

PANOLA COUNTY, TEXAS  
AUDITOR'S 2021  
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT



**FISCAL YEAR ENDED  
DECEMBER 31, 2021**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**PANOLA COUNTY, TEXAS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Prepared by:**

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

**PANOLA COUNTY, TEXAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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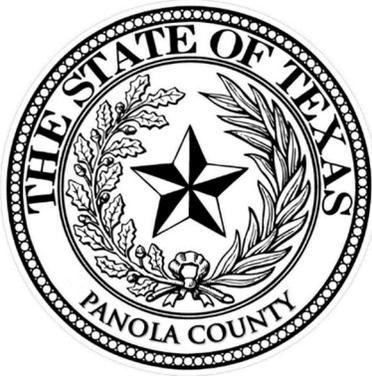
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**INTRODUCTORY SECTION**





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

June 7, 2022

Honorable District Judge LeAnn Rafferty  
Honorable County Judge David 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 Annual Comprehensive Financial Report for Panola County, Texas, for the fiscal year ended December 31, 2021. 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 Gollob Morgan Peddy PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2021 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 unmodified opinion on Panola County's financial statements for the year ended December 31, 2021, and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

#### PROFILE OF THE GOVERNMENT

Located in East Texas, Panola County, Texas, was organized in 1846. Panola County currently occupies a land area of 801 square miles and serves a population of 22,796.

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. The County Auditor’s 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. Natural gas processing and exploration contributes 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 slight increase 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 75 (GASB 75). Compliance with this accounting standard and funding in 2020 will minimize the cost to future taxpayers.

Various costs associated with fringe benefit expenses for active and retired employees had a significant effect on the financial statements in 2020. The County continues to participate in the health 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.

Since the adoption of a Comprehensive Fund Balance Policy in 2011, the County has been successful in maintaining or exceeding the goals as defined in the policy. The Commissioners' Court's continuing fiscal restraints has resulted in the maintenance of stable fund balances to be available for future emergencies and revenue shortfalls. As a result of the trend of unfunded mandates by both Federal and State government, it is vitally important that the Commissioners' Court remain focused on maintaining the financial stability that now exists. This continued positive action will reduce the financial burden for future taxpayers.

## 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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020.

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 annual comprehensive 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 annual comprehensive 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,



**Jennifer Stacy**  
**County Auditor**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Panola County  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

**PANOLA COUNTY, TEXAS  
DIRECTORY OF OFFICIALS  
DECEMBER 31, 2021**

**DISTRICT COURT: 123rd Judicial District**

The Honorable LeAnn Rafferty, District Judge  
The Honorable Danny Buck Davidson, Criminal District Attorney  
Carol Mixon, Court Reporter  
Lindsey Smith, District Clerk  
Kerian Henderson, CSCD Director  
Tracy Anderson, Chief Juvenile Probation Officer

**COMMISSIONERS COURT:**

The Honorable David Anderson, County Judge  
The Honorable Ronnie LaGrone, Commissioner Precinct #1  
The Honorable David Cole, Commissioner Precinct #2  
The Honorable Craig Lawless., Commissioner Precinct #3  
The Honorable Dale LaGrone, Commissioner Precinct #4  
Vicki Heinkel, Administrative Assistant

**COUNTY COURT AT LAW:**

The Honorable Terry Bailey, Judge  
Rebecca Kise, Court Reporter

**COUNTY AUDITOR:**

Jennifer Stacy

**ASSISTANT COUNTY AUDITORS:**

Shelby Abernathy  
Christina Chatman

**COUNTY CLERK:**

Bobbie Davis

**COUNTY SHERIFF:**

Sarah Fields

**COUNTY SURVEYOR:**

Don Austin

**COUNTY TAX ASSESSOR-COLLECTOR:**

Holly Gibbs

**COUNTY TREASURER:**

Joni Reed

**PANOLA COUNTY, TEXAS  
DIRECTORY OF OFFICIALS  
DECEMBER 31, 2021**

**COUNTY VETERAN SERVICE OFFICER:**

William Morris

**JUSTICES OF THE PEACE:**

Toni Hughes, Precincts #2 and #3  
Larry Fields, Precincts #1 and #4

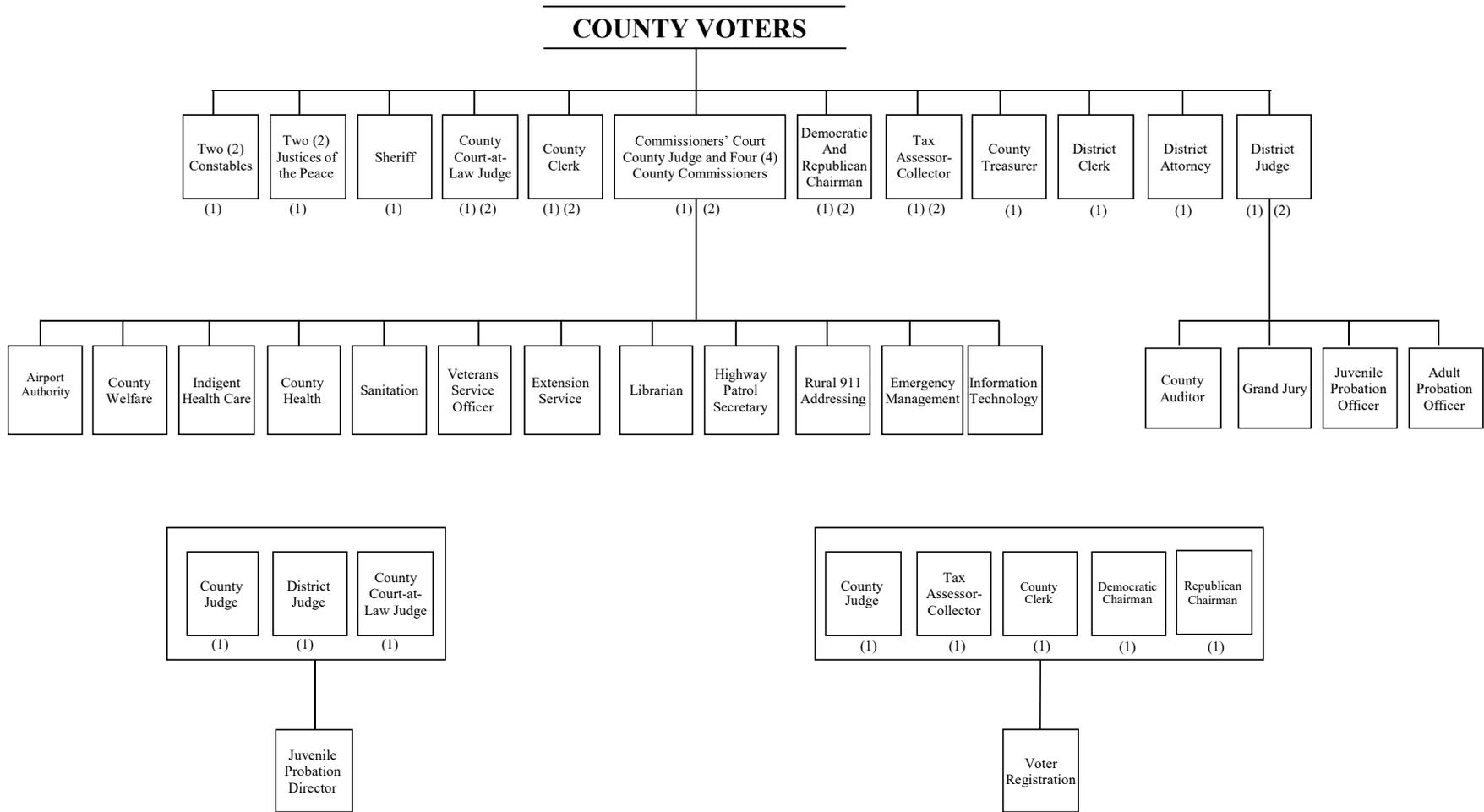
**CONSTABLES:**

Bryan Murff, Precincts #1 and #4  
Charlie Blue, Precincts #2 and #3

**ELECTIONS ADMINISTRATOR:**

Loretta Mason

# PANOLA COUNTY, TEXAS ORGANIZATIONAL CHART



III A

(1) Denotes elected officials. All others are appointed.  
 (2) Denotes joint and overlapping responsibilities.



**FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

To the Honorable Commissioners' Court of Panola County  
Carthage, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Panola County, Texas, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 4–13; the budgetary comparison information contained in Schedules 1, and 2 on pages 15–16; the Schedule of Changes in the County's Net Pension Liability and Related Ratios on page 58; the Schedule of Employer Contributions on page 59; the Schedule of Changes in the County's OPEB Liability and Related Ratios – Health Plan on page 60, the Schedule of Employer Contributions – Health Plan on page 61, the Schedule of Changes in the County's Net OPEB Liability – Supplemental Death Benefits Plan on page 62 and the Notes to Required Supplementary Information on page 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Panola County, Texas' basic financial statements. The additional supplementary information, and the Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical tables but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2022, on our consideration of Panola County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Panola County, Texas' internal control over financial reporting and compliance.

*Gollob Morgan Peddy PC*

Certified Public Accountants

Tyler, Texas  
May 31, 2022



**PANOLA COUNTY, TEXAS  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

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, 2021. 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 and deferred outflows of resources of Panola County, Texas exceeded its liabilities and deferred inflows of resources at December 31, 2021 by \$46,843,012 (net position). Of this amount, \$10,747,035 (unrestricted net position) may be used to meet the County’s ongoing obligations to citizens and creditors.
- The County’s change in net position was an increase of \$1,499,395.
- At December 31, 2021, the County’s governmental funds reported combined ending fund balances of \$37,132,280, an increase of \$3,059,574 over the prior year. Of this amount, \$33,963 is nonspendable, \$16,688,338 is restricted, \$536,112 is committed, and \$19,873,867 is unassigned. Unassigned fund balance is available for spending at the County’s discretion.
- At December 31, 2021, unassigned fund balance for the general fund was \$19,873,867, or 120.08% of total general fund expenditures.
- The County issued no new debt during the year ended December 31, 2021.

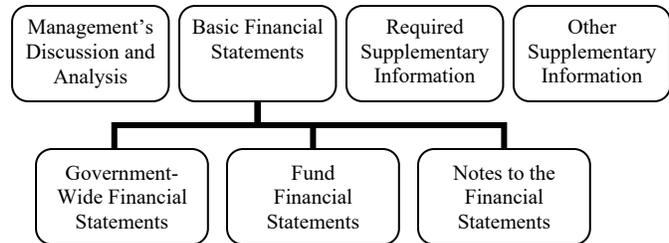
**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Panola County, Texas’, basic financial statements. The County’s Annual Comprehensive 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.

**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.

**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

The statement of net position presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position 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 position 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 position 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 17 - 18 of this report.

#### Fund Financial Statements

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

#### Governmental Funds

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

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

The County maintains 39 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 37 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for 21 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 19 - 22 of this report.

**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

Proprietary Funds

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund (a component of proprietary funds) is used to report activities that provide supplies and services for other programs and activities, such as the County's payroll fund. Because these services predominantly benefit governmental rather than business-type functions, the Internal Service Fund is reported with governmental activities in the government-wide financial statements.

The basic proprietary fund financial statement can be found on pages 23 - 25 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 75 regarding other post-employment benefits (OPEB) for eligible retired employees. 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 26 - 27 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 29 – 54 of this report.

Other Information

In addition to the Basic Financial Statements and accompanying Notes, this report also presents Combining and Individual Fund Financial Statements and Schedules. These statements and schedules provide greater detail in connection with Governmental Funds and Fiduciary Funds. The Combining and Individual Fund Financial Schedules may be found on pages 70-109 of this report.

Single Audit

The County expended \$20,076 of Federal funds, which did not exceed the \$750,000 threshold required for a single audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The County expended \$1,214,834 of State funds, primarily related to the County Transportation Infrastructure Fund grant, in excess of \$750,000 during the year ended December 31, 2021. As a result, a state single audit in accordance with the State of Texas *Single Audit Circular* was required. The Overall Compliance and Internal Controls section of this report, including the state single audit begins on page 135.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Net position of the County as of December 31, 2021 and December 31, 2020 are summarized and analyzed on the following page.

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$46,843,012 as of December 31, 2021, and by \$45,393,617 as of December 31, 2020, an overall increase of \$1,449,395, which consists of the change in net position. The increase in net position was primarily the result of County Transportation Infrastructure revenue received in the current year. As of December 31, 2021, the County's total assets were

**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

\$83,772,161. 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 41.43% of total net position.

An amount of \$10,747,035 of the County's net position is unrestricted net position. This amount may be used to meet the County's ongoing obligations.

