661	\$ 317,325

NON-MAJOR
SPECIAL
REVENUE
FUNDS
TOTAL

\$ 1,704,010
6,202,556

88,229
14,295
166,257
17,076
16,053

8,208,476

175,684
572,156

747,840

16,053
7,444,583

7,460,636

\$ 8,208,476

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, 2011

	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-
Fees of Office	18,374	52	21,219	8,462
Miscellaneous	385	2	3,428	1,761
TOTAL REVENUES	18,759	54	24,647	10,223
EXPENDITURES				
Current				
General Administration	-	-	22,548	-
Legal	13,617	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	-
Health & Paupers Care	-	-	-	-
TOTAL EXPENDITURES	13,617	-	22,548	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,142	54	2,099	10,223
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
NET CHANGE IN FUND BALANCES	5,142	54	2,099	10,223
FUND BALANCE-BEGINNING OF YEAR	24,862	98	248,079	121,466
FUND BALANCE-END OF YEAR	\$ 30,004	\$ 152	\$ 250,178	\$ 131,689

COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION	RECORDS PRESERVATION	RECORDS ARCHIVE FEES
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
423	3,453	892	1,535	47,716	40,730
6	64	6	8	3,825	2,701
429	3,517	898	1,543	51,541	43,431
-	-	-	-	21,128	190,991
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	21,128	190,991
429	3,517	898	1,543	30,413	(147,560)
-	-	-	-	-	-
-	-	-	-	-	-
429	3,517	898	1,543	30,413	(147,560)
294	3,540	-	-	274,501	209,621
\$ 723	\$ 7,057	\$ 898	\$ 1,543	\$ 304,914	\$ 62,061

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, 2011

	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-
Fees of Office	9,320	-	-
Miscellaneous	858	426	177
TOTAL REVENUES	10,178	426	177
EXPENDITURES			
Current			
General Administration	4,186	756	-
Legal	-	-	-
Public Facilities	-	-	-
Public Safety	-	-	-
Public Transportation	-	-	-
Health & Paupers Care	-	-	-
TOTAL EXPENDITURES	4,186	756	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,992	(330)	177
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
NET CHANGE IN FUND BALANCES	5,992	(330)	177
FUND BALANCE-BEGINNING OF YEAR	62,559	6,821	15,117
FUND BALANCE-END OF YEAR	\$ 68,551	\$ 6,491	\$ 15,294

FM & LATERAL	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT GRANT	JUVENILE PROBATION	OLD PROBATION	HOT CHECK FEE	SHERIFF'S STATE FORFEITURE
\$ 535,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	353,344	89,194	190,441	-	-	25,741
-	449,614	7,406	4,223	-	15,022	-
31,265	6,704	509	1,937	150	-	-
<u>566,288</u>	<u>809,662</u>	<u>97,109</u>	<u>196,601</u>	<u>150</u>	<u>15,022</u>	<u>25,741</u>
-	-	-	-	-	-	-
-	-	-	-	-	16,522	-
-	-	-	-	-	-	-
-	829,740	89,194	348,044	100	-	95,484
560,739	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>560,739</u>	<u>829,740</u>	<u>89,194</u>	<u>348,044</u>	<u>100</u>	<u>16,522</u>	<u>95,484</u>
5,549	(20,078)	7,915	(151,443)	50	(1,500)	(69,743)
-	-	-	138,000	-	-	-
-	-	-	138,000	-	-	-
5,549	(20,078)	7,915	(13,443)	50	(1,500)	(69,743)
<u>1,246,252</u>	<u>522,756</u>	<u>55,669</u>	<u>401,959</u>	<u>11,259</u>	<u>79,338</u>	<u>287,947</u>
<u>\$ 1,251,801</u>	<u>\$ 502,678</u>	<u>\$ 63,584</u>	<u>\$ 388,516</u>	<u>\$ 11,309</u>	<u>\$ 77,838</u>	<u>\$ 218,204</u>

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, 2011

	JAIL COMM	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE	STATE APPORTION- MENT - DA
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	4,800	-	31,272
Fees of Office	-	-	-	-
Miscellaneous	4,431	2	13,504	32
TOTAL REVENUES	4,431	4,802	13,504	31,304
EXPENDITURES				
Current				
General Administration	-	-	-	-
Legal	-	4,800	75,872	31,272
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	-
Health & Paupers Care	-	-	-	-
TOTAL EXPENDITURES	-	4,800	75,872	31,272
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,431	2	(62,368)	32
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
NET CHANGE IN FUND BALANCES	4,431	2	(62,368)	32
FUND BALANCE-BEGINNING OF YEAR	-	103	196,762	532
FUND BALANCE-END OF YEAR	\$4,431	\$ 105	\$ 134,394	\$ 564

CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 1&4 FEDERAL FORFEITURES	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	DEADWOOD WATER SUPPLY CORPORATION
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	76,585
-	-	-	-	-	-
4	14	641	20	5	-
<u>4</u>	<u>14</u>	<u>641</u>	<u>20</u>	<u>5</u>	<u>76,585</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	76,585
-	900	-	2,497	2,600	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>900</u>	<u>-</u>	<u>2,497</u>	<u>2,600</u>	<u>76,585</u>
4	(886)	641	(2,477)	(2,595)	-
-	-	-	-	-	-
-	-	-	-	-	-
4	(886)	641	(2,477)	(2,595)	-
297	1,989	54,718	2,795	2,626	3,500
<u>\$ 301</u>	<u>\$ 1,103</u>	<u>\$ 55,359</u>	<u>\$ 318</u>	<u>\$ 31</u>	<u>\$ 3,500</u>

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, 2011

	GENERATOR GRANT	CHILD PROTECTIVE SERVICES	HEALTH FUND	AIRPORT
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	67,972	4,927	26,903	-
Fees of Office	-	-	-	-
Miscellaneous	-	1,598	290,576	158,648
TOTAL REVENUES	67,972	6,525	317,479	158,648
EXPENDITURES				
Current				
General Administration	-	-	-	-
Legal	-	-	-	-
Public Facilities	67,972	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	138,447
Health & Paupers Care	-	27,668	426,294	-
TOTAL EXPENDITURES	67,972	27,668	426,294	138,447
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(21,143)	(108,815)	20,201
OTHER FINANCING SOURCES (USES)				
Transfers In	-	28,000	-	-
TOTAL OTHER FINANCING SOURCES	-	28,000	-	-
NET CHANGE IN FUND BALANCES	-	6,857	(108,815)	20,201
FUND BALANCE-BEGINNING OF YEAR	-	60,315	3,591,363	297,124
FUND BALANCE-END OF YEAR	\$ -	\$ 67,172	\$ 3,482,548	\$ 317,325

NON-MAJOR
SPECIAL
REVENUE
FUNDS
TOTAL

\$ 535,023
871,179
628,441
523,687
2,558,330

239,609
142,083
144,557
1,368,559
699,186
453,962
3,047,956

(489,626)

166,000

166,000

(323,626)

7,784,262

\$ 7,460,636

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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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
Law Library Fees	\$ 16,000	\$ 16,000	\$ 18,374	\$ 2,374
MISCELLANEOUS				
Interest Earnings	200	200	385	185
Total Revenues	<u>16,200</u>	<u>16,200</u>	<u>18,759</u>	<u>2,559</u>
EXPENDITURES				
Current:				
Legal	18,200	18,200	13,617	4,583
Total Expenditures	<u>18,200</u>	<u>18,200</u>	<u>13,617</u>	<u>4,583</u>
Net Change in Fund Balances	(2,000)	(2,000)	5,142	7,142
FUND BALANCE, BEGINNING OF YEAR	<u>24,862</u>	<u>24,862</u>	<u>24,862</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 22,862</u>	<u>\$ 22,862</u>	<u>\$ 30,004</u>	<u>\$ 7,142</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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 10,000	\$ 9,981	\$ 9,982	\$ 1
County Clerk Fees	2,000	1,933	1,933	-
JP Offices	8,500	8,586	9,304	718
Total Fees of Office	20,500	20,500	21,219	719
MISCELLANEOUS				
Interest Earnings	3,500	3,500	3,428	(72)
Total Revenues	24,000	24,000	24,647	647
EXPENDITURES				
Current:				
General Administration:				
Baliff and Security	15,309	15,309	15,309	-
Social Security Taxes	1,172	1,172	1,161	11
Retirement & Death Benefits	3,675	3,675	3,674	1
Workers Compensation	403	403	320	83
Unemployment Insurance	77	77	20	57
Other Post Employment	2,064	2,064	2,064	-
Capital Outlay:				
General Administration	1,300	1,300	-	1,300
Total Expenditures	24,000	24,000	22,548	1,452
Net Change in Fund Balances	-	-	2,099	2,099
FUND BALANCE, BEGINNING OF YEAR	248,079	248,079	248,079	-
FUND BALANCE, END OF YEAR	\$ 248,079	\$ 248,079	\$ 250,178	\$ 2,099

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 5,109	\$ 4,739	\$ 4,740	\$ 1
County Clerk Fees	3,083	3,453	3,722	269
Total Fees of Office	<u>8,192</u>	<u>8,192</u>	<u>8,462</u>	<u>270</u>
MISCELLANEOUS				
Interest Earnings	986	986	1,761	775
Total Revenues	<u>9,178</u>	<u>9,178</u>	<u>10,223</u>	<u>1,045</u>
EXPENDITURES				
Current:				
General Administration:				
Seasonal Help	6,923	6,923	-	6,923
Retirement	1,662	1,662	-	1,662
Social Security Taxes	530	530	-	530
Workers Compensation	33	33	-	33
Unemployment Insurance	30	30	-	30
Total Expenditures	<u>9,178</u>	<u>9,178</u>	<u>-</u>	<u>9,178</u>
Net Change in Fund Balances	-	-	10,223	10,223
FUND BALANCE, BEGINNING OF YEAR	<u>121,466</u>	<u>121,466</u>	<u>121,466</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 121,466</u>	<u>\$ 121,466</u>	<u>\$ 131,689</u>	<u>\$ 10,223</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
COUNTY & DISTRICT COURT TECH SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 100	\$ 100	\$ 372	\$ 272
County Clerk Fees	100	100	51	(49)
Total Fees of Office	<u>200</u>	<u>200</u>	<u>423</u>	<u>223</u>
MISCELLANEOUS				
Interest Earnings	-	-	6	6
Total Revenues	<u>200</u>	<u>200</u>	<u>429</u>	<u>229</u>
EXPENDITURES				
Capital Outlay:				
General Administration	200	200	-	200
Total Expenditures	<u>200</u>	<u>200</u>	<u>-</u>	<u>200</u>
Net Change in Fund Balances	-	-	429	429
FUND BALANCE, BEGINNING OF YEAR	<u>294</u>	<u>294</u>	<u>294</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 294</u>	<u>\$ 294</u>	<u>\$ 723</u>	<u>\$ 429</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
COURT RECORD PRESERVATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 1,800	\$ 1,800	\$ 3,453	\$ 1,653
Total Fees of Office	<u>1,800</u>	<u>1,800</u>	<u>3,453</u>	<u>1,653</u>
MISCELLANEOUS				
Interest Earnings	-	-	64	64
Total Revenues	<u>1,800</u>	<u>1,800</u>	<u>3,517</u>	<u>1,717</u>
EXPENDITURES				
Current:				
General Administration	<u>1,800</u>	<u>1,800</u>	-	<u>1,800</u>
Total Expenditures	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Net Change in Fund Balances	-	-	3,517	3,517
FUND BALANCE, BEGINNING OF YEAR	<u>3,540</u>	<u>3,540</u>	<u>3,540</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,540</u>	<u>\$ 3,540</u>	<u>\$ 7,057</u>	<u>\$ 3,517</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DISTRICT COURT RECORDS TECHNOLOGY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 2,000	\$ 892	\$ 892	\$ -
Total Fees of Office	<u>2,000</u>	<u>892</u>	<u>892</u>	<u>-</u>
MISCELLANEOUS				
Interest Earnings	-	-	6	6
Total Revenues	<u>2,000</u>	<u>892</u>	<u>898</u>	<u>6</u>
EXPENDITURES				
Current:				
General Administration	<u>2,000</u>	<u>892</u>	<u>-</u>	<u>892</u>
Total Expenditures	<u>2,000</u>	<u>892</u>	<u>-</u>	<u>892</u>
Net Change in Fund Balances	-	-	898	898
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 898</u>	<u>\$ 898</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 600	\$ 600	\$ 1,535	\$ 935
Total Fees of Office	600	600	1,535	935
MISCELLANEOUS				
Interest Earnings	-	-	8	8
Total Revenues	600	600	1,543	943
EXPENDITURES				
Current:				
General Administration	600	600	-	600
Total Expenditures	600	600	-	600
Net Change in Fund Balances	-	-	1,543	1,543
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 1,543	\$ 1,543

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
County Clerks Fees	\$ 35,183	\$ 35,183	\$ 47,716	\$ 12,533
Total Fees of Office	35,183	35,183	47,716	12,533
MISCELLANEOUS				
Interest Earnings	2,600	2,600	3,825	1,225
Total Revenues	37,783	37,783	51,541	13,758
EXPENDITURES				
Current:				
General Administration:				
Seasonal Help	6,923	6,923	1,232	5,691
Social Security Taxes	530	530	94	436
Retirement	1,662	1,662	-	1,662
Workers Compensation	38	38	-	38
Unemployment Insurance	30	30	2	28
Rentals, Microfilm	25,000	25,000	19,800	5,200
Internet Download	3,600	3,600	-	3,600
Total Expenditures	37,783	37,783	21,128	16,655
Net Change in Fund Balances	-	-	30,413	30,413
FUND BALANCE, BEGINNING OF YEAR	274,501	274,501	274,501	-
FUND BALANCE, END OF YEAR	\$ 274,501	\$ 274,501	\$ 304,914	\$ 30,413

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
County Clerk Fees	\$ 40,000	\$ 40,000	\$ 40,730	\$ 730
Total Fees of Office	<u>40,000</u>	<u>40,000</u>	<u>40,730</u>	<u>730</u>
MISCELLANEOUS				
Interest Earnings	500	500	2,701	2,201
Total Revenues	<u>40,500</u>	<u>40,500</u>	<u>43,431</u>	<u>2,931</u>
EXPENDITURES				
Current:				
General Administration:				
Professional Services	5,000	5,000	-	5,000
Digitizing	191,000	191,000	190,991	9
Total Expenditures	<u>196,000</u>	<u>196,000</u>	<u>190,991</u>	<u>5,009</u>
Net Change in Fund Balances	(155,500)	(155,500)	(147,560)	7,940
FUND BALANCE, BEGINNING OF YEAR	<u>209,621</u>	<u>209,621</u>	<u>209,621</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 54,121</u>	<u>\$ 54,121</u>	<u>\$ 62,061</u>	<u>\$ 7,940</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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
JP Offices	\$ 9,500	\$ 9,320	\$ 9,320	\$ -
Total Fees of Office	<u>9,500</u>	<u>9,320</u>	<u>9,320</u>	<u>-</u>
MISCELLANEOUS				
Interest Earnings	500	680	858	178
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,178</u>	<u>178</u>
EXPENDITURES				
Current:				
General Administration:				
Professional Services	5,000	5,000	4,000	1,000
Supplies	5,000	5,000	186	4,814
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>4,186</u>	<u>5,814</u>
Net Change in Fund Balances	-	-	5,992	5,992
FUND BALANCE, BEGINNING OF YEAR	<u>62,559</u>	<u>62,559</u>	<u>62,559</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 62,559</u>	<u>\$ 62,559</u>	<u>\$ 68,551</u>	<u>\$ 5,992</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
VIT INTEREST SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Miscellaneous Revenue:				
Interest Earnings	\$ 70	\$ 70	\$ 426	\$ 356
Total Revenues	<u>70</u>	<u>70</u>	<u>426</u>	<u>356</u>
EXPENDITURES				
Current:				
Deputy Supplement	520	520	520	-
Social Security Taxes	40	40	40	-
Retirement	125	125	125	-
Workers Compensation	13	13	1	12
Unemployment Insurance	3	3	1	2
Other Post Employment	71	71	69	2
Total Expenditures	<u>772</u>	<u>772</u>	<u>756</u>	<u>16</u>
Net Change in Fund Balances	(702)	(702)	(330)	372
FUND BALANCE, BEGINNING OF YEAR	<u>6,821</u>	<u>6,821</u>	<u>6,821</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,119</u>	<u>\$ 6,119</u>	<u>\$ 6,491</u>	<u>\$ 372</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FARM TO MARKET AND LATERAL ROAD SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES				
Current	\$ 512,676	\$ 512,676	\$ 514,424	\$ 1,748
Delinquent	9,145	9,145	20,599	11,454
Total Property Taxes	521,821	521,821	535,023	13,202
MISCELLANEOUS				
Interest Earned	17,976	17,976	21,112	3,136
Miscellaneous	-	-	10,153	10,153
Total Miscellaneous	17,976	17,976	31,265	13,289
Total Revenues	539,797	539,797	566,288	26,491
EXPENDITURES				
Current:				
Public Transportation				
Salaries - Road and Bridge Department	126,703	127,543	97,177	30,366
Benefits Termination	1,325	1,325	-	1,325
Social Security Taxes	9,795	9,860	7,421	2,439
Group Insurance	27,972	27,972	18,470	9,502
Retirement and Death Benefits	30,727	30,929	23,322	7,607
Other Post Employment	17,178	17,292	8,993	8,299
Retiree Medical Insurance Trust	14,604	14,604	14,604	-
Workers Compensation	33,471	33,471	2,041	31,430
Optional Retirement	29,961	29,961	29,961	-
Unemployment Insurance	1,251	1,251	128	1,123
Repair and Maintenance	12,400	39,987	36,576	3,411
Parts and Repairs	20,000	20,000	18,354	1,646
Conferences and Dues	-	-	-	-
Utilities	12,000	14,000	12,151	1,849
Contractor Service	8,000	3,500	-	3,500
Physicals and Drug	1,000	3,000	2,830	170
Rentals and Leases	5,000	5,000	3,630	1,370
Beaver Control	26,400	28,800	28,800	-
Liability and Other Insurance	125,000	141,000	140,411	589
Miscellaneous	1,250	1,250	1,167	83
Capital Outlay:				
Public Transportation	156,000	129,000	114,703	14,297
Total Expenditures	660,037	679,745	560,739	119,006
Net Change in Fund Balances	(120,240)	(139,948)	5,549	145,497
FUND BALANCE, BEGINNING OF YEAR	1,246,252	1,246,252	1,246,252	-
FUND BALANCE, END OF YEAR	\$ 1,126,012	\$ 1,106,304	\$ 1,251,801	\$ 145,497

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Aid	241,932	241,932	241,932	\$ -
SAFPE Payments	344	344	344	-
Rider 80	4,867	4,867	4,867	-
C.S.R. Coordinator	17,341	17,341	17,341	-
Absconder Caseload	41,975	41,975	41,975	-
Sex Offender/DV Services	3,096	3,096	3,096	-
Specialized Caseload-Sex Offender	43,789	43,789	43,789	-
Total Intergovernmental Receipts	353,344	353,344	353,344	-
FEES OF OFFICE				
Probation Fees	449,614	449,614	449,614	-
Total Fees of Office	449,614	449,614	449,614	-
MISCELLANEOUS				
Interest Earned	6,193	6,193	6,193	-
Miscellaneous	511	511	511	-
Total Miscellaneous	6,704	6,704	6,704	-
Total Revenues	809,662	809,662	809,662	-
EXPENDITURES				
Current:				
Public Safety:				
Supervision	704,084	704,084	704,084	
C.S.R. Coordination	28,298	28,298	28,298	
CSCD Sex Offender	6,800	6,800	6,800	
Specialized Caseload	48,566	48,566	48,566	
Absconder Caseload	41,992	41,992	41,992	
Total Expenditures	829,740	829,740	829,740	-
Net Change in Fund Balances	(20,078)	(20,078)	(20,078)	-
FUND BALANCE, BEGINNING OF YEAR	522,756	5,227,556	522,756	-
FUND BALANCE, END OF YEAR	\$ 502,678	\$ 5,207,478	\$ 502,678	\$ -

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, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Aid	\$ 89,194	\$ 89,194	\$ 89,194	\$ -
Total Intergovernmental Receipts	89,194	89,194	89,194	-
FEES OF OFFICE				
Drug Court Fees	7,406	7,406	7,406	-
Total Fees of Office	7,406	7,406	7,406	-
MISCELLANEOUS				
Interest Earned	509	509	509	-
Total Miscellaneous	509	509	509	-
Total Revenues	97,109	97,109	97,109	-
EXPENDITURES				
Current:				
Public Safety:				
Salaries - Officers	31,471	31,471	31,471	-
Social Security	2,786	2,786	2,786	-
Group Medical Insurance	5,059	5,059	5,059	-
Retirement	8,752	8,752	8,752	-
Unemployment Insurance	47	47	47	-
Workers Compensation	732	732	732	-
Prosecutor	8,622	8,622	8,622	-
Contractual & Professional Services	31,725	31,725	31,725	-
Total Expenditures	89,194	89,194	89,194	-
Net Change in Fund Balances	7,915	7,915	7,915	-
FUND BALANCE, BEGINNING OF YEAR	55,669	55,669	55,669	-
FUND BALANCE, END OF YEAR	\$ 63,584	\$ 63,584	\$ 63,584	\$ -

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, 2011

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
INTERGOVERNMENTAL RECEIPTS:				
C.C.A.P. Program Funding	22,452	22,452	22,452	-
T.J.P.C. Regular State Funding	106,050	106,050	106,050	-
State Salary Adjustment Funding	5,250	5,250	5,250	-
Commitment Reduction Program	406	406	406	-
Diversionary Placement Fund Grant	13,384	13,384	13,384	-
Federal Title IV-E Funding	13,881	13,881	13,881	-
Progressive Sanctions Program	29,018	29,018	29,018	-
Total Intergovernmental Receipts	190,441	190,441	190,441	-
FEES OF OFFICE				
Probation Fees	4,223	4,223	4,223	-
Total Fees of Office	4,223	4,223	4,223	-
MISCELLANEOUS				
Interest Earned	1,937	1,937	1,937	-
Total Miscellaneous	1,937	1,937	1,937	-
Total Revenues	196,601	196,601	196,601	-
EXPENDITURES				
Current:				
Public Safety:				
Local Match Expenditures	157,039	157,039	157,039	-
Title IV-E	21,291	21,291	21,291	-
C.C.A.P	23,431	23,431	23,431	-
Diversionary Placement	9,682	9,682	9,682	-
TJPC/A	87,435	87,435	87,435	-
Commitment Reduction Program	10,057	10,057	10,057	-
Salary Adjustment	5,990	5,990	5,990	-
Progressive Sanctions	33,119	33,119	33,119	-
Total Expenditures	348,044	348,044	348,044	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(151,443)	(151,443)	(151,443)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	138,000	138,000	138,000	-
Total Other Financing Sources (Uses)	138,000	138,000	138,000	-
Net Change in Fund Balances	(13,443)	(13,443)	(13,443)	-
FUND BALANCE, BEGINNING OF YEAR	401,959	401,959	401,959	-
FUND BALANCE, END OF YEAR	\$ 250,516	\$ 250,516	\$ 388,516	\$ -