**Panola County, Texas**  
**Net Position of Governmental Activities**  
**(Table 1)**

	<b>2021</b>	<b>2020</b>
Current and Other Assets	\$ 64,364,522	\$ 58,045,133
Capital Assets	19,407,639	20,026,534
Total Assets	<u>83,772,161</u>	<u>78,071,667</u>
Total Deferred Outflows of Resources	<u>11,927,661</u>	<u>9,893,851</u>
Net Pension Liability	4,225,537	2,796,129
Net OPEB Liabilities	9,024,680	6,586,259
Long-Term Liabilities Outstanding	243,919	168,849
Unearned Revenue	2,319,493	78,661
Other Liabilities	295,882	267,487
Total Liabilities	<u>16,109,511</u>	<u>9,897,385</u>
Total Deferred Inflows of Resources	<u>32,747,299</u>	<u>32,674,516</u>
Net Position:		
Net Position, Investment in Capital Assets	19,407,639	20,026,534
Restricted	16,688,338	15,988,313
Unrestricted	10,747,035	9,378,770
Total Net Position	<u>\$ 46,843,012</u>	<u>\$ 45,393,617</u>

The change in net position for the County's activities for the year was an increase of \$1,499,395. Total revenues for Panola County were \$29,814,823 and \$27,782,695 in 2021 and 2020, respectively. Total expenses were \$28,365,428 and \$26,994,881 in 2021 and 2020, 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 increased 47.14% or \$2,109,651, due primarily to County Transportation Infrastructure Fund revenue, and donations of road materials. Charges for services increased by \$100,843. Operating grants and contributions increased by \$1,995,492. Capital grants and contributions increased \$13,316.
- 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, property taxes, decreased by \$5,301, primarily due to a decrease in new construction. Other revenues decreased by \$72,222, principally due to a decrease in interest income.

**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

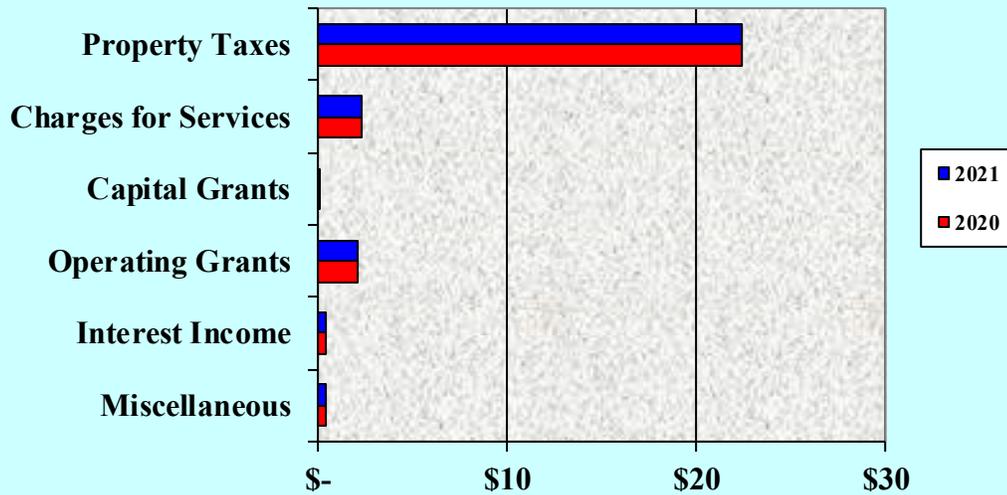
- Public safety, public transportation, and general administration are the three largest programs, in terms of expenses. These three activities accounted for 78.99% of total expenses.
- Public transportation expenses increased \$2,841,956, due to the County's change in OPEB liability, funds expensed under the County Transportation Infrastructure Fund grant and other miscellaneous expenses.

**Panola County, Texas**  
**Changes in Net Position of Governmental Activities**  
**(Table 2)**

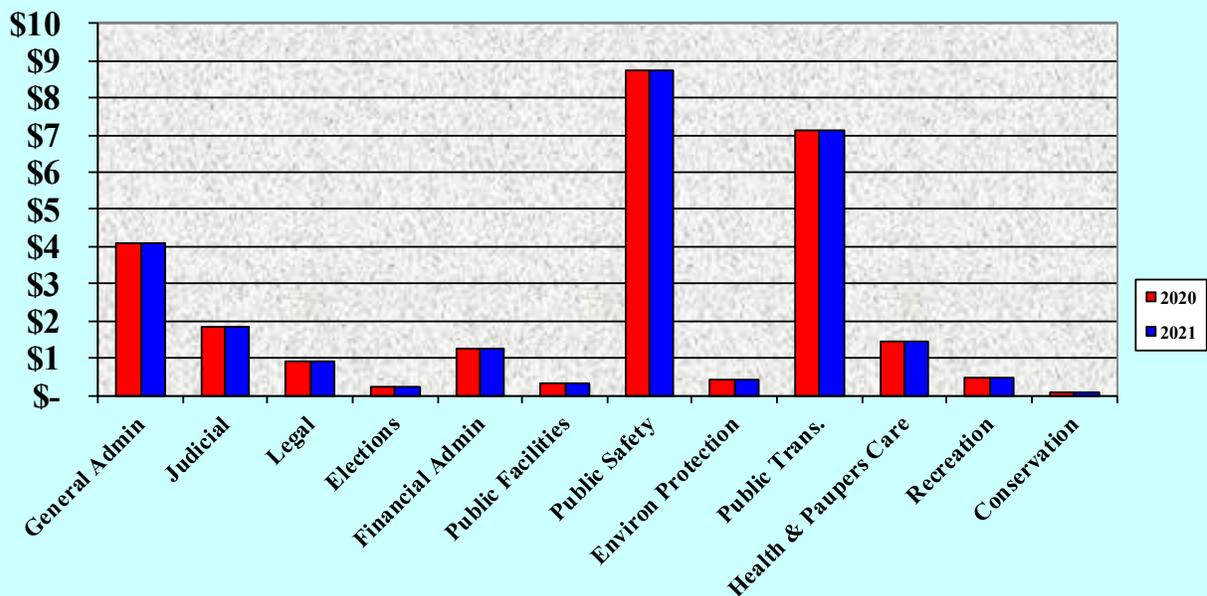
	2021	2020
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 2,428,934	\$ 2,328,091
Operating Grants and Contributions	4,079,999	2,084,507
Capital Grants and Contributions	75,801	62,485
General Revenues:		
Property Taxes	22,384,183	22,389,484
Other	845,906	918,128
Total Revenues	29,814,823	27,782,695
<b>Expenses:</b>		
General administration	\$ 4,012,436	\$ 4,091,292
Judicial	1,756,897	1,824,413
Legal	796,328	919,988
Elections	240,177	234,316
Financial administration	1,178,392	1,255,840
Public facilities	321,607	330,773
Public safety	8,431,577	8,743,377
Environmental protection	342,370	424,727
Public transportation	9,962,334	7,120,378
Health & paupers care	789,163	1,465,366
Recreation	445,773	481,366
Conservation	88,374	103,044
	28,365,428	26,994,881
Increase in Net Position	1,449,395	787,814
Net Position - Beginning	45,393,617	45,291,808
Restatement - OPEB	-	(686,005)
Net Position - Beginning, as restated	-	44,605,803
Net Position - Ending	\$ 46,843,012	\$ 45,393,617

**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**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, 2021**

**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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

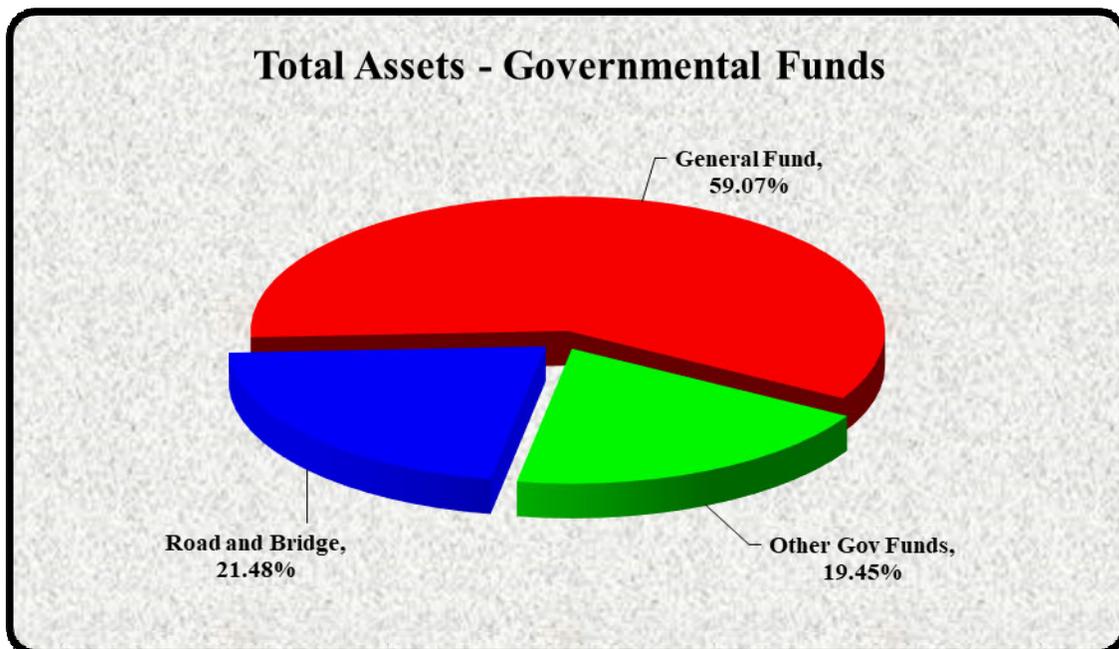
As of December 31, 2021, the County's governmental funds reported combined ending fund balances of \$37,132,280, an increase of \$3,059,574 over the prior year, due primarily to property tax revenues being higher than anticipated. Approximately 53.52% of this amount, \$19,873,867 constitutes unassigned 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, 2021, 100% of the General Fund's total fund balance, or \$19,873,867 is unassigned. Total fund balance for the General Fund increased by \$2,343,205, or 13.37% from the prior year due to an increase in total assets in the amount of \$2,420,106 and a decrease in deferred inflows in the amount of \$72,248. 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 120.08% of total General Fund expenditures.

General Fund revenues exceeded budgeted amounts by approximately \$1,665,751, and actual expenditures were \$1,031,654 below budgeted expenditures.

Fund balance in the Road and Bridge Fund increased by \$504,204, due to a combination of property tax collections in excess of the amounts anticipated, lower expenditures due to donated road materials.

As shown below, as of December 31, 2021 total assets in the General Fund amounted to \$37,998,061, accounting for 59.07% of total governmental fund assets. The Road and Bridge special revenue fund, the County's other major fund's total asset amount is \$13,814,628. Together, these major funds account for 80.55%, of total governmental fund assets.



**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget amounted to a net increase in appropriations of \$160,651. Significant among the amendments were:

- Legal – Increased appropriations of \$80,650 as a result of increased required professional services.
- Judicial – Increased appropriations of \$72,860 as a result of additional personnel and equipment.
- Capital Outlay– Increased appropriations for additional capital outlay of \$191,252.
- General Administration – Decreased appropriations of \$142,799 to fund capital outlay increase.

General Fund revenues exceeded the final budget by \$1,665,751. The majority of this increase was attributable to property taxes exceeding the final budget by \$1,501,311.

General Fund expenditures were \$1,031,654 less than final budgeted expenditures. Major contributors to lower than budgeted expenditures are as follows:

- Expenditures for General Administration were \$184,703 less than final budgeted amounts due to lower than expected demand for services.
- Expenditures for public safety activities were \$278,270 less than final budgeted amounts due to lower than expected expenditures in the Sheriff's Office and Corrections.
- Expenditures for Health and Paupers Care were \$83,474 below budgeted amounts due to lower expenditures needed for indigent health care.
- Expenditures for judicial expenditures were \$107,579 less than final budgeted amounts due to lower than expected expenditures for professional services, jurors, and supplies / repairs and maintenance.
- Expenditures for legal expenditures were \$48,849 less than final budget amounts due to lower than expected required professional services.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$19,407,639 (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 \$1,450,332, for the current year was \$740,533.

This year's additions totaled \$1,023,187. Included in the additions were various purchases of buildings, construction, infrastructure, machinery and equipment.

Capital assets as of December 31, 2021 and 2020 are summarized on the following page.

Additional information on the County's capital assets can be found in Note III, D on page 38 of this report.

**PANOLA COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

**Capital Assets  
As of December 31**

	<u>2021</u>	<u>2020</u>
Land	\$ 1,722,016	\$ 1,722,016
Construction in Progress	-	-
Buildings	21,140,050	21,098,412
Improvements other than buildings	328,503	285,103
Machinery and equipment	13,576,325	13,539,725
Infrastructure	<u>10,874,785</u>	<u>10,874,785</u>
Total Capital Assets	47,641,679	47,520,041
Less: Accumulated Depreciation	<u>(28,234,040)</u>	<u>(27,493,507)</u>
Total Capital Assets	<u>\$ 19,407,639</u>	<u>\$ 20,026,534</u>

Long-Term Debt

As of December 31, 2021, the County has no outstanding bonded debt. The only debt outstanding is in the form of accrued compensated absences and the net pension and OPEB liability.

Additional information on the County's long-term debt can be found in Note III, J on page 51 of this report.

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

The following factors were considered in preparing the County's budget for 2022.

- FY2021 total property assessed value increased 4.46% from the prior year. FY2020 had a decrease in assessed value of 11.33%.
- Property tax receipts for FY2021 increased to \$22.81 million compared to \$21.63 million for FY2020.
- The County has consistently maintained an ad valorem tax collection rate over 94% for the last several years. In the current year the collection rate was 94%.
- The percentage increase in medical insurance premiums for employees was .96% for FY 2021 (FY 2020 increase was 0.98%).
- Fluctuating energy costs have affected the price of fuel and road surfacing materials.
- Property and liability insurance costs increased 10.78% for FY 2021 compared to an increase of 4.56% for FY 2020.

Original budgeted revenues for FY 2021 are \$24.10 million, an increase of 35.62% over original budgeted revenues of \$17.77 million for FY 2020. Property taxes account for the bulk of the revenues, as approximately 86.44% 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 \$0.57249/\$100. The continued natural gas production value allows the County to maintain a relatively low tax rate for the maintenance and operations budget.

**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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

- Increased taxable value due to the higher 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.
- 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.
- The economic factor of COVID-19 remains to be seen. The rate of now decreasing unemployment may have a positive effect on the percentage of collections of ad valorem taxes.

**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**



**PANOLA COUNTY, TEXAS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

**EXHIBIT 1**

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>	
Cash and cash equivalents	\$ 8,791,368
Investments	43,741,740
Receivables (net of allowance for doubtful accounts)	
Property taxes	9,935,743
Due from Other Governments	1,766,371
Miscellaneous	85,187
Inventory	33,963
Other Assets	10,150
Capital assets (net of accumulated depreciation):	
Land	1,722,016
Buildings	13,194,947
Improvements	238,923
Machinery and equipment	3,768,376
Infrastructure	483,377
Total Assets	83,772,161
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on TCDRS pension	8,046,190
Deferred charge on OPEB Health Plan	3,703,235
Deferred charge on OPEB Supplemental Death Benefit	178,236
Total Deferred Outflows of Resources	11,927,661
<b>LIABILITIES</b>	
Accounts Payable	295,882
Unearned revenue - grants	2,319,493
Long-term debt:	
Portion due or payable within one year:	
Compensated absences	14,635
Portion due or payable after one year:	
Compensated absences	229,284
Net pension liability	4,225,537
Other post employment benefit liability	9,024,680
Total Liabilities	16,109,511
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Revenue - Advance Tax Collections	14,202,871
Unavailable Revenue	9,271,977
Deferred charge on TCDRS pension	7,669,339
Deferred charge on OPEB Health Plan	1,571,084
Deferred charge on OPEB Supplemental Death Benefit	32,028
Total Deferred Inflows of Resources	32,747,299
<b>NET POSITION</b>	
Net investment in capital assets	19,407,639
Restricted for:	
Road & Bridge maintenance	9,867,080
Law Library	87,790
Juvenile Delinquency Prevention	165
Courthouse Security	238,280
Records Management & Preservation	1,065,013
Court Technology	129,203
VIT Interest	1,789
Elections	21,842
Adult Probation	95,090
Juvenile Probation	480,224
Law Enforcement	91,985
District Attorney	154,455
American Rescue Plan	6,454
Child Protective Services	155,446
Health	3,848,866
Airport	444,656
Unrestricted	10,747,035
Total Net Position	\$ 46,843,012

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

EXHIBIT 2

PANOLA COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
<b>Primary Government:</b>					
Governmental activities:					
General administration	\$ 4,012,436	\$ 450,259	\$ -	\$ -	\$ (3,562,177)
Judicial	1,756,897	510,986	84,000	-	(1,161,911)
Legal	796,328	16,739	32,898	32,782	(713,909)
Elections	240,177	3,157	16,350	-	(220,670)
Financial administration	1,178,392	890,708	-	-	(287,684)
Public facilities	321,607	-	-	-	(321,607)
Public safety	8,431,577	275,147	349,223	43,019	(7,764,188)
Environmental protection	342,370	-	-	-	(342,370)
Public transportation	9,962,334	110,227	3,540,360	-	(6,311,747)
Health & paupers care	789,163	140	57,168	-	(731,855)
Recreation	445,773	171,571	-	-	(274,202)
Conservation	88,374	-	-	-	(88,374)
Total primary government	<u>\$ 28,365,428</u>	<u>\$ 2,428,934</u>	<u>\$ 4,079,999</u>	<u>\$ 75,801</u>	<u>\$ (21,780,694)</u>
General revenues:					
Property taxes					\$ 22,384,183
Miscellaneous					507,775
Interest earned					338,131
Total general revenues					<u>23,230,089</u>
Change in net position					1,449,395
Net position - beginning of year					<u>45,393,617</u>
Net position - end of year					<u>\$ 46,843,012</u>

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

**PANOLA COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,331,249	\$ 1,611,306	\$ 4,810,635	\$ 8,753,190
Investments	26,896,781	9,500,890	7,344,069	43,741,740
Receivables :				-
Current Taxes	7,034,832	2,102,803	245,008	9,382,643
Delinquent Taxes	911,974	272,601	33,925	1,218,500
Allowance for uncollectible taxes	(498,914)	(149,132)	(17,354)	(665,400)
Due from Other Governments	1,246,803	473,700	45,868	1,766,371
Miscellaneous	65,186	2,460	17,541	85,187
Inventory	-	-	33,963	33,963
Other Assets	10,150	-	-	10,150
Total Assets	<u>\$ 37,998,061</u>	<u>\$ 13,814,628</u>	<u>\$ 12,513,655</u>	<u>\$ 64,326,344</u>
<b>LIABILITIES</b>				
Accounts Payable-Trade	228,871	12,165	16,668	257,704
Unearned Revenue - Grants	66,911	-	2,252,582	2,319,493
Total Liabilities	<u>\$ 295,782</u>	<u>\$ 12,165</u>	<u>\$ 2,269,250</u>	<u>\$ 2,577,197</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable Revenue	7,809,937	2,349,186	254,873	10,413,996
Deferred Revenue - Advanced Tax Collections	10,018,475	3,814,731	369,665	14,202,871
Total Deferred Inflows of Resources	<u>17,828,412</u>	<u>6,163,917</u>	<u>624,538</u>	<u>24,616,867</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	33,963	33,963
Restricted	-	7,638,546	9,049,792	16,688,338
Committed	-	-	536,112	536,112
Unassigned	19,873,867	-	-	19,873,867
Total Fund Balances	<u>19,873,867</u>	<u>7,638,546</u>	<u>9,619,867</u>	<u>37,132,280</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 37,998,061</u>	<u>\$ 13,814,628</u>	<u>\$ 12,513,655</u>	<u>\$ 64,326,344</u>

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

**EXHIBIT 4**

**PANOLA COUNTY, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION (EXHIBIT 1)  
DECEMBER 31, 2021**

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances governmental funds (Exhibit 3)	\$	37,132,280
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		19,407,639
Net OPEB Liability created by contributions made by the County to its health plan and its related deferred inflows of resources are not reported in the funds.		(6,183,494)
Net OPEB Liability - Supplemental death benefits and related deferred out flows and inflows of resources are not reported in the funds.		(562,827)
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.		1,142,019
The Net Pension Liability and related deferred outflows and deferred inflows of resources are not reported in the funds.		(3,848,686)
Long-term liabilities (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds.		<u>(243,919)</u>
Net position of governmental activities		<u><u>46,843,012</u></u>

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

**PANOLA COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Property Taxes	\$ 17,124,413	\$ 4,978,849	\$ 704,657	\$ 22,807,919
Licenses	-	361,345	-	361,345
Intergovernmental Receipts	485,233	1,249,911	440,355	2,175,499
Fees of Office	822,546	-	453,616	1,276,162
Fines	-	325,738	1,997	327,735
Miscellaneous	597,819	2,704,254	179,576	3,481,649
Total revenues	<u>19,030,011</u>	<u>9,620,097</u>	<u>1,780,201</u>	<u>30,430,309</u>
<b>EXPENDITURES</b>				
Current:				
General Administration	3,854,971	-	79,488	3,934,459
Judicial	1,628,886	-	-	1,628,886
Legal	752,725	-	43,603	796,328
Elections	227,184	-	4,400	231,584
Financial Administration	1,134,329	-	-	1,134,329
Public Facilities	314,590	-	-	314,590
Public Safety	6,918,197	-	773,365	7,691,562
Environmental Protection	335,742	-	-	335,742
Public Transportation	-	8,555,667	674,844	9,230,511
Health and Paupers Care	644,970	-	84,206	729,176
Recreation	397,270	-	-	397,270
Conservation	87,137	-	-	87,137
Capital Outlay	254,552	564,286	40,323	859,161
Total expenditures	<u>16,550,553</u>	<u>9,119,953</u>	<u>1,700,229</u>	<u>27,370,735</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,479,458</u>	<u>500,144</u>	<u>79,972</u>	<u>3,059,574</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	92,706	4,060	229,884	326,650
Transfers (out)	(228,959)	-	(97,691)	(326,650)
Total other financing sources (uses)	<u>(136,253)</u>	<u>4,060</u>	<u>132,193</u>	<u>-</u>
Net change in fund balances	2,343,205	504,204	212,165	3,059,574
Fund balances - beginning of year	17,530,662	7,134,342	9,407,702	34,072,706
Fund balances - end of year	<u>\$ 19,873,867</u>	<u>\$ 7,638,546</u>	<u>\$ 9,619,867</u>	<u>\$ 37,132,280</u>

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

**EXHIBIT 6**

**PANOLA COUNTY, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (EXHIBIT 2)  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds	\$	3,059,574
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)		(618,895)
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. (Increase) Decrease in compensated absences		19,394
Delinquent property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.		(423,736)
OPEB expense relating to GASB 75 is recorded in the statement of activities but not in the funds.		(2,362,679)
Pension expense relating to GASB 68 is recorded in the statement of activities but not in the funds.		<u>1,775,737</u>
Change in net position of governmental activities		<u><u>1,449,395</u></u>

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

**PANOLA COUNTY, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2021**

	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 38,178
Accounts receivable	-
Total Current Assets	<u>38,178</u>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	37,189
Accrued expenses	989
Total Current Liabilities	<u>38,178</u>
 <b>NET POSITION</b>	
Unrestricted	-
Total Net Position	<u><u>\$ -</u></u>

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

**PANOLA COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES	
Payroll processing fees	\$ -
Total Operating Revenues	<u>-</u>
OPERATING EXPENSES	
Payroll processing expenses	<u>-</u>
Total Operating Expenses	<u>-</u>
Operating income (loss)	<u>-</u>
NON-OPERATING REVENUES	
Interest income and other	<u>-</u>
Change in net position	-
NET POSITION - DECEMBER 30, 2020	<u>-</u>
NET POSITION - DECEMBER 30, 2021	<u><u>\$ -</u></u>

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

**PANOLA COUNTY, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received for payroll	\$ 8,979,387
Cash paid to employees	<u>(9,039,832)</u>
Net cash used by operating activities	<u>(60,445)</u>
Net decrease in cash	(60,445)
Cash at beginning of year	<u>98,624</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 38,179</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ -
Adjustment to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	485
Decrease in vouchers payable	(60,425)
Decrease in accrued expenses	<u>(506)</u>
Net cash use by operating activities	<u><u>\$ (60,446)</u></u>

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

**PANOLA COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2021**

	<b>Pension (and Other Employee Benefit) Trust Fund</b>	<b>Custodial Funds</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash	1,482,539	\$ 8,324,531
Cerificates of deposit	34,200,000	332,724
Interest receivable	8,355	-
Total Assets	<u>\$ 35,690,894</u>	<u>\$ 8,657,255</u>
<b>LIABILITIES</b>		
Accounts payable	7,078	\$ -
Due to other governments	-	6,994,699
Due to others	-	1,539,158
Total Liabilities	<u>7,078</u>	<u>8,533,857</u>
<b>NET POSITION</b>		
Restricted for:		
Post employment benefits other than penisons	35,683,816	-
Individuals and organizations	-	123,398
Total net position	<u>\$ 35,683,816</u>	<u>\$ 123,398</u>

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





**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**I. 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. 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 position and the statement of activities. Government-wide statements report consolidated information on all of the non-fiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. 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 receipts, 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 accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -continued**

However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, and postemployment benefits are recorded only when payments are due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, licenses, intergovernmental revenue, 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source (within 60 days of year-end). 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.

**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).

**Internal Service Funds** – Internal service funds are used for the County’s payroll fund which acts as an agent for the payroll processing of the County’s departments. The fund operates similar to a custodial fund where liabilities are recorded when monies are received.

**Pension (and other employee 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.

**Custodial 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.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

**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.

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

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. Fair value is the price that would be received to sell an investment in an orderly transaction at year end. 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. Excess of expenditures over appropriations**

For the year ended December 31, 2021, expenditures exceeded appropriation in the Road and Bridge fund by \$1,371,068. This was due to the recognition of donated road materials not budgeted by the County. The overage is offset by an overage in revenues from the donation.

**3. Receivables and Payables**

Property Taxes Receivable are shown net of an allowance for uncollectible taxes. Property taxes are levied on taxable value at January 1 prior to September 30 and become due October 1 and past due after January 31.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and 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.

Revenue 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 "Advances to/from other funds" (i.e., the non-current portion of inter-fund loans). Inter-fund activity reflected in "due to/from other funds" is eliminated on the government-wide financial statements.

**4. 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 \$33,963 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 non-spendable fund balance, which indicates that they are "not in spendable form" even though they are a component of net current assets. The costs of jet fuel inventories is reported as expenditures/expenses when consumed rather than when purchased.