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
OLD PROBATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ 165	\$ 165	\$ 150	\$ (15)
Total Revenues	<u>165</u>	<u>165</u>	<u>150</u>	<u>(15)</u>
EXPENDITURES				
Current:				
Public Safety:				
Miscellaneous	190	190	100	90
Total Expenditures	<u>190</u>	<u>190</u>	<u>100</u>	<u>90</u>
Net Change in Fund Balances	(25)	(25)	50	75
FUND BALANCE, BEGINNING OF YEAR	<u>11,259</u>	<u>11,259</u>	<u>11,259</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 11,234</u></u>	<u><u>\$ 11,234</u></u>	<u><u>\$ 11,309</u></u>	<u><u>\$ 75</u></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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
Hot Check Fees	\$ 21,372	\$ 21,372	\$ 15,022	\$ (6,350)
Total Fees of Office	21,372	21,372	15,022	(6,350)
Total Revenues	21,372	21,372	15,022	(6,350)
EXPENDITURES				
Current:				
Legal:				
Secretaries	2,975	2,975	2,974	1
Group Medical & Insurance	9,324	9,324	8,104	1,220
Social Security Taxes	228	228	226	2
Retirement	715	715	714	1
Workers Compensation	15	15	-	15
Unemployment Insurance	13	13	4	9
Other Post Employment	402	402	401	1
Professional Liability Insurance	6,000	6,000	3,332	2,668
Cellular Phone	1,200	1,200	767	433
Miscellaneous	500	500	-	500
Total Hot Check Fee	21,372	21,372	16,522	4,850
Net Change in Fund Balances	-	-	(1,500)	(1,500)
FUND BALANCE, BEGINNING OF YEAR	79,338	79,338	79,338	-
FUND BALANCE, END OF YEAR	\$ 79,338	\$ 79,338	\$ 77,838	\$ (1,500)

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Forfeitures/Auction & Seizure	\$ -	\$ -	\$ 22,395	\$ 22,395
Interest Earnings	-	-	3,346	3,346
Total Revenues	<u>-</u>	<u>-</u>	<u>25,741</u>	<u>25,741</u>
EXPENDITURES				
Current:				
Public Safety:				
Narcotics Investigator & Deputies	78,342	57,774	38,886	18,888
Social Security Taxes	5,994	5,994	3,193	2,801
Group Medical & Life Benefits	18,648	18,648	9,913	8,735
Retirement & Death Benefits	18,802	18,802	10,060	8,742
Workers Compensation	2,309	2,309	1,544	765
Unemployment Insurance	392	392	55	337
Other Post Employment Benefits	10,561	10,561	5,650	4,911
Parts Repairs Gas and Trans Exp	14,000	14,000	-	14,000
Cellular Phone	11,026	11,026	-	11,026
Conference & Dues	5,700	5,700	-	5,700
Criminal Investigation	5,000	5,000	5,000	-
Body Armor	1,000	1,000	-	1,000
Film Processing	2,000	2,000	-	2,000
Special Team Response Clothing	1,500	1,500	431	1,069
Prevention	2,000	2,000	184	1,816
Miscellaneous	5,000	5,000	-	5,000
Other Supplies	4,100	4,100	-	4,100
Capital Outlay:				
Public Safety	-	20,568	20,568	-
Total Expenditures	<u>186,374</u>	<u>186,374</u>	<u>95,484</u>	<u>72,002</u>
Net Change in Fund Balances	<u>(186,374)</u>	<u>(186,374)</u>	<u>(69,743)</u>	<u>116,631</u>
FUND BALANCE, BEGINNING OF YEAR	<u>287,947</u>	<u>287,947</u>	<u>287,947</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 101,573</u>	<u>\$ 101,573</u>	<u>\$ 218,204</u>	<u>\$ 116,631</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DISTRICT ATTORNEY LONGEVITY PAY SUPPLEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Longevity Funds	\$ 4,800	\$ 4,800	\$ 4,800	\$ -
MISCELLANEOUS				
Interest Earnings	-	-	2	2
Total Revenues	4,800	4,800	4,802	2
EXPENDITURES				
Current				
Legal	4,800	4,800	4,800	-
Total Expenditures	4,800	4,800	4,800	-
Net Change in Fund Balances	-	-	2	2
FUND BALANCE, BEGINNING OF YEAR	103	103	103	-
FUND BALANCE, END OF YEAR	\$ 103	\$ 103	\$ 105	\$ 2

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Forfeitures	\$ -	\$ 862	\$ 11,278	\$ 10,416
Interest Earnings	-	-	2,226	2,226
Total Revenues	<u>-</u>	<u>862</u>	<u>13,504</u>	<u>12,642</u>
EXPENDITURES				
Current:				
Legal:				
Appointed Official	5,750	5,750	5,750	-
Administrator/Secr	21,596	22,458	22,457	1
Court Coordinator and Spec.	2,837	2,837	2,837	-
Social Security Taxes	5,432	5,432	5,088	344
Group Insurance	9,324	9,324	9,324	-
Retirement	17,039	17,039	16,027	1,012
Workers Compensation	598	598	431	167
Unemployment Insurance	355	355	88	267
Other Post Employment	9,570	9,570	8,902	668
Parts, Repairs & Gas	4,500	4,500	2,148	2,352
Office Supplies	1,500	1,500	901	599
Advertising and Publications	500	500	-	500
Cellular Phone	-	1,200	1,200	-
Miscellaneous	3,409	3,409	719	2,690
Total Expenditures	<u>82,410</u>	<u>84,472</u>	<u>75,872</u>	<u>8,599</u>
Net Change in Fund Balances	(82,410)	(83,610)	(62,368)	21,242
FUND BALANCE, BEGINNING OF YEAR	<u>196,762</u>	<u>196,762</u>	<u>196,762</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 114,352</u></u>	<u><u>\$ 113,152</u></u>	<u><u>\$ 134,394</u></u>	<u><u>\$ 21,242</u></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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Comptroller Payments	\$ 34,450	\$ 33,588	\$ 31,272	\$ (2,316)
Total Intergovernmental Receipts	<u>34,450</u>	<u>33,588</u>	<u>31,272</u>	<u>(2,316)</u>
MISCELLANEOUS				
Interest Earnings	1	1	32	31
Total Revenues	<u>34,451</u>	<u>33,589</u>	<u>31,304</u>	<u>(2,285)</u>
EXPENDITURES				
Current				
Public Safety:				
Administrative Assistant	20,317	19,455	17,138	2,317
Court Coordinator & Specialist	<u>14,134</u>	<u>14,134</u>	<u>14,134</u>	<u>-</u>
Total Expenditures	<u>34,451</u>	<u>33,589</u>	<u>31,272</u>	<u>2,317</u>
Net Change in Fund Balances	-	-	32	(4,602)
FUND BALANCE, BEGINNING OF YEAR	<u>532</u>	<u>532</u>	<u>532</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 532</u>	<u>\$ 532</u>	<u>\$ 564</u>	<u>\$ 32</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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 4	\$ 4
Total Miscellaneous Receipts	-	-	4	-
Total Revenues	-	-	4	-
EXPENDITURES				
Current				
Public Safety				
Furniture & Equipment	296	296	-	296
Total Expenditures	296	296	-	296
Net Change in Fund Balances	(296)	(296)	4	300
FUND BALANCE, BEGINNING OF YEAR	297	297	297	-
FUND BALANCE, END OF YEAR	\$ 1	\$ 1	\$ 301	\$ 300

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 14	\$ 14
Total Miscellaneous Receipts	-	-	14	-
Total Revenues	-	-	14	-
EXPENDITURES				
Current				
Public Safety				
Parts and Repairs	1,000	1,000	-	1,000
Furniture & Equipment	900	900	900	-
Total Expenditures	1,900	1,900	900	1,000
Net Change in Fund Balances	(1,900)	(1,900)	(886)	1,014
FUND BALANCE, BEGINNING OF YEAR	1,989	1,989	1,989	-
FUND BALANCE, END OF YEAR	\$ 89	\$ 89	\$ 1,103	\$ 1,014

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 641	\$ 641
Total Miscellaneous Receipts	-	-	641	641
Total Revenues	-	-	641	641
EXPENDITURES				
Capital Outlay				
Legal	10,000	10,000	-	10,000
Total Expenditures	10,000	10,000	-	10,000
Net Change in Fund Balances	(10,000)	(10,000)	641	10,641
FUND BALANCE, BEGINNING OF YEAR	54,718	54,718	54,718	-
FUND BALANCE, END OF YEAR	\$ 44,718	\$ 44,718	\$ 55,359	\$ 10,641

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 20	\$ 20
Total Miscellaneous Receipts	-	-	20	-
Total Revenues	-	-	20	-
EXPENDITURES				
Current				
Public Safety				
Furniture & Equipment	2,792	2,792	2,497	295
Total Expenditures	2,792	2,792	2,497	295
Net Change in Fund Balances	(2,792)	(2,792)	(2,477)	315
FUND BALANCE, BEGINNING OF YEAR	2,795	2,795	2,795	-
FUND BALANCE, END OF YEAR	\$ 3	\$ 3	\$ 318	\$ 315

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 5	\$ 5
Total Miscellaneous Receipts	-	-	5	-
Total Revenues	-	-	5	-
EXPENDITURES				
Current				
Public Safety				
Furniture & Equipment	2,600	2,600	2,600	-
Total Expenditures	2,600	2,600	2,600	-
Net Change in Fund Balances	(2,600)	(2,600)	(2,595)	5
FUND BALANCE, BEGINNING OF YEAR	2,626	2,626	2,626	-
FUND BALANCE, END OF YEAR	\$ 26	\$ 26	\$ 31	\$ 5

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DEADWOOD WATER SUPPLY CORPORATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Federal Receipts	\$ -	\$ 76,585	\$ 76,585	\$ -
Total Intergovernmental Receipts	-	76,585	76,585	-
Total Revenues	-	76,585	76,585	-
EXPENDITURES				
Current:				
Public Facilities		76,585	76,585	-
Total Expenditures	-	76,585	76,585	-
Net Change in Fund Balances	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	3,500	3,500	3,500	-
FUND BALANCE, END OF YEAR	\$ 3,500	\$ 3,500	\$ 3,500	\$ -

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
HURRICANE GENERATORS GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Federal Receipts	\$ -	\$ 67,972	\$ 67,972	\$ -
Total Intergovernmental Receipts	-	67,972	67,972	-
Total Revenues	-	67,972	67,972	-
EXPENDITURES				
Current:				
Public Facilities		67,972	67,972	-
Total Expenditures	-	67,972	67,972	-
Net Change in Fund Balances	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Federal receipts	\$ -	\$ -	\$ 4,927	\$ 4,927
Total Intergovernmental Receipts	-	-	4,927	4,927
MISCELLANEOUS				
Interest Earned			871	871
Donations			727	727
Total Miscellaneous Receipts	-	-	1,598	1,598
Total Revenues	-	-	6,525	6,525
EXPENDITURES				
Current				
Health & Paupers Care	28,000	28,000	27,668	332
Total Expenditures	28,000	28,000	27,668	332
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,000)	(28,000)	(21,143)	6,857
OTHER FINANCING SOURCES (USES)				
Transfers in	28,000	28,000	28,000	-
Total Other Financing Sources (Uses)	28,000	28,000	28,000	-
Net Change in Fund Balances	-	-	6,857	6,857
FUND BALANCE, BEGINNING OF YEAR	60,315	60,315	60,315	-
FUND BALANCE, END OF YEAR	\$ 60,315	\$ 60,315	\$ 67,172	\$ 6,857