**5. Capital Assets**

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 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, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

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:

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

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows of resources related to pensions and OPEB that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. Deferred inflows of resources are reported for advance tax collections, pensions, and OPEB.

Any current taxes levied and collected between October 1 and December 31 are not available for use until January 1, the beginning of the next fiscal year. Availability only affects the recognition of revenue in governmental funds. Therefore, all collections of current taxes during this period and all current taxes receivable as of December 31 are recorded as Unavailable Revenue and Deferred Revenue in the fund statements and the government-wide statements, respectively. Each of these reported amounts are listed in the Deferred Inflows section of their respective financial statements.

**7. Net Position**

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

**Net investment in capital assets** consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

**Restricted net position** consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

**Unrestricted net position** is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**8. 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 position. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year incurred.

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

As of December 31, 2021, long-term debt outstanding consists of compensatory time payable, net pension liability, and net OPEB liability.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Pension of the Texas County and District Retirement System (the “TCDRS”) and additions to/deductions from TCDRS’ Fiduciary Net Position have been determined on the same basis as they are reported to TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Total OPEB Liability of the Texas County and District Retirement System (the “TCDRS”) and additions to/deductions from TCDRS’ Total OPEB Liability have been determined on the same basis as they are reported to TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. It is an unfunded plan, and there are no plan assets.

**9. Fund Balances – Governmental Funds**

Fund balances of the governmental funds are classified as follows:

**Non-spendable 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 majority vote (adoption of an order) by the Commissioners’ Court. Committed amounts cannot be used for any other purpose unless the Commissioners’ Court removes those constraints by a majority vote. The Commissioners’ Court is the highest level of decision-making authority for the County that can, by adoption of an order prior to the end of the fiscal year, commit fund balance.

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**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. The Court, by order, has authorized the County Judge to assign fund balance. Specific amounts that are not restricted or committed in a special revenue, capital projects, or debt service 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.

**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.

**10. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows/inflows of resources and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**E. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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.

**2. Property Taxes**

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.

**3. 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 twenty days of vacation leave based on their years of service. Vacation time must be used during the year in which it is earned and may not be carried over unless specifically approved by the Commissioners' Court. Upon termination of employment for any reason, an employee with accrued unused vacation time will be paid for such time at the employee's then current pay rate. An employee will not be paid for unused vacation time while still employed by Panola County. Consequently, no provision is made for accrued vacation in the financial statements.

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

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.

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.

**4. Proprietary funds operating and nonoperating revenues and expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include the cost of sales and services, administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**F. Implementation of New Standards**

In the current year, the County implemented the following new standards:

GASB Statement No. 84, Fiduciary Activities ("GASB 84"), establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The required changes due to the implementation of GASB 84 are reflected in the County's financial statements and notes to those statements. As this statement was implemented retroactively it resulted in a restatement of the prior period net position of Fiduciary Activities as follows:

<b>Fiduciary Funds</b>	
Fiduciary Funds net position as previously reported	\$ -
Addition of net position as calculated pursuant to GASB 84	<u>123,398</u>
Net position of fiduciary funds as of December 31, 2020, as restated	<u><u>\$ 123,398</u></u>

In June 2018 GASB issued Statement No. 89 Accounting for Interest Cost Incurred before the End of a Construction Period which will (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period by requiring that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the cost of a capital asset reported in a business-type activity or enterprise fund. The County adopted this statement without material affect to the financial statements.

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**G. Future Implementation of New Standards**

In June 2017, the GASB issued Statement No. 87, Leases, which will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance and purpose of a government's leasing arrangements. This statement is effective for reporting periods beginning after June 15, 2021. The County is evaluating the impact of this statement on its financial statements.

In February 2020 GASB issued Statement No. 92 Omnibus 2020 which includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The issues covered by the statement include clarification of the effective date of GASB 87 for interim periods, reporting of intra-entity transfers between a primary government and a component unit defined benefit pension plan, and the applicability of certain pension and other post-employment benefit pronouncements to specific criteria. The requirements of this statement are effective for reporting periods after June 15, 2021. The County is evaluating the impact of this statement on its financial statements.

In May 2020 GASB issued Statement No. 96 Subscription-Based Information Technology Arrangements which provides guidance for subscription-based information technology arrangements ("SBITAs"). SBITAs are contracts that convey control of the right to use a SBITA vendor's IT software as specified in the contract for a period of time in exchange transaction. The statement requires governments with SBITAs to recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. The requirements of this statement are effective for reporting periods after June 15, 2022. The County is evaluating the impact of this statement on its financial statements.

**II. 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 position 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 \$(427,145) difference are as follows:

Capital outlay	\$ 1,023,187
Disposal of capital assets	\$ (191,750)
Depreciation expense	<u>(1,450,332)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (618,895)</u>

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Authorized Investments**

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

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**B. Deposits and Investments**

During the 2021 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, 2021, 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, 2021 for the County’s individual major funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible, are as follows:

	General Fund	Road Fund	Governmental Funds	Total
Current Property Taxes	\$ 7,034,832	\$ 2,102,803	\$ 245,008	\$ 9,382,643
Delinquent Property Taxes	911,974	272,601	33,925	1,218,500
Due from Other Governments	1,246,803	473,700	45,868	1,766,371
Miscellaneous	65,186	2,460	17,541	85,187
	<hr/>	<hr/>	<hr/>	<hr/>
Total Gross Receivables	\$ 9,258,795	\$ 2,851,564	\$ 342,342	\$ 12,452,701
Less: Allowance for Uncollectible Taxes	(498,914)	(149,132)	(17,354)	(665,400)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Total Receivables	<u>\$ 8,759,881</u>	<u>\$ 2,702,432</u>	<u>\$ 324,988</u>	<u>\$ 11,787,301</u>

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Increases	Decreases	Balance December 31, 2021
Capital Assets Not Being Depreciated:				
Land	\$ 1,722,016	\$ -	\$ -	\$ 1,722,016
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>\$ 1,722,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,722,016</u>
Capital Assets Being Depreciated:				
Buildings	\$ 21,098,412	\$ 41,638	\$ -	\$ 21,140,050
Improvements other than Buildings	285,103	43,400	-	328,503
Machinery & Equipment	13,539,725	938,149	901,549	13,576,325
Infrastructure	10,874,785	-	-	10,874,785
Total Capital Assets Being Depreciated	<u>\$ 45,798,025</u>	<u>\$ 1,023,187</u>	<u>\$ 901,549</u>	<u>\$ 45,919,663</u>
Less Accumulated Depreciation for:				
Buildings	\$ 7,534,042	\$ 411,061	\$ -	\$ 7,945,103
Improvements other than Buildings	84,522	5,058	-	89,580
Machinery & Equipment	9,588,840	928,908	709,799	9,807,949
Infrastructure	10,286,103	105,305	-	10,391,408
Total Accumulated Depreciation	<u>\$ 27,493,507</u>	<u>\$ 1,450,332</u>	<u>\$ 709,799</u>	<u>\$ 28,234,040</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 18,304,518</u>	<u>\$ (427,145)</u>	<u>\$ 191,750</u>	<u>\$ 17,685,623</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,026,534</u>	<u>\$ (427,145)</u>	<u>\$ 191,750</u>	<u>\$ 19,407,639</u>

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

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

General Administration	\$ 48,666
Judicial	47,581
Public Facilities	3,832
Public Safety	416,155
Environmental Protection	7,473
Public Transportation	814,803
Health & Paupers Care	67,636
Elections	3,377
Recreation	40,809
Total Depreciation Expense	\$ 1,450,332

**E. Unearned Revenue**

Governmental funds report unearned 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 unearned revenue reported in the government-wide statements was as follows:

	General Fund	Road Fund	Nonmajor Funds	Total
Net Tax Revenue	\$ 7,809,937	\$ 2,349,186	\$ 254,873	\$ 10,413,996
Advanced Tax Collections	10,018,475	3,814,731	369,665	14,202,871
Total Deferred Revenue	\$ 17,828,412	\$ 6,163,917	\$ 624,538	\$ 24,616,867

**F. 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, agent multiple-employer, Texas County and District Retirement System (TCDRS). Each employer has its own defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer’s plan assets may be used only for the payment of benefits to the members of that employer’s plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in the plan. The TCDRS issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034. The ACFR is also available at [www.tcdrs.org](http://www.tcdrs.org).

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

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

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.

**PLAN MEMBERSHIP**

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2020
Inactive employees or beneficiaries currently receiving benefits	178
Inactive employees entitled to but not yet receiving benefits	91
Active employees	179
	448

**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 23.50% for calendar year 2020 and 2021. 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 60 in the TCDRS Act.

**ACTUARIAL ASSUMPTIONS**

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%	
Overall payroll growth	3.00%	
Investment rate of return	7.50%, net of pension plan investment expenses, including inflation	

The County has no automatic cost-of-living adjustments (“COLA”) and one is not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the funding valuation.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.60% per year for a career employee.

Mortality rates for active members were based on 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for service retirees, beneficiaries, and non-depositing members were based on the 130% of the RP-2014 Healthy Annuitant Mortality Tables for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for disabled retirees were based on the 130% of the RP-2014 Disabled Annuitant Mortality Tables for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

The actuarial cost method was Entry Age Normal, as required by GASB 68. Straight-line amortization over Expected Working Life with a 5 year smoothing period, and a non-asymptotic recognition method with no corridor were utilized in the actuarial calculations.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 68.

**LONG TERM EXPECTED RATE OF RETURN**

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10 year time horizon.

The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. The following target asset allocation was adopted by the TCDRS board in March 2021. The geometric real rate of return is net of inflation, assumed at 2.0%.

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return (Expected minus Inflation) <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities - Developed	MSCI World Ex USA (net)	5.00%	4.25%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leverage Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLP)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%
		<u>100.00%</u>	

<sup>(1)</sup> Target asset allocation adopted at the March 2021 TCDRS Board meeting

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed 2.0% per Cliffwater's 2021 capital market assumptions

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

DISCOUNT RATE

The discount rates used to measure the Total Pension Liability was 7.60%. Using the alternative method, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments based on the funding requirements under the County’s funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the unfunded actuarial accrued liability (“UAAL”) shall be amortized as a level percent of pay over 20-year layered periods.
2. Under the TCDRS Act, the County is legally required to make the contribution specified in the funding policy.
3. The County’s assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.
5. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments.

The long-term rate of return on pension plan investments is 7.50%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS’ investment consultant, Cliffwater LLC. The numbers shown below are based on January 2021 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017.

CHANGES IN THE NET PENSION LIABILITY

At December 31, 2020, the County reported a net pension liability of \$2,796,129. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/19	\$ 70,039,698	\$ 67,243,569	\$ 2,796,129
Changes for the year:			
Service cost	1,379,474		1,379,474
Interest	5,646,757		5,646,757
Change in benefit terms	-		-
Diff between expected/actual experience	(288,048)		(288,048)
Changes of assumptions	4,671,406		4,671,406
Refund of contributions	(138,530)	(138,530)	-
Contributions - employer		2,544,980	(2,544,980)
Contributions - employee		548,027	(548,027)
Net investment income		6,945,921	(6,945,921)
Benefit payments, including refunds of employee contributions	(3,341,460)	(3,341,460)	-
Administrative expenses		(53,960)	53,960
Other charges		(4,787)	4,787
Net changes	7,929,599	6,500,191	1,429,408
Balance at 12/31/20	\$ 77,969,297	\$ 73,743,760	\$ 4,225,537

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

The net pension liability was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and for the year then ended.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

**DISCOUNT RATE SENSITIVITY ANALYSIS**

The following shows the net pension liability calculated using the discount rate of 7.60%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Net pension liability/(asset)	\$ 15,094,879	\$ 4,225,537	\$ (4,752,024)

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS RELATED TO PENSIONS**

For the year ended December 31, 2021 the County recognized pension expense of \$56,281

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 928,918
Changes in actuarial assumptions	3,303,658	-
Difference between projected and actual investment earnings	-	2,431,299
Contributions made subsequent to measurement date	433,409	-
Total	\$ 3,737,067	\$ 3,360,217

County contributions subsequent to the measurement date of \$433,409 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31	
2021	\$ (406,984)
2022	831,487
2023	(177,685)
2024	(303,377)
2025	-
Thereafter	-
	\$ (56,559)

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**G. Other Post-Employment Benefits Plan**

Panola County contributes to two other post-employment benefit plans, (1) the Retiree Health Benefit Trust (RHBT) which is a single employer defined benefit healthcare plan, and (2) a group term life insurance for all of its full-time employees and retirees through a statewide, multiple-employer, public-employee retirement system through the Texas County District Retirement System (the “TCDRS”). As of and for the year ended December 31, 2021, the two plans had the following balances reported in the government-wide financial statements:

	<u>Total OPEB Liability</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>OPEB Expense</u>
Retiree Health Plan	N/A	\$ 8,315,641	\$ 3,703,235	\$ 14,248,557	\$ 4,395,923
Supplemental Death Benefit	709,039	N/A	178,236	1,571,084	99,825
	<u>\$ 709,039</u>	<u>\$ 8,315,641</u>	<u>\$ 3,881,471</u>	<u>\$ 15,819,641</u>	<u>\$ 4,495,748</u>

Detailed disclosures for each plan follow.

**1. Health Plan**

PLAN DESCRIPTION

The Panola County, Texas Retiree Health Benefit Trust (RHBT), also known as other post-employment benefits (OPEB) trust, is a single employer defined benefit healthcare plan (the Plan) administered by the County which provides medical insurance benefits to eligible retirees and their beneficiaries.

By order 2007-23, dated November 26, 2007, enacted by the Commissioners’ Court of Panola County, the County established the RHBT to provide for the payment of the health care insurance premiums for eligible retired employees, a continuation of a policy in effect for approximately thirty-six years prior to that date whereby the County provided certain group medical insurance continuation benefits to retirees of the County on a “pay-as-you-go” basis. The entire cost of the retiree’s medical insurance coverage is currently paid from the funds in the trust, but no direct subsidy of dependent coverage is provided. Order 2007-23 of Panola County also assigned the authority to establish and amend benefit provisions to the Commissioners’ Court.

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

The County does not issue a separate financial report that includes financial statements and required supplementary information for the RHBT. However, the financial statements and the required supplementary information is included in the County’s annual comprehensive financial report at pages 17 - 18 (financial statements) and page 57 (required supplementary information).

BENEFITS PROVIDED

The County funds the entire cost of retiree health insurance premiums. Medical benefits are provided through the Texas Association of Counties Insurance Pool (TAC). Retiree dependents and surviving spouses are eligible for coverage and may remain in the plan, 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.

Employees who retire at the age of 60 or above with 8 years of TCDRS service are eligible to remain in the medical plan, and employees who retire with 30 or more years of service are eligible to remain in the plan regardless of their age at retirement. Employees whose attained age and years of TCDRS service combine to equal or exceed 75 are also eligible.

Life insurance coverage is not available to retirees. Dental insurance is on a voluntary basis and is not subsidized by Panola County.

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

EMPLOYEES COVERED

At December 31, 2021 the following employees were covered by the benefit terms:

	<u>12/31/2021</u>
Inactive employees currently receiving benefits	113
Active employees	170
	283

ACTUARIAL METHODS AND ASSUMPTIONS

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

The following actuarial assumptions were used to determine the Total OPEB Liability in the December 31, 2021 actuarial valuation:

Valuation Date	December 31, 2021
Measurement Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Inflation	2.30%
Salary Increases Including Inflation	3.00%
Discount rate	2.06%
Discount Rate Basis	Bond Buyer 20-Bond GO Index
Healthcare cost trend rates	6.00% – 8.50%*

\*Initial trend rates are 8.5% for pre-Medicare and 6.0% for post-Medicare; with both rates grading down to an ultimate trend rate of 5.0%.

Mortality rates were based on the RP-2014 table (sex distinct). Rates of disability were derived from a Society of Actuaries study. These were not tested against Panola County experience.

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.

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

CHANGES IN THE NET OPEB LIABILITY

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a)-(b)
Balance at 12/31/20	\$ 40,362,781	\$ 34,405,153	\$ 5,957,628
Changes for the year:			
Service cost	2,425,022	-	2,425,022
Interest	907,101	342,715	564,386
Change in benefit terms	-	-	-
Diff between expected/actual experience	-	-	-
Changes of assumptions	304,553	-	304,553
Contributions - employer	-	2,387,048	(2,387,048)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	(1,451,100)	1,451,100
Administrative expenses	-	-	-
Other charges	-	-	-
Net changes	3,636,676	1,278,663	2,358,013
Balance at 12/31/21	<u>\$ 43,999,457</u>	<u>\$ 35,683,816</u>	<u>\$ 8,315,641</u>

The fiduciary net position of the Plan as a percent of total OPEB liability for the year ended December 31, 2021 is 81.1%.

SENSITIVITY ANALYSIS

The following presents the net OPEB liability of the County, calculated using the discount rate of 2.06%, as well as what the RHBT net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.06) or 1 percentage point higher (3.06) than the current rate.

	1% Decrease in Discount Rate (1.06%)	Discount Rate (2.06%)	1% Increase in Discount Rate (3.06%)
Net OPEB Liability	<u>\$ 16,339,879</u>	<u>\$ 8,315,641</u>	<u>\$ 1,935,808</u>

HEALTHCARE COST TREND RATES SENSITIVITY ANALYSIS

The following schedule presents the Net OPEB Liability (Asset) of the plan using the assumed healthcare cost trend rate, as well as what the Net OPEB Liability (Asset) would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the assumed healthcare cost trend rate.

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	<u>\$ 1,080,288</u>	<u>\$ 8,315,641</u>	<u>\$ 17,860,349</u>

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB**

For the year ended December 31, 2021, the County recognized OPEB expense of \$4,395,923.

The County’s Net OPEB Liability reported for the year ended December 31, 2021 was measured as of December 31, 2021, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that same date.

The components of the Net OPEB Liability of the County at December 31, 2021 were as follows:

Total OPEB Liability	\$	43,999,457
Plan Fiduciary Net Position		35,683,816
Net OPEB Liability (Asset)	\$	8,315,641

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	3,703,235	1,571,084
Difference between projected and actual investment earnings	-	-
Total	\$ 3,703,235	\$ 1,571,084

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30	
2022	248,856
2023	248,856
2024	248,856
2025	248,856
2026	248,856
Thereafter	887,871
	\$ 2,132,151

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**2. Supplemental Death Benefits Plan**

PLAN DESCRIPTION.

The County provides group term life insurance for all of its full-time employees and retirees through a statewide, multiple-employer, public-employee retirement system through the Texas County District Retirement System (the “TCDRS”). The fund for this benefit is a separate trust administered by TCDRS. The fund receives monthly premiums and pays benefits when due. The obligations of the program are payable only from this fund, and are not an obligation of, or a claim against, the TCDRS Pension Trust Fund. The fund’s assets are pooled with those of the Pension Trust Fund under the provisions of the TCDRS Act and annually received an allocation of income based on the fund value. The TCDRS issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

Current employees of the plan are insured for an amount equivalent to the employee’s current annual compensation. Employers may also choose to cover retirees. Retirees are insured for \$5,000. Life insurance proceeds are payable as a lump sum. The coverage provided to retirees is a post-employment benefit other than pension benefits.

CONTRIBUTIONS.

The County contributes to the program at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the County. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The program is voluntary and the County can cease participation at any time. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the fund policy to pre-fund retiree term life insurance during employees’ entire careers.

<u>Contribution Rates</u>		
	2020	2021
Employee	0.00%	0.00%
Employer	.50%	.50%
Fiscal year 2020 employer contributions		\$ 43,800
Fiscal year 2020 employee contributions		\$0

The County’s contributions to TCDRS for the year ended December 31, 2020 were equal to the required contributions.

ACTUARIAL ASSUMPTIONS

The Group Term Life Fund (GTLF) is an optional cost-sharing multiple-employer defined benefit plan that is administered by the Texas County District Retirement System (TCDRS). It provides death benefits to active and, if elected, retired employees of participating employers. The financing objective of the GTLF is to operate as a group term insured benefit, charging each employer its premium based on current actuarial assumptions and its own demographic membership (number of active and retired members covered by the GTLF). The funding of the GTLF is in accordance with Section 845.406 of the TCDRS statute. Contribution rates are established as a percentage of pay.

The GTLF provides death benefits to both active and retired members. Each participating employer can elect to cover just active members, or active and retired members. The required contribution rates for funding purposes are equal to a premium rate that is individually determined for each participating employer annually, and is based on the mortality and service experience of all employees and retirees covered by the fund and the demographics specific to the workforce of the participating employer. The rate is expressed as a percentage of the compensation of members employed by the participating employer. The required contributions are determined using a one-year term cost funding method.

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

Employers who participate in the TCDRS retirement plan may elect to participate in the GTLF. Employers may elect to cover members who are active employees only or both members who are active employees and retirees, and may elect to change or discontinue coverage annually.

The County must have elected the applicable Group Term Life coverage for the calendar year in which a member who is an active employee or retiree dies. If death occurs while the member is actively employed, the benefit is an amount equal to the employee's most recent regular annualized salary. The insurance benefit payable upon the death of a retiree is \$5,000.

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over expected working life.
Remaining Amortization Period	N/A
Asset Valuation Method	N/A
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	2.12%
Retirement Age	N/A
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the MP-2014 Healthy Annuitant Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Plan Provisions	None

**DISCOUNT RATE.**

The OPEB plan has been determined to be an unfunded OPEB plan. Therefore, the discount rate used to measure the total OPEB liability was the municipal bond rate of 2.12%. The current discount rate is a decrease from the previous year's discount rate of 2.74%.

**CHANGES IN THE TOTAL OPEB LIABILITY:**

At December 31, 2020, the County reported a total OPEB liability of \$709,039, the changes in the total OPEB liability were as follows:

	<u>Increase/(Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at 12/31/2019	\$ 628,630
Changes for the year:	
Service cost	16,376
Interest	17,386
Change of benefit terms	-
Difference between expected and actual experience	(3,479)
Changes of assumptions or other inputs	71,264
Benefit payments	(21,138)
Net changes	<u>80,409</u>
Balance at 12/31/2020	<u>\$ 709,039</u>

The total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date and for the year then ended.

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

**DISCOUNT RATE SENSITIVITY ANALYSIS.**

The following shows the total OPEB liability calculated using the discount rate of 2.12%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate.

	1% Decrease in Discount Rate (1.12%)	Discount Rate (2.12%)	1% Increase in Discount Rate (3.12%)
Total OPEB Liability	\$ 851,072	\$ 709,039	\$ 599,260

**OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB.**

For the year ended December 31, 2021, the County recognized OPEB expense of \$99,829.

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 8,234
Changes in actuarial assumptions	118,242	-
Contributions made subsequent to the measurement date	36,200	-
<b>Total</b>	<b>\$ 154,442</b>	<b>\$ 8,234</b>

The County had \$36,200 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability for the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2021	\$ 25,522
2022	25,525
2023	36,364
2024	11,297
2025	11,300
Thereafter	-
	<b>\$ 110,008</b>

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**H. 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.

**I. 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 non-cancelable lease terms in excess of one (1) year as of December 31, 2021.

Year Ending December 31	Governmental Activities
2022	21,933
2023	19,298
2024	12,679
2025	7,968
2026	1,530
Total minimum lease payments	\$ 63,408

Total cost for these leases for the year ended December 31, 2021 was \$22,725.

**J. Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2021 was as follows:

	January 1, 2021	Additions	Reductions	December 31, 2021	Due Within One Year
Compensated Absences	\$ 263,309	\$ -	\$ 19,390	\$ 243,919	\$ 14,635
Net OPEB Liability - Death	628,630	80,409	-	709,039	-
Net Pension Liability	2,796,129	1,429,408	-	4,225,537	-
Net OPEB Liability - Health	5,957,629	2,358,012	-	8,315,641	-
Total Governmental Activity Long-Term Liabilities	\$ 9,645,697	\$ 3,867,829	\$ 19,390	\$ 13,494,136	\$ 14,635

Compensated absences, Net Pension Liability, and the OPEB liabilities are liquidated by the General Fund or the Road & Bridge Fund, depending upon which fund records the employee's salary.

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**K. Governmental Fund Balances**

Components of non-spendable fund balance and specific purposes for restricted and committed fund balances as of December 31, 2021 are as follows:

	General Fund	Major Special Revenue Fund Road & Bridge Fund	Other Funds	Total
Nonspendable:				
Inventory	\$ -	\$ -	33,963	\$ 33,963
Restricted:				
Road & Bridge maintenance	-	7,638,546	2,126,733	9,765,279
Law Library	-	-	87,790	87,790
Juvenile Delinquency Prevention	-	-	165	165
Courthouse Security	-	-	238,280	238,280
Records Management & Preservation	-	-	1,065,013	1,065,013
Court Technology	-	-	129,203	129,203
VIT Interest	-	-	1,789	1,789
Elections	-	-	21,842	21,842
Adult Probation	-	-	95,090	95,090
Juvenile Probation	-	-	480,224	480,224
Law Enforcement	-	-	91,985	91,985
District Attorney	-	-	154,455	154,455
American Rescue Plan	-	-	6,454	6,454
Child Protective Services	-	-	155,446	155,446
Health	-	-	3,848,866	3,848,866
Airport	-	-	444,656	444,656
Committed:				
Right-of-Way Purchases	-	-	299,944	299,944
Airport Improvements	-	-	235,698	235,698
Jail Improvement	-	-	470	470
Unassigned	19,873,867	-	-	19,873,867
<b>Total Fund Balances</b>	<b>\$ 19,873,867</b>	<b>\$ 7,638,546</b>	<b>\$ 9,518,066</b>	<b>\$ 37,030,479</b>

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**L. Interfund Balances and Transfers**

There were no interfund balances as of December 31, 2021. Interfund transfers for the year ended December 31, 2021 were as follows:

	Major Funds		Transfers In					Totals
			Nonmajor Governmental Funds					
	General Fund	Road and Bridge Fund	Juvenile Services Fund	County & District Court Technology Fund	Justice Court Technology Fund	Farm to Market and Lateral Road Fund	Child Protective Services Fund	
Transfers Out								
General Fund			\$ 198,959	\$ -	\$ -		\$ 30,000	\$ 228,959
Coronavirus Relief Fund	92,706	4,060		90	73	762		97,691
Total	<u>\$ 92,706</u>	<u>\$ 4,060</u>	<u>\$ 198,959</u>	<u>\$ 90</u>	<u>\$ 73</u>	<u>\$ 762</u>	<u>\$ 30,000</u>	<u>\$ 326,650</u>

The purpose of these transfers was to supplement revenue.