PANOLA COUNTY, TEXAS
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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Tobacco Settlement	\$ -	\$ 26,900	\$ 26,903	\$ 3
Total Intergovernmental Receipts	<u>-</u>	<u>26,900</u>	<u>26,903</u>	<u>3</u>
MISCELLANEOUS				
Hospital Lease	2,400,000	239,627	239,626	(1)
Interest Earnings	40,000	49,900	50,950	1,050
Total Miscellaneous Revenue	<u>2,440,000</u>	<u>289,527</u>	<u>290,576</u>	<u>1,049</u>
Total Revenues	<u>2,440,000</u>	<u>316,427</u>	<u>317,479</u>	<u>1,052</u>
EXPENDITURES				
Current				
Health & Paupers Care	2,550,000	426,427	426,294	133
Total Expenditures	<u>2,550,000</u>	<u>426,427</u>	<u>426,294</u>	<u>133</u>
Net Change in Fund Balances	(110,000)	(110,000)	(108,815)	1,185
FUND BALANCE, BEGINNING OF YEAR	<u>3,591,363</u>	<u>3,591,363</u>	<u>3,591,363</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,481,363</u>	<u>\$ 3,481,363</u>	<u>\$ 3,482,548</u>	<u>\$ 1,185</u>

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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Miscellaneous	\$ 167,000	\$ 154,996	\$ 154,996	\$ -
Interest Earned	3,000	3,000	3,652	652
Total Revenues	<u>170,000</u>	<u>157,996</u>	<u>158,648</u>	<u>652</u>
EXPENDITURES				
Current				
Public Transportation	170,000	157,996	138,447	19,549
Total Expenditures	<u>170,000</u>	<u>157,996</u>	<u>138,447</u>	<u>19,549</u>
Net Change in Fund Balances	-	-	20,201	20,201
FUND BALANCE, BEGINNING OF YEAR	<u>297,124</u>	<u>297,124</u>	<u>297,124</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 297,124</u>	<u>\$ 297,124</u>	<u>\$ 317,325</u>	<u>\$ 20,201</u>

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CAPITAL PROJECT FUNDS

SHERIFF'S DEPARTMENT RENOVATION CONSTRUCTION FUND – This fund is used to account for funds used to renovate the old Panola County Jail into offices for the Sheriff's Department.

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.

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PANOLA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 NON-MAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2011

	SHERIFF'S RENOVATION CONSTRUCTION	ROAD BOND 1971	PERMANENT IMPROVEMENT	NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL
ASSETS:				
Cash and Cash Equivalents	\$ 39,751	\$ 82,927	\$ 38,815	\$ 161,493
Investments	-	183,000	174,000	357,000
Receivables (net of allowance for uncollectibles)				
Miscellaneous	-	897	913	1,810
Total Assets	\$ 39,751	\$ 266,824	\$ 213,728	\$ 520,303
LIABILITIES:				
Total Liabilities	-	-	-	-
FUND BALANCES:				
Committed	39,751	266,824	213,728	520,303
Total Fund Balances	39,751	266,824	213,728	520,303
Total Liabilities and Fund Balances	\$ 39,751	\$ 266,824	\$ 213,728	\$ 520,303

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, 2011

	SHERIFF'S RENOVATION CONSTRUCTION	ROAD BOND 1971	PERMANENT IMPROVEMENT	NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL
REVENUES				
Miscellaneous	\$ 747	\$ 3,618	\$ 2,939	\$ 7,304
TOTAL REVENUES	<u>747</u>	<u>3,618</u>	<u>2,939</u>	<u>7,304</u>
EXPENDITURES				
Capital Outlay				
Public Safety	234,975	-	-	234,975
TOTAL EXPENDITURES	<u>234,975</u>	<u>-</u>	<u>-</u>	<u>234,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(234,228)</u>	<u>3,618</u>	<u>2,939</u>	<u>(227,671)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	-	-	100,000
TOTAL OTHER FINANCING SOURCES	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
NET CHANGE IN FUND BALANCES	(134,228)	3,618	2,939	(127,671)
FUND BALANCE-BEGINNING OF YEAR	<u>173,979</u>	<u>263,206</u>	<u>210,789</u>	<u>647,974</u>
FUND BALANCE-END OF YEAR	<u>\$ 39,751</u>	<u>\$ 266,824</u>	<u>\$ 213,728</u>	<u>\$ 520,303</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SHERIFF'S RENOVATION CONSTRUCTION CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 747	\$ 747
Total Miscellaneous Revenues	<u>-</u>	<u>-</u>	<u>747</u>	<u>747</u>
EXPENDITURES				
Capital Outlay:				
Public Safety	-	272,980	234,975	38,005
Total Expenditures	<u>-</u>	<u>272,980</u>	<u>234,975</u>	<u>38,005</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(272,980)</u>	<u>(234,228)</u>	<u>38,752</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	100,000	100,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balances	-	(172,980)	(134,228)	38,752
FUND BALANCE, BEGINNING OF YEAR	<u>173,979</u>	<u>173,979</u>	<u>173,979</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 173,979</u>	<u>\$ 999</u>	<u>\$ 39,751</u>	<u>\$ 38,752</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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ 3,086	\$ 3,086	\$ 3,618	\$ 532
Total Revenues	<u>3,086</u>	<u>3,086</u>	<u>3,618</u>	<u>532</u>
EXPENDITURES				
Current:				
Public Transportation	3,086	3,086	-	3,086
Total Expenditures	<u>3,086</u>	<u>3,086</u>	<u>-</u>	<u>3,086</u>
 Net Change in Fund Balances	-	-	3,618	3,618
 FUND BALANCE, BEGINNING OF YEAR	<u>263,206</u>	<u>263,206</u>	<u>263,206</u>	<u>-</u>
 FUND BALANCE, END OF YEAR	<u>\$ 263,206</u>	<u>\$ 263,206</u>	<u>\$ 266,824</u>	<u>\$ 3,618</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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ 2,208	\$ 2,208	\$ 2,939	\$ 731
Total Miscellaneous Revenues	<u>2,208</u>	<u>2,208</u>	<u>2,939</u>	<u>731</u>
EXPENDITURES				
Capital Outlay:				
General Administration	2,208	2,208	-	2,208
Total Expenditures	<u>2,208</u>	<u>2,208</u>	<u>-</u>	<u>2,208</u>
 Net Change in Fund Balances	-	-	2,939	2,939
 FUND BALANCE, BEGINNING OF YEAR	<u>210,789</u>	<u>210,789</u>	<u>210,789</u>	<u>-</u>
 FUND BALANCE, END OF YEAR	<u>\$ 210,789</u>	<u>\$ 210,789</u>	<u>\$ 213,728</u>	<u>\$ 2,939</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, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES				
Current Property Tax	\$ 1,308,328	\$ 1,308,328	\$ 1,333,883	\$ 25,555
Delinquent Taxes	23,342	23,342	29,339	5,997
Total Property Taxes	<u>1,331,670</u>	<u>1,331,670</u>	<u>1,363,222</u>	<u>31,552</u>
MISCELLANEOUS				
Interest Earned	4,000	4,000	7,773	3,773
Miscellaneous	-	-	1,436	1,436
Total Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>9,209</u>	<u>5,209</u>
Total Revenues	<u>1,335,670</u>	<u>1,335,670</u>	<u>1,372,431</u>	<u>36,761</u>
EXPENDITURES				
Debt Service:				
Principal	1,340,000	1,340,000	1,340,000	
Interest	26,465	26,465	26,465	-
Total Expenditures	<u>1,366,465</u>	<u>1,366,465</u>	<u>1,366,465</u>	<u>-</u>
Net Change in Fund Balances	(30,795)	(30,795)	5,966	36,761
FUND BALANCE, BEGINNING OF YEAR	<u>201,590</u>	<u>201,590</u>	<u>201,590</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 170,795</u>	<u>\$ 170,795</u>	<u>\$ 207,556</u>	<u>\$ 36,761</u>

**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.

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.

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.

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 DISTRICT ATTORNEY FORFEITURE – This fund, which is maintained by the Criminal District Attorney, is used to account for the processing of forfeited funds, pending court ordered distribution.

CRIMINAL DISTRICT ATTORNEY RESTITUTION – The restitution fund, also maintained by the Criminal District Attorney, is used to collect and remit to merchants proceeds of collection of "hot checks."

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.

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

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**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
AUTOMOBILE REGISTRATION FUND				
ASSETS				
Cash and Cash Equivalents	\$ 375,096	\$ 5,763,690	\$ 5,640,253	\$ 498,533
Total Assets	<u>\$ 375,096</u>	<u>\$ 5,763,690</u>	<u>\$ 5,640,253</u>	<u>\$ 498,533</u>
LIABILITIES				
Due to Other Governments	\$ 375,096	\$ 5,763,690	\$ 5,640,253	\$ 498,533
Total Liabilities	<u>\$ 375,096</u>	<u>\$ 5,763,690</u>	<u>\$ 5,640,253</u>	<u>\$ 498,533</u>
TAX ASSESSOR-COLLECTOR ADVALOREM TAX FUND				
ASSETS				
Cash and Cash Equivalents	\$ 2,870,300	\$ 69,777,739	\$ 69,364,514	\$ 3,283,525
Total Assets	<u>\$ 2,870,300</u>	<u>\$ 69,777,739</u>	<u>\$ 69,364,514</u>	<u>\$ 3,283,525</u>
LIABILITIES				
Due to Other Governments	\$ 2,870,300	\$ 69,777,739	\$ 69,364,514	\$ 3,283,525
Total Liabilities	<u>\$ 2,870,300</u>	<u>\$ 69,777,739</u>	<u>\$ 69,364,514</u>	<u>\$ 3,283,525</u>
COUNTY CLERK FUND				
ASSETS				
Cash and Cash Equivalents	\$ 249,597	\$ 13,626	\$ 18,622	\$ 244,601
Total Assets	<u>\$ 249,597</u>	<u>\$ 13,626</u>	<u>\$ 18,622</u>	<u>\$ 244,601</u>
LIABILITIES				
Court Ordered Deposits	\$ 16,329	\$ 5,675	\$ 3,175	\$ 18,829
Court Ordered Trust Funds	233,268	7,951	15,447	225,772
Total Liabilities	<u>\$ 249,597</u>	<u>\$ 13,626</u>	<u>\$ 18,622</u>	<u>\$ 244,601</u>

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
DISTRICT CLERK FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 1,576,262	\$ 449,747	\$ 602,498	\$ 1,423,511
Investments	304,013	31,807	103,804	232,016
Total Assets	\$ 1,880,275	\$ 481,554	\$ 706,302	\$ 1,655,527
LIABILITIES				
Court Ordered Deposits	\$ 16,670	\$ 307,177	\$ 231,465	\$ 92,382
Court Ordered Trust Funds	1,863,605	174,377	474,837	1,563,145
Total Liabilities	\$ 1,880,275	\$ 481,554	\$ 706,302	\$ 1,655,527
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT FUND				
ASSETS				
Cash and Cash Equivalents	\$ 10,331	\$ 975,375	\$ 977,510	\$ 8,196
Total Assets	\$ 10,331	\$ 975,375	\$ 977,510	\$ 8,196
LIABILITIES				
Restitution Payable	\$ 10,114	\$ -	\$ 2,086	\$ 8,028
Court Ordered Trust Funds	217	975,375	975,424	168
Total Liabilities	\$ 10,331	\$ 975,375	\$ 977,510	\$ 8,196

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
JUVENILE PROBATION FUND				
ASSETS				
Cash and Cash Equivalents	\$ 180	\$ 1,667	\$ 907	\$ 940
Total Assets	\$ 180	\$ 1,667	\$ 907	\$ 940
LIABILITIES				
Court Ordered Trust Funds	\$ 180	\$ 1,667	\$ 907	\$ 940
Total Liabilities	\$ 180	\$ 1,667	\$ 907	\$ 940
CRIMINAL DISTRICT ATTORNEY FORFEITURE FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 139,078	\$ 42,711	\$ 27,252	\$ 154,537
Total Assets	\$ 139,078	\$ 42,711	\$ 27,252	\$ 154,537
LIABILITIES				
Court Ordered Trust Funds	\$ 139,078	\$ 42,711	\$ 27,252	\$ 154,537
Total Liabilities	\$ 139,078	\$ 42,711	\$ 27,252	\$ 154,537
CRIMINAL DISTRICT ATTORNEY RESTITUTION FUND				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 185,134	\$ 185,134	\$ -
Total Assets	\$ -	\$ 185,134	\$ 185,134	\$ -
LIABILITIES				
Restitution Payable	\$ -	\$ 185,134	\$ 185,134	\$ -
Total Liabilities	\$ -	\$ 185,134	\$ 185,134	\$ -

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
SHERIFF COLLECTIONS FUND				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 6,648	\$ 6,648	\$ -
Total Assets	\$ -	\$ 6,648	\$ 6,648	\$ -
LIABILITIES				
Due to Other Governments	\$ -	\$ 6,648	\$ 6,648	\$ -
Total Liabilities	\$ -	\$ 6,648	\$ 6,648	\$ -
JAIL INMATE FUND				
ASSETS				
Cash and Cash Equivalents	\$ 695	\$ 72,005	\$ 68,422	\$ 4,278
Total Assets	\$ 695	\$ 72,005	\$ 68,422	\$ 4,278
LIABILITIES				
Other Payables	\$ 695	\$ 72,005	\$ 68,422	\$ 4,278
Total Liabilities	\$ 695	\$ 72,005	\$ 68,422	\$ 4,278

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 5,221,539	\$ 77,288,342	\$ 76,891,760	\$ 5,618,121
Investments	304,013	31,807	103,804	232,016
Total Assets	\$ 5,525,552	\$ 77,320,149	\$ 76,995,564	\$ 5,850,137
LIABILITIES				
Due to Other Governments	3,245,396	75,548,077	75,011,415	3,782,058
Court Ordered Deposits	32,999	312,852	234,640	111,211
Court Ordered Trust Funds	2,236,348	1,202,081	1,493,867	1,944,562
Restitution Payable	10,114	185,134	187,220	8,028
Other Payables	695	72,005	68,422	4,278
Total Liabilities	\$ 5,525,552	\$ 77,320,149	\$ 76,995,564	\$ 5,850,137

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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, 2011

CAPITAL ASSETS:

Land	\$ 1,289,889
Buildings	19,074,843
Improvements Other Than Buildings	259,303
Machinery and Equipment	9,713,790
Infrastructure	<u>10,371,442</u>
 Total Capital Assets	 <u><u>\$ 40,709,267</u></u>

INVESTMENTS IN CAPITAL ASSETS:

Current Revenues - Current Year	\$ 1,405,457
Current Revenues - Prior Years	28,869,104
Capital Assets of Former Panola General Hospital	3,879,706
General Obligation Debt - Prior Years	5,555,000
Certificates of Obligation - Prior Years	<u>1,000,000</u>
	 <u><u>\$ 40,709,267</u></u>

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PANOLA COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2011

	Total	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure
GENERAL ADMINISTRATION						
County Clerk	\$ 15,169	\$ -	\$ -	\$ -	\$ 15,169	\$ -
Total General Administration	15,169	-	-	-	15,169	-
JUDICIAL						
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	1,809,179	-	1,784,971	-	24,208	-
LEGAL						
District Attorney	356,995	-	356,995	-	-	-
Total Legal	356,995	-	356,995	-	-	-
ELECTIONS						
Voter Registration	264,800	-	-	-	264,800	-
Total Elections	264,800	-	-	-	264,800	-
PUBLIC TRANSPORTATION						
Road and Bridge	17,986,544	139,656	11,778	-	7,463,668	10,371,442
Airport	587,965	188,639	315,909	-	83,417	-
Total Public Transportation	18,574,509	328,295	327,687	-	7,547,085	10,371,442
PUBLIC FACILITIES						
Courthouse	1,513,867	815,452	635,109	-	63,306	-
Miscellaneous & Non-Departmental	308,933	-	-	169,270	139,663	-
Total Public Facilities	1,822,800	815,452	635,109	169,270	202,969	-

PANOLA COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY, continued
DECEMBER 31, 2011

	Total	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure
PUBLIC SAFETY						
Sheriff	\$ 1,488,940	\$ -	\$ 537,675	\$ -	\$ 951,265	\$ -
Constables	132,353	-	-	-	132,353	-
Corrections and Jail	11,396,564	60,754	11,211,314	-	124,496	-
Emergency Management	144,286	-	-	-	144,286	-
911 Rural Addressing	47,681	-	-	-	47,681	-
Probation Services - Adult	222,809	-	-	-	222,809	-
Probation Services - Juvenile	36,669	-	-	-	36,669	-
Total Public Safety	13,469,302	60,754	11,748,989	-	1,659,559	-
HEALTH AND WELFARE						
Hospital	3,879,706	32,138	3,757,535	90,033	-	-
Incinerator	401,782	53,250	348,532	-	-	-
Total Health and Welfare	4,281,488	85,388	4,106,067	90,033	-	-
CULTURE AND RECREATION						
Exposition Center	115,025	-	115,025	-	-	-
Total Culture and Recreation	115,025	-	115,025	-	-	-
TOTAL CAPITAL ASSETS	\$ 40,709,267	\$ 1,289,889	\$ 19,074,843	\$ 259,303	\$ 9,713,790	\$ 10,371,442

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, 2011

	General Capital Assets January 1, 2011	Additions	Deductions	General Capital Assets December 31, 2011
GENERAL ADMINISTRATION				
County Clerk	\$ 15,169	\$ -	\$ -	\$ 15,169
Total General Administration	<u>15,169</u>	<u>-</u>	<u>-</u>	<u>15,169</u>
JUDICIAL				
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>1,809,179</u>
LEGAL				
District Attorney	356,995	-	-	356,995
Total Legal	<u>356,995</u>	<u>-</u>	<u>-</u>	<u>356,995</u>
ELECTIONS				
Voter Registration	264,800	-	-	264,800
Total Elections	<u>264,800</u>	<u>-</u>	<u>-</u>	<u>264,800</u>
PUBLIC TRANSPORTATION				
Road and Bridge-Equipment	7,169,148	877,846	431,892	7,615,102
Road and Bridge-Infrastructure	10,371,442	-	-	10,371,442
Airport	578,977	8,988	-	587,965
Total Public Transportation	<u>18,119,567</u>	<u>886,834</u>	<u>431,892</u>	<u>18,574,509</u>
PUBLIC FACILITIES				
Courthouse	1,499,122	14,745	-	1,513,867
Miscellaneous and Non- Departmental	308,933	-	-	308,933
Total Public Facilities	<u>1,808,055</u>	<u>14,745</u>	<u>-</u>	<u>1,822,800</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, 2011

	General Capital Assets January 1, 2011	Additions	Deductions	General Capital Assets December 31, 2011
PUBLIC SAFETY				
Sheriff	\$ 1,191,627	\$ 367,916	\$ 70,603	\$ 1,488,940
Constables	132,353	-	-	132,353
Corrections and Jail	11,344,574	51,990	-	11,396,564
Emergency Management	123,418	20,868	-	144,286
911 Rural Addressing	47,681	-	-	47,681
Probation Services - Adult	182,809	40,000	-	222,809
Probation Services - Juvenile	33,342	23,104	19,777	36,669
Criminal Investigations	-	-	-	-
Total Public Safety	<u>13,055,804</u>	<u>503,878</u>	<u>90,380</u>	<u>13,469,302</u>
HEALTH AND WELFARE				
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>4,281,488</u>
CULTURE AND RECREATION				
Exposition Center	115,025	-	-	115,025
Total Culture and Recreation	<u>115,025</u>	<u>-</u>	<u>-</u>	<u>115,025</u>
TOTAL GENERAL CAPITAL ASSETS	<u><u>\$ 39,826,082</u></u>	<u><u>\$ 1,405,457</u></u>	<u><u>\$ 522,272</u></u>	<u><u>\$ 40,709,267</u></u>

**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.

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 2003 – 2011. The County implemented the new reporting model in fiscal year 2003. 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 – Fund Balances, Governmental Funds

TABLE 4 – Net Changes in Fund Balance, 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 – Principal Property Taxpayers

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

TABLE 1

	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:									
Invested in Capital Assets, Net of Related Debt	\$ 23,802,873	\$ 22,812,862	\$ 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	-	224,103	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	35,513,233	33,209,420	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	\$ 59,316,106	\$ 56,246,385	\$ 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.

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TABLE 2

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	
Expenses:										
Governmental Activities:										
General administration	\$ 3,727,822	\$ 3,267,777	\$ 2,814,331	\$ 3,358,623	\$ 3,096,305	\$ 2,524,507	\$ 2,261,577	\$ 1,950,152	\$ 1,701,656	
Judicial	1,091,066	1,120,449	1,134,624	953,205	931,862	922,265	839,466	818,993	743,435	
Legal	483,307	490,452	350,538	377,261	346,592	400,559	369,369	294,366	313,788	
Elections	153,511	163,105	167,952	137,636	139,319	128,458	121,455	120,751	93,132	
Financial administration	786,036	766,574	755,563	630,297	648,448	617,867	582,235	539,091	508,942	
Public facilities	417,517	297,677	258,652	238,315	225,256	272,874	245,345	266,789	217,472	
Public safety	5,713,426	5,572,574	5,364,448	4,175,436	4,183,927	4,232,178	4,055,915	3,523,072	3,374,098	
Environmental protection	363,458	361,383	363,925	339,837	307,438	382,184	354,714	301,933	289,887	
Public transportation	6,279,662	6,333,001	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	931,689	2,402,045	734,454	618,051	581,604	564,173	557,335	576,106	543,899	
Recreation	384,378	320,529	305,744	278,591	263,934	247,134	257,177	287,491	215,439	
Conservation	93,050	92,987	90,679	73,981	76,901	77,840	73,242	70,072	68,738	
Debt Service - Interest	17,694	69,800	119,877	167,161	138,052	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	-	6,279
Total Governmental Activities Expenses	\$ 20,442,616	\$ 21,258,353	\$ 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	\$ 339,152	\$ 348,974	\$ 383,448	\$ 421,277	\$ 380,871	\$ 396,728	\$ 302,054	\$ 314,748	\$ 287,103	
Judicial	460,165	453,019	116,763	136,563	139,673	156,932	131,831	137,484	54,738	
Legal	37,671	45,235	77,514	134,391	61,487	269,754	257,946	87,766	54,547	
Elections	-	5,061	2,400	22,203	200	11,712	-	-	-	
Financial administration	807,132	758,081	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	482,476	520,674	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	182,614	176,809	748,835	795,779	808,936	849,388	786,067	886,405	814,972	
Health and Paupers care	1,525	1,400	5,351	19,966	114,372	121,428	109,346	100,729	153,968	
Recreation	144,471	136,592	136,024	121,372	114,718	105,137	98,065	121,989	1,800	
Conservation	1,950	4,132	-	-	-	-	-	-	-	
Total Charges for Services	\$ 2,457,156	\$ 2,449,977	\$ 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 NINE FISCAL YEARS
(UNAUDITED)