**M. 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, 2021 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.

**N. 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.

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**O. Tax Abatements**

The County enters into property tax abatements agreements with local business under the State Property Redevelopment and Tax Abatement Act, chapter 312, as well as its own guidelines and criteria, which is required under the Act. Under the Act, including its guidelines and criteria, the County may grant property tax abatements for economic projects under the program that provide an increase of at least \$1,000,000 in property values, or an annual payroll increase of \$400,000 or the creation of 100 new permanent full-time jobs. Abatements are granted up to 100% over a period of time specified on an individual basis. Abatement is given to provide significant, long-term, positive economic impact to the community using local contractors and the resident workforce to the maximum extent feasible and by developing, redeveloping and improving real estate within the County. The County’s goal in providing tax abatements is to create additional jobs.

Uses available for tax abatement include local expanding industries as well as newly recruited businesses.

On August 7, 2018, the Commissioners’ Court approved a tax abatement agreement between Panola County, Texas and TECO Gas Processing LLC (“TECO”) effective on the January 1, 2019 tax valuation date.

In the event of termination of the agreement with TECO, all taxes previously abated will be recaptured by the County and paid by TECO within sixty (60) days of termination, together with penalties and interest.

Termination of the agreement with TECO could occur if TECO fails to commence construction of the Project within one (1) year after the effective date, if TECO allows its Ad Valorem Taxes on the Project owed to the county to become delinquent, or violate any terms and conditions of the agreement.

Per the agreement, TECO will receive 100% tax abatement each year for a period of 10 years beginning January 1, 2019 in return for payments in lieu of taxes. TECO made the first payment of \$1,000,000 in 2019. Per the agreement payment schedule, TECO will make payments of \$141,054 for each year 2021-2029.

**P. Subsequent Events**

The impact of COVID-19 pandemic still has some impact on the economy in Panola County but County officials have put in place new policies and procedures to help mitigate against the overall impact. Revenues still are solid and the County is no longer limited on services it will provide for its citizens. The County has evaluated the impact on COVID-19 and all other subsequent events through May 31, 2022, the date the financial statements were available to be issued.

**(Continued)**



**REQUIRED SUPPLEMENTARY INFORMATION**



**PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**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, 2021, the following funds had legally adopted budgets:

General Fund	Records Archive Fees Fund
Road and Bridge Fund	Justice Court Technology Fund
Law Library Fund	Farm to Market and Lateral Road Fund
County Juvenile Delinquency Prevention Fund	Child Protective Services Fund
Courthouse Security Fund	Health Fund
Records Management Fund	Airport Fund
County & District Court Tech Fund	Road Bond 1971 Fund
Court Record Preservation Fund	Permanent Improvement Fund
District Court Records Technology Fund	Jail Improvement Fund
District Clerk Records Management & Preservation Fund	Juvenile Probation Fund
Records Preservation Fund	

PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
PROPERTY TAXES				
Current	\$ 15,376,421	\$ 15,376,421	\$ 16,559,407	\$ 1,182,986
Delinquent	246,681	246,681	565,006	318,325
Total Property Taxes	<u>15,623,102</u>	<u>15,623,102</u>	<u>17,124,413</u>	<u>1,501,311</u>
INTERGOVERNMENTAL RECEIPTS				
Total Intergovernmental Receipts	<u>443,502</u>	<u>475,028</u>	<u>485,233</u>	<u>10,205</u>
FEES OF OFFICE				
County Judge	6,000	6,000	8,884	2,884
Sheriff	20,000	20,000	22,668	2,668
District Attorney	1,000	1,000	1,299	299
County Clerk	176,000	193,375	234,890	41,515
Tax Assessor-Collector	400,000	400,000	381,256	(18,744)
District Clerk	35,000	35,000	47,894	12,894
County Treasurer	18,000	18,000	15,428	(2,572)
Justices of the Peace	<u>133,100</u>	<u>133,100</u>	<u>110,227</u>	<u>(22,873)</u>
Total Fees of Office	<u>789,100</u>	<u>806,475</u>	<u>822,546</u>	<u>16,071</u>
MISCELLANEOUS				
Interest Earned	184,280	184,280	202,696	18,416
Hospital Collections	-	-	140	140
Time Payment EFTIC	500	500	770	270
Vital Archive - County Clerk	500	500	1,215	715
Judiciary Support Fee	1,000	1,000	216	(784)
Jury donations to Veteran's Service Office	-	-	145	145
Miscellaneous	122,204	228,031	344,017	115,986
Exposition Building	-	-	750	750
County Clerk Civil	1,000	1,000	2,140	1,140
Family Protection Fee	2,000	2,000	1,500	(500)
Child Safety Fee	34,000	35,344	35,345	1
Child Abuse Prevention	-	-	176	176
CLC Justice of the Peace Fees	7,000	7,000	7,889	889
Miscellaneous Unclaimed Funds	-	-	722	722
Panola County Auction Interest Earnings	-	-	98	98
Total Miscellaneous	<u>352,484</u>	<u>459,655</u>	<u>597,819</u>	<u>138,164</u>
Total Revenues	<u>\$ 17,208,188</u>	<u>\$ 17,364,260</u>	<u>\$ 19,030,011</u>	<u>\$ 1,665,751</u>

PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>EXPENDITURES</b>				
GENERAL ADMINISTRATION				
County Judge	\$ 219,207	\$ 219,216	\$ 214,101	\$ 5,115
Commissioners	422,507	422,529	420,935	1,594
County Clerk	472,305	489,680	451,484	38,196
Veteran's Service Officer	149,454	149,465	142,826	6,639
Airport	105,688	109,362	102,094	7,268
IT Department	90,342	94,167	92,817	1,350
Miscellaneous and Non-Departmental	2,703,200	2,535,485	2,410,944	124,541
Total General Administration	4,162,703	4,019,904	3,835,201	184,703
JUDICIAL				
District Court	180,870	181,381	169,218	12,163
County Court at Law	458,346	525,579	512,362	13,217
District Clerk	429,766	429,766	393,455	36,311
Justices of the Peace Pct. 1 and 4	243,613	241,459	229,929	11,530
Justices of the Peace Pct. 2 and 3	246,663	253,927	243,003	10,924
Bailiffs, Jurors and Law Books	98,263	98,269	74,835	23,434
Total Judicial	1,657,521	1,730,381	1,622,802	107,579
LEGAL				
DISTRICT ATTORNEY				
District Attorney	709,344	789,994	747,655	42,339
Lawsuits	11,000	11,000	4,490	6,510
Total Legal	720,344	800,994	752,145	48,849
ELECTIONS				
Total Election Judges, Clerks, and Supplies	60,740	84,085	66,709	17,376
Total Voter Registration	153,692	153,759	151,437	2,322
Total Elections	214,432	237,844	218,146	19,698
<b>EXPENDITURES (cont'd.)</b>				
FINANCIAL ADMINISTRATION				
Auditor	300,417	300,434	292,709	7,725
Treasurer	251,685	251,702	247,755	3,947
Tax Assessor-Collector	621,563	621,563	589,607	31,956
Total Financial Administration	1,173,665	1,173,699	1,130,071	43,628
Building Maintenance	381,166	390,172	295,463	94,709
Total Public Facilities	381,166	390,172	295,463	94,709

(Continued)

PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>EXPENDITURES (cont'd.)</b>				
PUBLIC SAFETY				
Sheriff	3,944,886	3,925,771	3,848,861	76,910
Constable Pct. 1 & 4	174,040	173,629	129,710	43,919
Constable Pct. 2 & 3	212,936	223,209	217,604	5,605
Corrections	2,520,813	2,513,744	2,418,348	95,396
Rural Addressing	170,714	180,288	124,309	55,979
Highway Patrol	70,011	69,117	68,656	461
Fire Safety	1,500	3,000	3,000	-
Total Public Safety	7,094,900	7,088,758	6,810,488	278,270
<b>EXPENDITURES (cont'd.)</b>				
ENVIRONMENTAL PROTECTION				
Trash Disposal	450,000	357,734	335,742	21,992
Trash Disposal	450,000	357,734	335,742	21,992
Total Environmental Protection	450,000	357,734	335,742	21,992
HEALTH AND PAUPERS CARE				
Medical Indigent	7,000	7,000	-	7,000
Aging Match	200	200	-	200
Indigent Health Care	163,000	128,000	86,794	41,206
Mental Health/Mental Retardation	29,400	29,400	21,000	8,400
Statements of Facts	10,000	10,000	9,539	461
Autopsies & Inquests	80,000	135,000	131,380	3,620
Mental Evaluation of Prisoners	5,000	5,000	4,675	325
Retarded Citizens Association	6,500	6,500	-	6,500
Alcohol Abuse Program	4,000	4,000	-	4,000
Cities Child Safety Fee Distribution	12,000	12,186	12,186	-
Child Advocacy	22,000	23,158	23,158	-
Attorney Fees -Juveniles	55,000	15,000	7,576	7,424
Attorney Fees	300,000	340,000	336,662	3,338
Open Door/Juvenile Care	5,000	5,000	5,000	-
Miscellaneous	2,000	2,000	1,000	1,000
Health Officer	6,000	6,000	6,000	-
Total Health and Paupers Care	707,100	728,444	644,970	83,474
RECREATION				
Library	395,392	398,692	383,270	15,422
Youth Programs	17,000	17,000	14,000	3,000
Total Recreation	412,392	415,692	397,270	18,422
Extension Service				
	127,582	127,582	87,137	40,445
Total Conservation	127,582	127,582	87,137	40,445

(Continued)

**PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
CAPITAL OUTLAY				
Total Capital Outlay	319,751	511,003	421,118	89,885
Total Expenditures	17,421,556	17,582,207	16,550,553	1,031,654
Excess (Deficiency) of Revenues Over (Under) Expenditures	(213,368)	(217,947)	2,479,458	2,697,405
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	92,706	92,706
Transfers Out	(228,959)	(228,959)	(228,959)	-
Total Other Financing Sources (Uses)	(228,959)	(228,959)	(136,253)	92,706
Net Change in Fund Balance	(442,327)	(446,906)	2,343,205	2,790,111
FUND BALANCE, BEGINNING	17,530,662	17,530,662	17,530,662	-
FUND BALANCE, ENDING	<u>\$ 17,088,335</u>	<u>\$ 17,083,756</u>	<u>\$ 19,873,867</u>	<u>\$ 2,790,111</u>

(Continued)

**PANOLA COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SPECIAL REVENUE FUND - ROAD AND BRIDGE**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Property Taxes:				
Taxes - current	4,596,213	4,596,213	4,838,731	\$ 242,518
Taxes - delinquent	73,736	73,736	140,118	66,382
<b>Total Property Taxes</b>	<u>4,669,949</u>	<u>4,669,949</u>	<u>4,978,849</u>	<u>308,900</u>
Licenses				
Motor Vehicle Registration	350,000	350,000	361,345	11,345
<b>Total Licenses</b>	<u>350,000</u>	<u>350,000</u>	<u>361,345</u>	<u>11,345</u>
Intergovernmental Receipts				
TXDOT CTIF Grant	400,000	1,170,269	1,170,265	(4)
State Lateral Road Fund	29,000	29,000	29,457	457
Weight and Axle Fees	45,000	45,000	50,189	5,189
<b>Total Intergovernmental Receipts</b>	<u>474,000</u>	<u>1,244,269</u>	<u>1,249,911</u>	<u>5,642</u>
Fines:				
County and District Court Fees	354,000	354,000	325,738	(28,262)
<b>Total Fines</b>	<u>354,000</u>	<u>354,000</u>	<u>325,738</u>	<u>(28,262)</u>
Other Revenues and Fees:				
Interest	75,030	75,030	65,927	(9,103)
Miscellaneous	-	151,257	2,497,273	2,346,016
Tax Abatement	141,054	141,054	141,054	-
<b>Total Other Revenues and Fees</b>	<u>216,084</u>	<u>367,341</u>	<u>2,704,254</u>	<u>2,336,913</u>
<b>Total Revenues</b>	<u>6,064,033</u>	<u>6,985,559</u>	<u>9,620,097</u>	<u>2,634,538</u>

**PANOLA COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SPECIAL REVENUE FUND - ROAD AND BRIDGE**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>EXPENDITURES</b>				
PUBLIC TRANSPORTATION				
MAINTENANCE-ROADS AND BRIDGES				
Total Precinct 1	1,354,850	1,208,486	965,244	243,242
Total Precinct 2	1,181,032	1,114,032	918,615	195,417
Total Precinct 3	1,039,126	1,048,126	981,957	66,169
Total Precinct 4	<u>1,301,914</u>	<u>1,237,621</u>	<u>1,118,329</u>	<u>119,292</u>
Total Maintenance-Roads and Bridges	<u>4,876,922</u>	<u>4,608,265</u>	<u>3,984,145</u>	<u>624,120</u>
CAPITAL OUTLAY-ROAD AND BRIDGES				
PRECINCT 1				
Total Precinct 1	433,050	652,745	604,746	47,999
Total Precinct 2	437,743	666,710	464,049	202,661
Total Precinct 3	496,635	769,395	1,926,355	(1,156,960)
Total Precinct 4	<u>583,009</u>	<u>1,051,770</u>	<u>2,140,658</u>	<u>(1,088,888)</u>
Total Capital Outlay	<u>1,950,437</u>	<u>3,140,620</u>	<u>5,135,808</u>	<u>(1,995,188)</u>
Total Expenditures	<u>6,827,359</u>	<u>7,748,885</u>	<u>9,119,953</u>	<u>(1,371,068)</u>
Excess of Revenues Over (Under) Expenditures	(763,326)	(763,326)	500,144	1,263,470
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	4,060	4,060
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,060</u>	<u>4,060</u>
Net Change in Fund Balance	(763,326)	(763,326)	504,204	1,267,530
FUND BALANCE, BEGINNING	<u>7,134,342</u>	<u>7,134,342</u>	<u>7,134,342</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 6,371,016</u>	<u>\$ 6,371,016</u>	<u>\$ 7,638,546</u>	<u>\$ 1,267,530</u>

**PANOLA COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
<b>Total Pension Liability</b>							
Service cost	\$ 1,379,474	\$ 1,337,016	\$ 1,412,722	\$ 1,528,882	\$ 1,627,854	\$ 1,457,414	\$ 1,429,368
Interest on total pension liability	5,646,758	5,423,679	5,157,434	5,073,643	4,744,127	4,457,975	4,184,774
Effect of plan changes	-	-	-	-	-	(206,371)	-
Effect of assumption changes or inputs	4,671,406	-	-	(999,472)	-	1,029,006	-
Effect of economic/demographic (gains) or losses	(288,048)	(684,650)	(142,573)	(1,674,570)	(562,543)	(661,728)	(601,515)
Benefit payments/refunds of contributions	<u>(3,479,991)</u>	<u>(3,253,334)</u>	<u>(2,883,657)</u>	<u>(2,676,104)</u>	<u>(2,275,968)</u>	<u>(2,173,650)</u>	<u>(1,944,467)</u>
Net change in total pension liability	7,929,599	2,822,711	3,543,926	1,252,379	3,533,470	3,902,646	3,068,160
Total pension liability, beginning	<u>70,039,698</u>	<u>67,216,987</u>	<u>63,673,061</u>	<u>62,420,682</u>	<u>58,887,212</u>	<u>54,984,566</u>	<u>51,916,406</u>
Total pension liability, ending (a)	<u>\$ 77,969,297</u>	<u>\$ 70,039,698</u>	<u>\$ 67,216,987</u>	<u>\$ 63,673,061</u>	<u>\$ 62,420,682</u>	<u>\$ 58,887,212</u>	<u>\$ 54,984,566</u>
<b>Fiduciary Net Position</b>							
Employer contributions	\$ 2,544,980	\$ 2,406,602	\$ 2,371,955	\$ 2,438,959	\$ 2,531,576	\$ 2,489,599	\$ 3,353,570
Member contributions	548,027	506,809	496,481	516,439	544,034	531,525	505,905
Investment income net of investment expenses	6,945,922	9,540,886	(1,104,109)	7,520,633	3,493,015	(1,037,364)	2,863,212
Benefit payments/refunds of contributions	(3,479,991)	(3,253,334)	(2,883,656)	(2,676,104)	(2,275,968)	(2,173,649)	(1,944,467)
Administrative expenses	(53,960)	(51,242)	(46,663)	(39,408)	(38,018)	(34,088)	(34,814)
Other	<u>(4,787)</u>	<u>(2,272)</u>	<u>5,496</u>	<u>3,372</u>	<u>52,769</u>	<u>26,592</u>	<u>(226,419)</u>
Net change in fiduciary net position	6,500,191	9,147,449	(1,160,496)	7,763,891	4,307,408	(197,385)	4,516,987
Fiduciary net position, beginning	<u>67,243,569</u>	<u>58,096,120</u>	<u>59,256,616</u>	<u>51,492,725</u>	<u>47,185,317</u>	<u>47,382,702</u>	<u>42,865,715</u>
Fiduciary net position, ending (b)	<u>\$ 73,743,760</u>	<u>\$ 67,243,569</u>	<u>\$ 58,096,120</u>	<u>\$ 59,256,616</u>	<u>\$ 51,492,725</u>	<u>\$ 47,185,317</u>	<u>\$ 47,382,702</u>
Net pension liability/(asset), ending = (a) - (b)	<u>\$ 4,225,537</u>	<u>\$ 2,796,129</u>	<u>\$ 9,120,867</u>	<u>\$ 4,416,445</u>	<u>\$ 10,927,957</u>	<u>\$ 11,701,895</u>	<u>\$ 7,601,864</u>
Fiduciary net position as a % of total pension liability	96.01%	96.01%	85.32%	92.00%	86.34%	86.79%	92.21%
Pensionable covered payroll	\$ 7,828,957	\$ 7,240,126	\$ 7,092,592	\$ 7,377,699	\$ 7,771,911	\$ 7,593,216	\$ 7,227,213
Net pension liability as a % of covered payroll	53.97%	38.62%	128.60%	59.86%	140.61%	154.11%	105.18%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.



**PANOLA COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS**  
**HEALTH PLAN**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 2,425,022	\$ 1,980,177	\$ 1,384,904	\$ 1,666,934
Interest	907,101	1,055,276	1,278,599	1,081,229
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	-	-
Changes in assumptions	304,553	793,780	4,069,609	(2,711,856)
Benefit payments	-	-	-	-
Net change in total OPEB liability	3,636,676	3,829,233	6,733,112	36,307
Total OPEB liability, beginning	40,362,781	36,533,548	29,800,436	29,764,129
Total OPEB liability, ending (a)	<u>\$ 43,999,457</u>	<u>\$ 40,362,781</u>	<u>\$ 36,533,548</u>	<u>\$ 29,800,436</u>
<b>Fiduciary Net Position</b>				
Employer contributions	\$ 2,387,048	\$ 1,835,796	\$ 1,955,842	\$ 1,746,235
Net investment income	342,715	618,018	759,587	571,536
Benefit payments	(1,451,099)	(1,441,446)	(1,380,211)	(1,267,612)
Administrative expenses	-	-	-	-
Other	-	-	-	-
Net change in fiduciary net position	1,278,664	1,012,368	1,335,218	1,050,159
Fiduciary net position, beginning	34,405,152	33,392,784	32,057,566	31,007,407
Fiduciary net position, ending (b)	\$ 35,683,816	\$ 34,405,152	\$ 33,392,784	\$ 32,057,566
Net OPEB liability/(asset), ending = (a) - (b)	<u>\$ 8,315,641</u>	<u>\$ 5,957,629</u>	<u>\$ 3,140,764</u>	<u>\$ (2,257,130)</u>
Fiduciary net position as a % of total OPEB liability	81.10%	85.24%	91.40%	107.57%
Covered payroll	\$ 7,612,324	\$ 7,647,125	\$ 7,333,874	\$ 7,139,612
Net OPEB liability as a % of covered payroll	109.24%	77.91%	42.83%	-31.61%

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

**PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
HEALTH PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 1,746,235	\$ 1,746,235	\$ -	\$ 7,139,612	24.5%
2019	1,955,842	1,955,842	-	7,333,874	26.7%
2020	1,835,796	1,835,796	-	7,647,125	24.0%
2021	2,061,207	2,061,207	-	\$ 7,612,324	27.1%

NOTES TO SCHEDULE OF CONTRIBUTIONS

The schedule will present 10 years of information once it is accumulated.

Valuation Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.06%
Healthcare cost trend rates	Medical/Rx Post-65: 6.00% Medical/Rx Pre-65: 8.5% initial, decreasing to an ultimate rate of 5.00%
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality - Active Participants	RP-2000 Combined Mortality Table set forward 2 years for males, set back 4 years for females, projected to 2014 with Scale AA and projected with 110% of Scale MP-2014 thereafter.
Mortality - Inactive Participants	RP-2000 Combined Mortality Table set forward 1 year for males, projected to 2014 with Scale AA and projected with 110% of Scale MP-2014 thereafter.
Mortality - Disabled Participants	RP-2000 Disabled Mortality Table set forward 2 years for females, projected to 2014 with Scale AA and projected with 110% of Scale MP-2016 thereafter.

**PANOLA COUNTY, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**SUPPLEMENTAL DEATH BENEFITS PLAN**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
<b>Total OPEB liability</b>				
Service Cost	\$ 16,376	\$ 11,174	\$ 15,401	\$ 13,821
Interest	17,386	20,183	18,588	19,431
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(3,479)	4,690	(8,199)	(14,610)
Change of assumptions and other inputs	71,264	120,637	(52,453)	22,356
Benefit payments	<u>(21,138)</u>	<u>(18,100)</u>	<u>(16,313)</u>	<u>(16,231)</u>
Net Change in Total OPEB Liability	80,409	138,584	(42,976)	24,767
Total OPEB Liability - Beginning	<u>628,630</u>	<u>490,046</u>	<u>533,022</u>	<u>508,255</u>
Total OPEB Liability - Ending (a)	<u>\$ 709,039</u>	<u>\$ 628,630</u>	<u>\$ 490,046</u>	<u>\$ 533,022</u>
Covered Employee Payroll	\$ 7,828,957	\$ 7,240,126	\$ 7,092,592	\$ 7,377,699
Net OPEB Liability as a Percentage of Covered Employee Payroll	9.06%	8.68%	6.91%	7.22%

**NOTES TO SCHEDULE**

The schedule will present 10 years of information once it is accumulated.

**Valuation Date:**

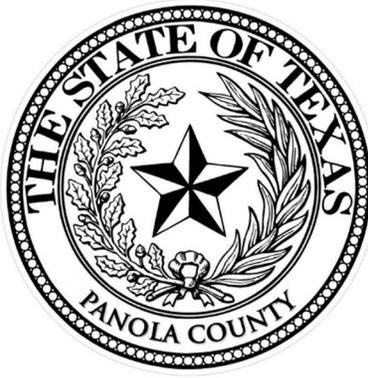
Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

**Methods and Assumptions Used to Determine Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	2.12% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2020.
Disability	Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a customer table based on TCDRS experience.
Mortality - Depositing Members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - Service Retirees, Beneficiaries, and Non-Depositing Members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - Disables Retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

**Other Information:**

The Supplemental Death Benefits Fund is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).



**ADDITIONAL SUPPLEMENTARY INFORMATION**

**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 FUND – This fund is used to account for the revenues and expenditures associated with the Panola County Drug Court Program. Financing is provided by monies collected through fines and funding from Panola County. This program is operated by the 123<sup>rd</sup> Judicial District Community Supervision and Corrections 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.

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.

PRE-TRIAL INTERVENTION PROGRAM FUND – Funding is collected from a defendant participating in a pretrial intervention program administered by the Criminal District Attorney.

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.

CORONAVIRUS RELIEF FUND – This fund is used to account for proceeds received from the Coronavirus Relief Fund Grant received from the Texas Department of Emergency Management and to expend the funds to help alleviate the impact of the COVID-19 pandemic in Panola County.

AMERICAN RESCUE PLAN FUND – This fund is used to account for proceeds received from the American Rescue Plan received and to expend the funds to help alleviate the impact of the COVID-19 pandemic in Panola County through economic recovery funding and capital projects funding.

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.

SHERIFF FEDERAL FORFEITURE FUND - This fund is used to account for funds allocated by the federal government from drug money confiscated within County boundaries.

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.

**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.

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  
NON-MAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECT FUNDS**

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

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

JAIL IMPROVEMENT FUND - This fund is used to account for funds that are available for future improvements to the County Jail.

**PANOLA COUNTY, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
CUSTODIAL 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.