	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating Grants and Contributions									
Judicial	\$ 80,489	\$ 85,889	\$ 74,192	\$ 67,116	\$ 33,766	\$ 38,304	\$ 39,008	\$ 36,914	\$ 37,085
Legal	74,543	63,391	4,320	4,080	3,840	3,600	3,360	-	-
Elections	988	47,669	12,337	-	10,561	6,250	-	-	-
Financial administration	-	-	-	-	-	-	-	-	51,250
Public facilities	-	-	-	-	103,960	86,642	29,180	-	-
Public safety	652,019	662,193	963,272	904,822	806,355	978,516	949,305	1,072,061	691,565
Environmental protection	-	-	-	-	-	-	-	1,664	10,073
Public transportation	30,041	30,222	30,279	30,284	30,276	30,905	35,720	30,504	77,430
Health and Paupers care	271,457	1,980,960	69,548	101,349	72,308	58,249	87,591	43,574	39,707
Recreation	-	-	-	-	-	-	-	-	85,686
Total Operating Grants and Contributions	\$ 1,109,537	\$ 2,870,324	\$ 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	\$ -	\$ -
Public Facilities	144,558	31,650	-	-	-	-	-	-	-
Public Safety	78,382	200,468	-	-	-	-	-	-	-
Total Capital Grants and Contrib	\$ 222,940	\$ 232,118	\$ -	\$ -	\$ -	\$ -	\$ 250,872	\$ -	\$ -
Total Governmental Activities									
Program Revenues	\$ 3,789,633	\$ 5,552,419	\$ 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:	\$ (16,652,983)	\$ (15,705,934)	\$ (14,600,240)	\$ (13,619,198)	\$ (13,153,414)	\$ (11,114,502)	\$ (10,549,995)	\$ (9,649,667)	\$ (9,307,283)

TABLE 2 (cont.)

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

	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes	\$ 18,742,731	\$ 18,542,362	\$ 16,744,039	\$ 15,328,340	\$ 12,714,869	\$ 11,324,789	\$ 10,636,866	\$ 10,179,315	\$ 9,371,021
Interest Income	483,015	470,991	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	496,958	729,736	699,881	1,232,637	641,846	687,062	532,499	205,988	174,500
Total Governmental Activities	\$ 19,722,704	\$ 19,743,089	\$ 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	3,069,721	4,037,155	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	\$ 3,069,721	\$ 4,037,155	\$ 3,761,076	\$ 3,904,221	\$ (7,392,964)	\$ 2,240,694	\$ 1,387,055	\$ 1,221,626	\$ 962,389
Total Primary Government	\$ 3,069,721	\$ 4,037,155	\$ 3,761,076	\$ 3,904,221	\$ (7,392,964)	\$ 2,240,694	\$ 1,387,055	\$ 1,221,626	\$ 962,389
% Change from Prior Year	(23.96%)	7.34%	(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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund:										
Committed	\$ 2,000,000	\$ -	\$ 9,427,291	\$ 6,918,110	\$ 5,354,493	\$ 13,021,195	\$ 11,584,311	\$ 10,704,447	\$ 9,612,242	\$ -
Unassigned	11,152,902	11,572,586								8,676,002
Total General Fund	13,152,902	11,572,586	9,427,291	6,918,110	5,354,493	13,021,195	11,584,311	10,704,447	9,612,242	8,676,002
All Other Governmental Funds:										
Nonspendable, Reported in:										
Special Revenue Funds	16,053	24,346	15,994	47,998	35,022	27,068	30,668	10,996	7,266	6,157
Restricted, Reported in:										
Special Revenue Funds	10,575,529	10,582,426	9,980,628	9,315,359	8,496,426	10,435,845	9,140,388	8,563,498	7,828,623	7,413,692
Debt Service Fund	207,556	201,590	161,924	93,036	2,610	-	-	-	-	-
Capital Projects Funds	-	-	-	2,734,465	8,844,339	-	-	-	-	-
Committed, Reported in:										
Capital Projects Funds	520,303	647,974	491,596	477,783	461,548	441,702	422,175	410,687	811,609	2,257,767
Total All Other Governmental Funds	11,319,441	11,456,336	10,650,142	12,668,641	17,839,945	10,904,615	9,593,231	8,985,181	8,647,498	9,677,616
Total Governmental Funds	\$ 24,472,343	\$ 23,028,922	\$ 20,077,433	\$ 19,586,751	\$ 23,194,438	\$ 23,925,810	\$ 21,177,542	\$ 19,689,628	\$ 18,259,740	\$ 18,353,618
% Change from Prior Year	6.27%	14.70%	2.51%	(15.55%)	(3.06%)	12.98%	7.56%	7.83%	(0.51%)	N/A

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
REVENUES										
Property Taxes	\$ 18,708,889	\$ 18,316,629	\$ 16,745,188	\$ 15,320,932	\$ 12,723,922	\$ 11,325,188	\$ 10,652,164	\$ 10,073,746	\$ 9,413,140	\$ 8,636,759
Licenses	416,086	413,439	449,020	448,726	455,247	455,632	459,902	461,437	453,226	459,997
Inter-Governmental	1,362,230	1,367,929	1,297,019	1,317,459	1,274,782	1,526,620	1,578,406	1,366,830	992,796	1,017,538
Fees of Office	1,325,782	1,333,598	1,316,252	1,351,374	1,218,383	1,248,867	1,078,243	1,082,685	951,535	912,568
Fines	309,141	295,442	267,732	316,701	325,430	369,783	326,165	326,263	285,416	296,613
Miscellaneous	1,399,682	3,423,614	1,783,828	2,373,096	2,257,336	2,611,688	1,936,574	928,512	1,142,414	1,375,957
Total Revenues	23,521,810	25,150,651	21,859,039	21,128,288	18,255,100	17,537,778	16,031,454	14,239,473	13,238,527	12,699,432
EXPENDITURES										
General Administration										
Judicial	3,798,181	3,231,245	2,831,669	3,581,289	3,067,307	2,487,117	2,204,858	1,939,667	1,738,705	1,669,636
Legal	1,098,165	1,072,245	1,111,988	940,346	879,692	864,318	791,433	776,783	726,208	719,553
Elections	503,153	488,344	358,200	392,174	345,467	398,169	364,125	294,651	314,042	197,945
Financial Administration	135,413	139,068	146,889	118,052	114,875	100,937	117,570	120,832	93,203	96,224
Public Facilities	824,190	762,011	763,587	661,127	643,287	615,465	581,258	539,639	509,416	479,226
Public Safety	418,341	295,300	257,823	231,189	489,745	270,839	243,352	264,801	215,507	188,653
Environmental Protection	5,473,887	5,138,215	7,262,290	3,019,226	4,482,400	4,060,125	3,940,628	3,613,004	3,426,371	3,326,239
Conservation	357,184	355,109	357,651	333,563	301,164	375,910	348,440	295,659	283,613	280,200
Public Transportation	4,268,009	92,668	91,964	76,540	76,719	77,868	73,284	70,116	68,776	64,130
Health & Paupers Care	864,053	3,784,509	4,603,800	4,374,680	4,565,117	4,033,234	4,079,484	3,868,038	4,108,066	3,988,152
Culture & Recreation	398,531	2,334,409	666,818	291,280	513,968	496,537	189,699	508,470	484,263	526,845
Debt Service - Principal	96,046	318,498	308,098	76,540	263,064	247,265	257,394	287,713	215,636	218,215
Debt Service - Interest	1,340,000	1,285,000	1,240,000	1,190,000	72,920	-	-	-	-	-
Capital Outlay	26,465	78,308	128,041	174,995	104,773	-	-	-	-	-
	2,476,771	2,824,234	1,239,539	810,738	831,170	954,181	1,352,016	230,211	1,484,172	664,073
Total Expenditures	22,078,389	22,199,163	21,368,357	16,271,739	16,751,668	14,981,965	14,543,541	12,809,584	13,667,978	12,419,091
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,443,421	2,951,488	490,682	4,856,549	1,503,432	2,555,813	1,487,913	1,429,889	(429,451)	280,341
OTHER FINANCING SOURCES (USES)										
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	321,823	-
Financing Agreement	-	-	-	-	5,055,000	-	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-	4,174,944	-	-	-	-	-
Transfers In	266,000	567,482	523,977	-	(11,464,748)	-	-	-	-	-
Transfers Out	(266,000)	(567,482)	(523,977)	-	(2,234,804)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(2,234,804)	-	-	-	321,823	-
NET CHANGE IN FUND BALANCES	\$ 1,443,421	\$ 2,951,488	\$ 490,682	\$ 4,856,549	\$ (731,372)	\$ 2,555,813	\$ 1,487,913	\$ 1,429,889	\$ (107,628)	\$ 280,341
Debt Service as a percentage of Noncapital Expenditures	6.61%	6.55%	6.80%	8.83%	1.12%	0.00%	0.00%	0.00%	0.00%	0.00%

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		
2011	\$ 3,217,848,326	\$ 1,247,184,966	\$ 189,749,780	\$ 4,275,283,512	0.4274
2010	3,906,344,700	1,022,545,130	162,767,220	4,766,122,610	0.3887
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

Source: Panola County Appraisal District

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Panola County Direct Rates</u>					
GENERAL	0.29650	0.24926	0.23612	0.19374	0.21039
SPECIAL REVENUE	0.13090	0.11112	0.09938	0.08962	0.10140
DEBT SERVICE	-	0.02832	0.02770	0.02624	0.03231
TOTAL DIRECT RATE	<u>0.42740</u>	<u>0.38870</u>	<u>0.36320</u>	<u>0.30960</u>	<u>0.34410</u>
 <u>Overlapping Rates</u>					
City and Town Rates:					
CARTHAGE	0.46000	0.46000	0.41000	0.41000	0.39000
BECKVILLE	0.36430	0.31239	0.26044	0.22289	0.26684
 School Districts Rates:					
CARTHAGE ISD	1.14000	1.14000	1.14000	1.14000	1.14000
GARY ISD	1.22900	1.18251	1.20459	1.13855	1.12310
BECKVILLE ISD	1.10000	1.06320	1.04000	1.05586	1.10865
ELYSIAN FIELDS ISD	1.21500	1.20000	1.20000	1.22110	1.26990
TATUM ISD	1.04000	1.04000	1.04000	1.04000	1.04000
TENAHHA ISD	1.17937	1.21930	1.20438	1.41210	1.39762
JOAQUIN ISD	1.54700	1.55800	1.34110	1.12050	1.11010
 Other Special District Rates:					
PANOLA JR. COLLEGE	0.13407	0.11813	0.10579	0.09593	0.10477
PANOLA COUNTY ESD	0.02130	0.01844	0.01605	0.01393	0.01515
PANOLA GWCD	0.00739	0.00612	0.00637	0.00637	

Source: Various taxing entities

TABLE 6

2006	2005	2004	2003	2002
0.19350	0.22450	0.25690	0.29210	0.24660
0.09340	0.10850	0.12420	0.14610	0.12110
-	-	-	-	-
0.28690	0.33300	0.38110	0.43820	0.36770
0.45940	0.45940	0.55000	0.56000	0.53500
0.26000	0.27415	0.27260	0.26642	0.24637
1.50000	1.53000	1.53000	1.56000	1.56000
1.24560	1.36930	1.21480	1.51980	1.48000
1.36860	1.51314	1.46450	1.65545	1.64550
1.40800	1.53600	1.24500	1.57000	1.44610
1.37000	1.56840	1.56800	1.47000	1.47000
1.37000	1.50000	1.50000	1.50000	1.50000
1.28130	1.47620	1.51480	1.61030	1.60060
0.09430	0.10850	0.11717	0.13483	0.11647
0.01360	0.01571	0.01700	0.02000	0.01750

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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 2011		Fiscal Year 2002	
	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	\$ 460,032	9.65 %	\$ -	-
Anadarko E&P Company LP	334,471	7.02 %	-	-
Markwest Eastern TX Gas Co LP	137,866	2.89 %	-	-
Chevron	135,824	2.85 %	-	-
DCP Midstream LP	128,525	2.70 %	-	-
XTO Energy	114,211	2.40 %	-	-
Lacy Operations LTD	94,102	1.97 %	-	-
Exxon Mobile Corp.	87,985	1.85 %	-	-
ETC Tiger	71,790	1.51 %	-	-
Wildhorse	70,131	1.47 %	-	-
RME Petroleum Co.	-	-	291,517	10.86 %
Chevron	-	-	217,656	8.11 %
Devon Energy Production Co LP	-	-	192,042	7.15 %
EOG Resources Inc	-	-	102,983	3.84 %
BP American Production	-	-	90,786	3.38 %
Exxon Mobile Corp.	-	-	73,726	2.75 %
R. Lacy, Inc.	-	-	72,423	2.70 %
Duke Energy	-	-	56,620	2.11 %
Ocean Energy	-	-	53,711	2.00 %
Samson Lone Star LP	-	-	48,119	1.79 %
Total	\$ 1,634,937		\$ 1,199,583	
Total Assessed Value and Percentage of Total	\$ 4,766,122	34.30 %	\$ 2,684,458	44.69 %

Source: Panola County Appraisal District

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

Fiscal Year	Tax Levy (1)	Current Tax Collection (2)	Percent Of Levy Collected	Delinquent Collections & Adjustments (3)	Collections & Adjustments
2011	\$ 19,145,073	\$ 18,724,040	97.80%	221,829	\$ 18,945,869
2010	18,747,490	18,284,461	97.53%	350,380	18,634,841
2009	17,125,293	16,760,071	97.87%	312,944	17,073,015
2008	15,591,091	15,348,762	98.44%	208,468	15,557,230
2007	12,929,930	12,724,856	98.41%	181,051	12,905,907
2006	11,508,292	11,330,572	98.46%	159,003	11,489,575
2005	10,825,727	10,617,597	98.08%	191,209	10,808,806
2004	10,279,634	10,007,852	97.36%	252,042	10,259,894
2003	9,608,967	9,370,791	97.52%	223,592	9,594,383
2002	8,728,788	8,532,642	97.75%	184,719	8,717,361

Source: Tax Rolls

Notes:

- (1) Represents adjusted levy for property tax levy from the prior year. For example, the 2010 property tax year levy is to fund the 2011 fiscal year for the County.
- (2) Represents current tax collections from October of the prior year through June of the current fiscal year.
- (3) Represents delinquent tax collections for the property tax levy from the prior year. For example, the 2010 property tax year levy is to fund the 2011 fiscal year for the County.
- (4) Represents outstanding delinquent taxes receivable for the property tax levy from the prior year. For example, the 2010 property tax year levy is to fund the 2011 fiscal year for the County.

TABLE 8

Percent Of Total Collections and Adjustments To Tax Levy	Outstanding Delinquent Taxes (4)	Percent of Delinquent Taxes to Tax Levy
98.96%	199,204	1.04%
99.40%	112,649	0.60%
99.69%	52,278	0.31%
99.78%	33,861	0.22%
99.81%	24,023	0.19%
99.84%	18,717	0.16%
99.84%	16,921	0.16%
99.81%	19,740	0.19%
99.85%	14,584	0.15%
99.87%	11,427	0.13%

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	Less: Amounts Available in Debt Service Fund	Other Obligations				
2011	-	-	-	-	-	-	-
2010	\$ 1,340,000	\$ 201,590	\$ -	\$ 1,138,410	0.02%	0.12%	49.30
2009	2,625,000	161,924	-	2,463,076	0.05%	0.29%	108.96
2008	3,865,000	93,036	-	3,771,964	0.07%	0.52%	163.40
2007	5,055,000	2,610	-	5,052,390	0.12%	0.74%	219.65
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	-	-	-	-	-	-	-

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 177.

(2) See the schedule of Demographic Statistics found on page 187 for personal income and population data.

TABLE 10

**PANOLA COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
AS OF DECEMBER 31, 2011
(UNAUDITED)**

Jurisdiction	Net Debt Outstanding Amount (1)	Applicable to Panola County Percent (2)	Amount Applicable to Panola County
Cities:			
Carthage	\$ 15,680,000	100.00%	\$ 15,680,000
Total Cities	15,680,000		15,680,000
School Districts:			
Carthage ISD	26,133,000	100.00%	26,133,000
Gary ISD	6,360,000	100.00%	6,360,000
Beckville ISD	6,747,818	100.00%	6,747,818
Elysian Fields ISD	11,900,000	52.55%	6,253,450
Tatum ISD	5,101,267	2.27%	115,799
Tenaha ISD	3,875,000	4.75%	184,063
Joaquin ISD	14,965,000	5.05%	755,733
Total School Districts	75,082,085		46,549,862
Panola Junior College	6,953,215	100.00%	6,953,215
Subtotal, Overlapping Debt	97,715,300		69,183,077
Panola County (Direct Debt)	-		-
Total Direct and Overlapping Debt	\$ 97,715,300		\$ 69,183,077

Note: Percentage of overlap is based on each entity's respective land area located within Panola County.

Sources:

- (1) Respective entities and auditors of respective entities.
- (2) Texas Municipal Reports

TABLE 12

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate	College & School Enrollment
2011	24,109	\$ 838,215	\$ 22,690	6.40%	6,265
2010	23,093	952,145	21,609	6.40%	6,181
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

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

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TABLE 13

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

EMPLOYER	Fiscal Year 2011		Fiscal Year 2010	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Carthage Independent School District	508	5.69 %		
Tyson Poultry Inc.	494	5.54 %		
ETMC - Carthage	220	2.46 %		
Panola County	190	2.15 %		
WNA	160	1.80 %		
Louisiana Pacific	130	1.45 %		
Union Pacific Resources	115	1.28 %		
Panola College	105	1.18 %		
Wal-Mart	105	1.18 %		
Brookshire Brothers	80	0.90 %		
Tyson Poultry Inc.			524	6.40 %
Carthage Independent School District			484	5.90 %
Smith Equipment Rental & Services			396	4.80 %
Courtney Construction Inc			255	3.12 %
Pinnergy Inc.			250	3.42 %
ETMC - Carthage			220	2.69 %
Wal-Mart			191	2.34 %
Panola County			190	1.95 %
WNA			160	1.81 %
Pierce Construction			148	1.59 %
Total	<u>2,107</u>	<u>23.63 %</u>	<u>2,818</u>	<u>34.02 %</u>

Source: Texas Workforce Commission; Texas Metropolitan Statistical Area Data; Local Human Resource Departments

Note: GASB Statement 44 was implemented in fiscal year 2006; 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)**

Function/Program	Fiscal Year				
	2011	2010	2009	2008	2007
General Administration	17	17	17	17	17
Judicial	16	16	16	16	16
Elections	2	2	2	2	2
Financial Administration	13	13	13	13	13
Legal	6	6	6	6	6
Public Facilities	1	1	1	1	1
Public Safety	79	79	79	66	65
Public Transportation	47	47	47	47	46
Culture and Recreation	6	6	6	6	6
Conservation-Agriculture	3	3	3	3	3
Totals	190	190	190	177	175

Source: Panola County Payroll History Report

TABLE 14

2006	2005	2004	2003	2002
17	17	17	17	17
16	16	16	16	16
2	2	2	2	2
13	13	12	12	12
6	6	6	6	6
1	2	2	2	3
61	65	63	63	61
45	48	48	48	47
6	6	6	6	6
3	3	3	3	3
170	178	175	175	173

TABLE 15

PANOLA COUNTY, TEXAS
CAPITAL ASSETS BY FUNCTION/PROGRAM
DECEMBER 31, 2011
(UNAUDITED)

Function/Program	Fiscal Year					
	2011	2010	2009	2008	2007	2006
General Administration						
Furniture & Equipment	8	8	8	8	8	8
Facilities	5	5	5	5	5	5
Tracts of Land	10	10	10	10	10	9
Judicial						
Furniture & Equipment	3	3	3	3	3	3
Facilities	1	1	1	1	1	1
Elections						
Equipment	2	2	2	2	2	2
Public Facilities						
Facilities	1	1	1	1	1	1
Public Safety						
Vehicles	45	45	45	45	41	41
Equipment	13	13	13	13	13	13
Facilities	2	2	2	1	1	1
Environmental Protection						
Facilities	2	2	2	2	2	2
Landfill	1	1	1	1	1	1
Public Transportation						
Miles of County Roads	610	609	614	614	614	614
Number of Bridges	12	12	12	12	12	12
Facilities	5	5	5	5	5	5
Equipment & Vehicles	138	138	141	141	134	134
Tracts of Land	5	5	5	5	5	4
Health/Paupers Care						
Facilities	2	2	2	2	2	2
Tracts of Land	1	1	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, 2011
(UNAUDITED)

Function/Program	Fiscal Year					
	2011	2010	2009	2008	2007	2006
General Administration						
Official Public Records Filed	8,080	9,245	9564	10,804	10,325	9,780
Vital Statistics Filed	464	382	247	233	324	288
Judicial						
Number of Civil Cases	793	719	679	742	696	754
Number of Criminal Cases	842	854	1669	1,031	431	1,347
Legal						
Number of Convictions - Misdemeanors	204	379	432	N/A	N/A	N/A
Number of Convictions - Felony	174	276	381	95	94	353
Elections						
Number of Registered Voters	15,667	15,779	15,648	15,658	16,197	15,924
Number of Elections	1	3	3	3	2	3
Financial Administration						
Number of mineral tax items	2,701,012	2,566,302	2,546,560	2,443,147	1,849,374	1,705,536
Number of real estate tax items	174,490	171,175	170,678	168,619	136,656	137,864
Number of registered vehicles	32,547	31,404	30,880	28,813	28,345	27,052
Public Facilities						
Number of repair jobs	95	51	54	30	31	87
Public Safety						
Number of emergency responses	4,917	4,924	4852	3,526	5,054	5,145
Number of book-ins	932	1,328	1522	1,706	1,756	1,593
Environmental Protection						
Number of solid waste transfers(tons)	12,176	12,457	12588	12,557	12,606	17,482
Number of Diversions (tons)	621	650	510	512	711	867
Public Transportation						
Miles of road resurfaced	12	13	14	11	17	53
Number of repairs	416	401	387	361	338	117
Health and Paupers Care						
Number of autopsies performed	32	27	28	23	37	29
Number of indigent admissions	686	671	771	503	666	878
Recreation						
Number of patrons to Library	11,669	10,617	9,329	8,294	10,635	9,537
Number of books in library	58,434	53,485	53,201	49,907	51,083	41,117
Number of programs	49	51	60	77	48	80
Conservation						
Number of programs	189	171	30	42	51	26
Number of radio programs	55	135	130	67	-	-
County Extension mailouts & emails	10,400	10,234	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, 2011
(Unaudited)**

Insurer or Name of Company	Number	Policy Period	
		From	To
The St. Paul Ins. Co.	H8101171X911	1/1/2011	12/31/2011
The St. Paul Ins. Co.	GP09315901	1/1/2011	12/31/2011
The St. Paul Ins. Co.	H6301171X911	1/1/2011	12/31/2011
The St. Paul Ins. Co.	GE09300623	1/1/2011	12/31/2011
The St. Paul Ins. Co.	GP09315901	1/1/2011	12/31/2011
The St. Paul Ins. Co.	GP09315901	1/1/2011	12/31/2011
The St. Paul Ins. Co.	GP09315901	1/1/2011	12/31/2011
EBCO	UA00134783-10	12/31/2011	12/31/2012
Texas Association of Counties	#1830	1/1/2011	12/31/2011
Texas Association of Counties	#1830	1/1/2011	12/31/2011
Texas Association of Counties - BCBS	62946	12/1/2010	11/30/2011
The CIMA Companies, Inc.	SPS900305	7/1/2011	7/31/2012

- (1) 2011 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

Building and/or Department & Description	Amount of Coverage	Premiums & Funding
Physical Damage-Comp. Limit PD; 500 Deduct; Bodily Injury - Limit; Comp. Auto liab. Ins. 1,000	\$ 2,000,000	\$ 96,026
General Liability; 2,000,000	2,000,000	60,106
Commercial Property and Equipment	3,055,498	36,000
Commercial Umbrella Liability- 1,000,000 each occurrence Aggregate 1,000,000; Retention 10,000	2,000,000	18,075
Law Enforcement Professional Liability; Each Person 1,000,000 Aggregate 3,000,000; Each occurrence 1,000,000	2,000,000	67,828
2,000,000 Limit Each 2,000,000 Aggregate 25,000 retention; Public Officials and Employees Legal Liability	2,000,000	52,840
Crime - Employee Theft, Forgery	2,000,000	2,158
Property Damage 1,000,000; General Liability- Airport 1,000,000 each occurrence, 2,000,000 aggregate	2,000,000	2,850
Workers Compensation Self-Funded Insurance through Texas Association of Counties	(2)	123,108
Unemployment Insurance Self-Funded through Texas Association of Counties	(3)	9,758
Employee Group Ins - TAC Health and Employee Benefit Pool 500 deductible - 2,000 co-ins; Emp Life Ins 10,000 & Acc Death/ Dsmb 10,000	(4)	2,365,941
Volunteers Insurance Service Association (VIS) Work Release Volunteer Accident Insurance	25,000	1,326

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2011
(Unaudited)

Insurer or Name of Company	Number	Policy Period	
		From	To
Safeco Ins.	6195460	1/1/2011	1/1/2015
Safeco Ins.	952904	1/1/2009	1/1/2013
	6510934	12/31/2010	12/31/2013
Safeco Ins.	6001534	1/1/2011	1/1/2015
	6510939	1/1/2011	1/1/2015
Safeco Ins.	5978951	1/1/2009	1/1/2013
	6510936	12/31/2010	12/31/2013
Safeco Ins.	6194986	1/1/2011	1/1/2015
	6510940	1/1/2011	1/1/2015
Safeco Ins.	6604896	1/1/2011	1/1/2015
Safeco Ins.	EX916865	12/31/2010	12/31/2014
RISC	MG831732	1/14/2011	1/14/2012
Safeco Ins.	6001533	1/1/2011	1/1/2015
Safeco Ins.	6464731	1/1/2011	1/1/2012
Safeco Ins.	E855300	12/31/2010	12/31/2014
RISC	EO84554	1/14/2011	1/14/2012
Travelers	6608010A867TCT	8/27/2011	8/27/2012
Safeco Ins.	6609553	11/12/2010	12/31/2012
Safeco Ins.	E879393	1/1/2011	1/1/2015
Safeco Ins.	E879390	1/1/2011	1/1/2015
Safeco Ins.	6575455	6/1/2011	6/1/2012
Safeco Ins.	850592	2/2/2011	2/28/2013
	6224019	6/1/2011	6/1/2012
	6603669	9/26/2011	9/26/2012
Safeco Ins.	EX879011	12/31/2010	12/31/2014
Safeco Ins.	6745617	12/31/2011	12/31/2012
	6735631	9/27/2011	9/27/2012
Safeco Ins.	6487992	8/31/2008	1/1/2012

TABLE 17 (cont.)

Building and/or Department & Description	Amount of Coverage	Premiums & Funding
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, 2011
(Unaudited)

Insurer or Name of Company	Number	Policy Period	
		From	To
Safeco Ins.	6483966	12/31/2007	1/1/2012
Safeco Ins.	01FI0122504	1/1/2009	1/1/2013
Safeco Ins.	01EX850744	1/1/2009	1/1/2013
Safeco Ins.		12/31/2011	12/31/2012
Safeco Ins.	01EX952902	1/1/2009	1/1/2013
Safeco Ins.	6321576	12/31/2008	12/31/2012
The Travelers	1-660-287X6078-TCT-11	12/30/2011	12/30/2012
The Travelers	1-660-226X9543-TCT-11	12/30/2011	12/30/2012
Safeco Ins.	EX850916	1/1/2011	1/1/2015
Safeco Ins.	EX981374	9/2/2011	9/2/2012
Safeco Ins.	6273850	3/24/2011	3/24/2012
Safeco Ins.	6182632	9/1/2011	9/1/2012
Safeco Ins.	E885283	8/29/2011	8/29/2012
Safeco Ins.	6190678	10/18/2011	10/18/2012
Safeco Ins.	6326182	1/10/2011	1/10/2012
	6325834	1/10/2011	1/10/2012
Safeco Ins.	6572659	4/28/2011	4/28/2012

TABLE 17 (cont.)

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

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OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION

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Certified Public Accountant

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**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***

June 14, 2012

Panola County Commissioners' Court
Panola County, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas, as of and for the year ended December 31, 2011, which collectively comprise Panola County, Texas' basic financial statements and have issued our report thereon dated June 14, 2012. 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 Panola County, Texas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Panola County, Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Panola County, Texas' 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

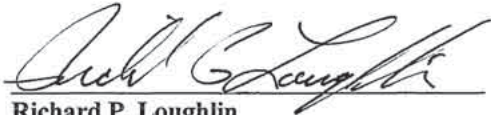
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material 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 part of obtaining reasonable assurance about whether Panola County, Texas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

MEMBER

This report is intended solely for the information and use of the Commissioners' Court, management, others within the organization, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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Richard P. Loughlin
Certified Public Accountant



Richard P Loughlin
Certified Public Accountant

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

June 14, 2012

Panola County Commissioners' Court
Panola County, Texas

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 its major state program for the year ended December 31, 2011. Panola County, Texas' major state program is 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 Panola County, Texas' management. Our responsibility is to express an opinion on Panola County, Texas' compliance 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 and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Panola County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Panola County, Texas' compliance with those requirements.

In our opinion, Panola County, Texas complied, in all material respects, with the requirements referred to above that are applicable to its major state program for the year ended December 31, 2011.

Internal Control Over Compliance

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

MEMBER

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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 solely for the information and use of the Commissioners' Court, management, others within the organization, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "Richard P. Loughlin", is written over a horizontal line.

Richard P. Loughlin
Certified Public Accountant

Panola County, Texas
Summary of Auditor's Results and
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted?

 Yes X No

2. State Awards

Internal control over major programs:

Material weaknesses identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with State of Texas Single Audit Circular?

 Yes X No

Identification of major programs:

Name of State Program or Cluster

Community Supervision & Correction Department CJAD Contracts.

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 X Yes No

B. Financial Statement Findings

NONE

C. State Award Findings and Questioned Costs

NONE

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**FEDERAL AND STATE
AWARD SECTION**

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

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PANOLA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2011

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>FEDERAL FINANCIAL ASSISTANCE</u>			
U.S. Department of Justice:			
Passed Through Office of the Governor, Criminal Justice Division:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DJ09A101747007	\$ 59,127
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DJ10A101747008	30,068
Passed Through Office of the Attorney General of Texas:			
Developing and Enhancing Statewide Automated Victim Information and Notification Programs	16.740	1122787	18,995
Total U.S. Department of Justice			108,190
U.S. Department of Homeland Security:			
Passed Through Texas Department of Public Safety's Division of Emergency Management:			
2008 Homeland Security Grant - SHSP	97.073	08-GA-48365-05F	32,256
2009 Homeland Security Grant - SHSP	97.073	09-SR-48365-02	2,258
2010 Homeland Security Grant - 2010 SHSP LETPA	97.073	10-SR-48365-01	13,868
Total U.S. Department of Homeland Security			48,382
U.S. Health and Human Services:			
Passed Through Texas Juvenile Probation Commission:			
Title IV-E Foster Care Assistance	93.658	TJPC-E-2011-183	13,881
Passed Through Texas Department of Family and Protective Services:			
Title IV-E Foster Care Assistance	93.658	23379913	4,927
Total U.S. Health & Human Services:			18,808
U.S. Department of Housing and Urban Development:			
Passed Through Texas Department of Rural Affairs (*)			
Community Development Block Grant	14.228	710551	76,585
Community Development Block Grant	14.228	DRS010136	67,972
			144,557
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 319,937

(*) Effective January 1, 2012, the Texas Department of Agriculture assumed oversight responsibility for these grants

See notes to Schedule of Federal and State Financial Assistance.

PANOLA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2011

<u>Grantor/Program Title</u>	<u>Grantor's Number</u>	<u>Expenditures</u>
<u>STATE FINANCIAL ASSISTANCE</u>		
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Formula Grant	212-11-183	\$ 19,476
Total Task Force on Indigent Defense		<u>19,476</u>
Texas Department of Criminal Justice - Community Justice Assistance Division		
Direct Programs:		
Basic Supervision Program	900-Panola-2011	126,218
Basic Supervision Program	900-Panola-2012	120,924
Community Corrections Program - Community Service Restitution (*)	1-Panola-2011	(3)
Community Corrections Program - Community Service Restitution	1-Panola-2012	17,344
Community Corrections Program - Offender	8-Panola-2011	3,096
Community Corrections Program - Absconder	9-Panola-2011	20,949
Community Corrections Program - Absconder	9-Panola-2012	21,026
Diversionary Target Program - Specialized Caseload Sex Offender	13-Panola-2011	20,271
Diversionary Target Program - Specialized Caseload Sex Offender	13-Panola-2012	23,518
Total Texas Department of Criminal Justice - Community Justice Assistance Division		<u>353,343</u>
Texas Juvenile Probation Commission:		
Direct Programs:		
State Aid	TJPC-A-2011-183	29,801
State Aid	TJPC-A-2012-183	76,249
Commitment Reduction (*)	TJPC-C-2011-183	(5,209)
Commitment Reduction	TJPC-C-2012-183	5,615
Progressive Sanctions JPO's	TJPC-F-2011-183	29,018
Diversionary	TJPC-H-2011-183	13,384
Community Corrections	TJPC-Y-2011-183	22,452
Salary Adjustment	TJPC-Z-2011-183	5,250
Total Texas Juvenile Probation Commission		<u>176,560</u>
Texas Commission on State Emergency Communications		
Passed Through East Texas Council of Governments:		
Rural Addressing Maintenance Reimbursement Program	2011-00609	30,000
Total Texas Commission on State Emergency Communication		<u>30,000</u>
Texas Department of State Health Services:		
Direct Program:		
Tobacco Settlement Funds	None	26,903
Total Texas Department of State Health Services		<u>26,903</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u><u>\$ 606,282</u></u>

(*) Includes reduction for prior year grant receipts refunded to granting agency.

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, 2011**

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, 2011, Panola County did not expend any Federal awards in the form of non-cash assistance, loans or loan guarantees.