**NONMAJOR GOVERNMENTAL FUNDS**

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

SPECIAL REVENUE FUNDS

	<u>LAW LIBRARY</u>	<u>JUVENILE DELINQUENCY PREVENTION</u>	<u>COURT- HOUSE SECURITY</u>	<u>RECORDS MANAGEMENT</u>	<u>COUNTY &amp; DISTRICT COURT TECH</u>	<u>COURT RECORD PRESERVATION</u>	<u>DISTRICT COURT RECORDS TECHNOLOGY</u>	<u>DISTRICT CLERK RECORDS MANAGEMENT &amp; PRESERVATION</u>
<b>ASSETS:</b>								
Cash and Cash Equivalents	33,774	165	51,235	23,703	7,362	15,478	23,382	9,685
Investments	54,000	-	187,000	6,000	-	-	-	-
Current Taxes	-	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-
Miscellaneous	16	-	45	1	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 87,790</u>	<u>\$ 165</u>	<u>\$ 238,280</u>	<u>\$ 29,704</u>	<u>\$ 7,362</u>	<u>\$ 15,478</u>	<u>\$ 23,382</u>	<u>\$ 9,685</u>
<b>LIABILITIES:</b>								
Accounts Payable-Trade	-	-	-	-	-	-	-	-
Unearned Revenue - Grants	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable Revenue	-	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	87,790	165	238,280	29,704	7,362	15,478	23,382	9,685
Committed	-	-	-	-	-	-	-	-
Total Fund Balances	<u>87,790</u>	<u>165</u>	<u>238,280</u>	<u>29,704</u>	<u>7,362</u>	<u>15,478</u>	<u>23,382</u>	<u>9,685</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 87,790</u>	<u>\$ 165</u>	<u>\$ 238,280</u>	<u>\$ 29,704</u>	<u>\$ 7,362</u>	<u>\$ 15,478</u>	<u>\$ 23,382</u>	<u>\$ 9,685</u>

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

SPECIAL REVENUE FUNDS

	RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT
<b>ASSETS:</b>								
Cash and Cash Equivalents	236,886	318,455	34,444	1,104	21,842	426,461	51,919	29,542
Investments	403,000	53,000	64,000	-	-	2,127,069	-	-
Current Taxes	-	-	-	-	-	245,008	-	-
Delinquent Taxes	-	-	-	-	-	33,925	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	(17,354)	-	-
Due from Other Governments	-	-	-	-	-	45,868	-	-
Miscellaneous	92	13	15	685	-	312	15,389	-
Inventory	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 639,978</b>	<b>\$ 371,468</b>	<b>\$ 98,459</b>	<b>\$ 1,789</b>	<b>\$ 21,842</b>	<b>\$ 2,861,289</b>	<b>\$ 67,308</b>	<b>\$ 29,542</b>
<b>LIABILITIES:</b>								
Accounts Payable-Trade	1,300	-	-	-	-	8,217	1,760	-
Unearned Revenue - Grants	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,217</b>	<b>1,760</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable Revenue	-	-	-	-	-	254,873	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	369,665	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>624,538</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	638,678	371,468	98,459	1,789	21,842	2,228,534	65,548	29,542
Committed	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>638,678</b>	<b>371,468</b>	<b>98,459</b>	<b>1,789</b>	<b>21,842</b>	<b>2,228,534</b>	<b>65,548</b>	<b>29,542</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 639,978</b>	<b>\$ 371,468</b>	<b>\$ 98,459</b>	<b>\$ 1,789</b>	<b>\$ 21,842</b>	<b>\$ 2,861,289</b>	<b>\$ 67,308</b>	<b>\$ 29,542</b>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

SPECIAL REVENUE FUNDS

	JUVENILE PROBATION	HOT CHECK FEE	PRE-TRIAL INTERVENTION PROGRAM	SHERIFF'S STATE FORFEITURE	JAIL COMMISSARY	CORONAVIRUS RELIEF	AMERICAN RESCUE PLAN	DIST ATTY LONGEVITY PAY SUPPLEMENT
<b>ASSETS:</b>								
Cash and Cash Equivalents	284,881	17,703	15,068	27,810	33,211	-	2,259,036	328
Investments	200,000	21,000	-	23,000	-	-	-	-
Current Taxes	-	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	5	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 484,881</u>	<u>\$ 38,703</u>	<u>\$ 15,068</u>	<u>\$ 50,815</u>	<u>\$ 33,211</u>	<u>\$ -</u>	<u>\$ 2,259,036</u>	<u>\$ 328</u>
<b>LIABILITIES:</b>								
Accounts Payable-Trade	4,657	-	-	-	-	-	-	-
Unearned Revenue - Grants	-	-	-	-	-	-	2,252,582	-
Total Liabilities	<u>4,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,252,582</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable Revenue	-	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	480,224	38,703	15,068	50,815	33,211	-	6,454	328
Committed	-	-	-	-	-	-	-	-
Total Fund Balances	<u>480,224</u>	<u>38,703</u>	<u>15,068</u>	<u>50,815</u>	<u>33,211</u>	<u>-</u>	<u>6,454</u>	<u>328</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 484,881</u>	<u>\$ 38,703</u>	<u>\$ 15,068</u>	<u>\$ 50,815</u>	<u>\$ 33,211</u>	<u>\$ -</u>	<u>\$ 2,259,036</u>	<u>\$ 328</u>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

SPECIAL REVENUE FUNDS

	D.A. FORFEITURE	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	CHILD PROTECTIVE SERVICES
<b>ASSETS:</b>								
Cash and Cash Equivalents	35,182	1,280	198	1,058	6,379	59,894	324	54,931
Investments	4,000	-	-	-	-	-	-	101,000
Current Taxes	-	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	15
Inventory	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 39,182</u>	<u>\$ 1,280</u>	<u>\$ 198</u>	<u>\$ 1,058</u>	<u>\$ 6,379</u>	<u>\$ 59,894</u>	<u>\$ 324</u>	<u>\$ 155,946</u>
<b>LIABILITIES:</b>								
Accounts Payable-Trade	-	-	-	-	-	-	-	500
Unearned Revenue - Grants	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable Revenue	-	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	39,182	1,280	198	1,058	6,379	59,894	324	155,446
Committed	-	-	-	-	-	-	-	-
Total Fund Balances	<u>39,182</u>	<u>1,280</u>	<u>198</u>	<u>1,058</u>	<u>6,379</u>	<u>59,894</u>	<u>324</u>	<u>155,446</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 39,182</u>	<u>\$ 1,280</u>	<u>\$ 198</u>	<u>\$ 1,058</u>	<u>\$ 6,379</u>	<u>\$ 59,894</u>	<u>\$ 324</u>	<u>\$ 155,946</u>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS			NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	HEALTH FUND	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT		
<b>ASSETS:</b>								
Cash and Cash Equivalents	305,286	316,626	4,704,632	61,883	43,650	470	106,003	4,810,635
Investments	3,543,000	128,000	6,914,069	238,000	192,000	-	430,000	7,344,069
Current Taxes	-	-	245,008	-	-	-	-	245,008
Delinquent Taxes	-	-	33,925	-	-	-	-	33,925
Allowance for Uncollectible Taxes	-	-	(17,354)	-	-	-	-	(17,354)
Due from Other Governments	-	-	45,868	-	-	-	-	45,868
Miscellaneous	814	30	17,432	61	48	-	109	17,541
Inventory	-	33,963	33,963	-	-	-	-	33,963
<b>Total Assets</b>	<b>\$ 3,849,100</b>	<b>\$ 478,619</b>	<b>\$ 11,977,543</b>	<b>\$ 299,944</b>	<b>\$ 235,698</b>	<b>\$ 470</b>	<b>\$ 536,112</b>	<b>\$ 12,513,655</b>
<b>LIABILITIES:</b>								
Accounts Payable-Trade	234	-	16,668	-	-	-	-	16,668
Unearned Revenue - Grants	-	-	2,252,582	-	-	-	-	2,252,582
<b>Total Liabilities</b>	<b>234</b>	<b>-</b>	<b>2,269,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,269,250</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable Revenue	-	-	254,873	-	-	-	-	254,873
Deferred Revenue - Advance Tax Collections	-	-	369,665	-	-	-	-	369,665
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>624,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>624,538</b>
<b>FUND BALANCES:</b>								
Nonspendable	-	33,963	33,963	-	-	-	-	33,963
Restricted	3,848,866	444,656	9,049,792	-	-	-	-	9,049,792
Committed	-	-	-	299,944	235,698	470	536,112	536,112
<b>Total Fund Balances</b>	<b>3,848,866</b>	<b>478,619</b>	<b>9,083,755</b>	<b>299,944</b>	<b>235,698</b>	<b>470</b>	<b>536,112</b>	<b>9,619,867</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,849,100</b>	<b>\$ 478,619</b>	<b>\$ 11,977,543</b>	<b>\$ 299,944</b>	<b>\$ 235,698</b>	<b>\$ 470</b>	<b>\$ 536,112</b>	<b>\$ 12,513,655</b>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS							
	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION
<b>REVENUES</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-	-	-	-	-
Fees of Office	14,525	-	18,262	4,090	453	2,944	3,235	1,925
Fines and Forfeits	-	-	-	-	-	-	-	-
Miscellaneous	568	2	1,533	176	44	87	134	54
<b>TOTAL REVENUES</b>	<b>15,093</b>	<b>2</b>	<b>19,795</b>	<b>4,266</b>	<b>497</b>	<b>3,031</b>	<b>3,369</b>	<b>1,979</b>
<b>EXPENDITURES</b>								
General Administration	-	-	20,637	2,212	-	-	-	130
Legal	14,555	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>14,555</b>	<b>-</b>	<b>20,637</b>	<b>2,212</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	538	2	(842)	2,054	497	3,031	3,369	1,849
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	90	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>538</b>	<b>2</b>	<b>(842)</b>	<b>2,054</b>	<b>587</b>	<b>3,031</b>	<b>3,369</b>	<b>1,849</b>
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>87,252</b>	<b>163</b>	<b>239,122</b>	<b>27,650</b>	<b>6,775</b>	<b>12,447</b>	<b>20,013</b>	<b>7,836</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 87,790</b>	<b>\$ 165</b>	<b>\$ 238,280</b>	<b>\$ 29,704</b>	<b>\$ 7,362</b>	<b>\$ 15,478</b>	<b>\$ 23,382</b>	<b>\$ 9,685</b>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<b>SPECIAL REVENUE FUNDS</b>							
	<b>COUNTY CLERK RECORDS PRESERVATION</b>	<b>RECORDS ARCHIVE FEES</b>	<b>JUSTICE COURT TECHNOLOGY</b>	<b>VIT INTEREST</b>	<b>ELECTION SERVICES CONTRACT</b>	<b>FM &amp; LATERAL ROAD</b>	<b>COMMUNITY SUPERVISION AND CORRECTIONS</b>	<b>DRUG COURT</b>
<b>REVENUES</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 704,657	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-	-	-	156,428	-
Fees of Office	96,681	85,838	6,454	-	3,157	-	214,551	-
Fines and Forfeits	-	-	-	-	-	-	-	1,997
Miscellaneous	3,916	2,034	615	695	145	44,261	674	155
<b>TOTAL REVENUES</b>	<b>100,597</b>	<b>87,872</b>	<b>7,069</b>	<b>695</b>	<b>3,302</b>	<b>748,918</b>	<b>371,653</b>	<b>2,152</b>
<b>EXPENDITURES</b>								
General Administration	45,154	-	10,332	1,023	-	-	-	-
Legal	-	-	-	-	-	-	-	-
Elections	-	-	-	-	4,400	-	-	-
Public Safety	-	-	-	-	-	-	389,514	-
Public Transportation	-	-	-	-	-	610,211	-	-
Health & Paupers Care	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	40,323	-	-
<b>TOTAL EXPENDITURES</b>	<b>45,154</b>	<b>-</b>	<b>10,332</b>	<b>1,023</b>	<b>4,400</b>	<b>650,534</b>	<b>389,514</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,443	87,872	(3,263)	(328)	(1,098)	98,384	(17,861)	2,152
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	73	-	-	762	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>762</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>55,443</b>	<b>87,872</b>	<b>(3,190)</b>	<b>(328)</b>	<b>(1,098)</b>	<b>99,146</b>	<b>(17,861)</b>	<b>2,152</b>
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>583,235</b>	<b>283,596</b>	<b>101,649</b>	<b>2,117</b>	<b>22,940</b>	<b>2,129,388</b>	<b>83,409</b>	<b>27,390</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 638,678</b>	<b>\$ 371,468</b>	<b>\$ 98,459</b>	<b>\$ 1,789</b>	<b>\$ 21,842</b>	<b>\$ 2,228,534</b>	<b>\$ 65,548</b>	<b>\$ 29,542</b>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<b>SPECIAL REVENUE FUNDS</b>							
	<b>JUVENILE PROBATION</b>	<b>HOT CHECK FEE</b>	<b>PRETRIAL INTERVENTION PROGRAM</b>	<b>SHERIFF'S STATE FORFEITURE</b>	<b>JAIL COMMISSARY</b>	<b>CORONVIRUS RELIEF</b>	<b>AMERICAN RESCUE PLAN</b>	<b>DIST ATTY LONGEVITY PAY SUPPLEMENT</b>
<b>REVENUES</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	186,891	-	5,400	-	-	-	-	-
Fees of Office	586	915	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-	-
Miscellaneous	3,342	-	74	376	6,628	-	6,454	2
<b>TOTAL REVENUES</b>	<b>190,819</b>	<b>915</b>	<b>5,474</b>	<b>376</b>	<b>6,628</b>	<b>-</b>	<b>6,454</b>	<b>2</b>
<b>EXPENDITURES</b>								
General Administration	-	-	-	-	-	-	-	-
Legal	-	1,149	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Public Safety	363,982	-	-	19,869	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	401	-	-
Capital Outlay	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>363,982</b>	<b>1,149</b>	<b>-</b>	<b>19,869</b>	<b>-</b>	<b>401</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(173,163)	(234)	5,474	(19,493)	6,628	(401)	6,454	2
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	198,959	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(97,691)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>198,959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(97,691)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>25,796</b>	<b>(234)</b>	<b>5,474</b>	<b>(19,493)</b>	<b>6,628</b>	<b>(98,092)</b>	<b>6,454</b>	<b>2</b>
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>454,428</b>	<b>38,937</b>	<b>9,594</b>	<b>70,308</b>	<b>26,583</b>	<b>98,092</b>	<b>-</b>	<b>326</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 480,224</b>	<b>\$ 38,703</b>	<b>\$ 15,068</b>	<b>\$ 50,815</b>	<b>\$ 33,211</b>	<b>\$ -</b>	<b>\$ 6,454</b>	<b>\$ 328</b>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS							
	D.A. FORFEITURE	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	CHILD PROTECTIVE SERVICES
<b>REVENUES</b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	27,498	-	-	-	-	-	8,327
Fees of Office	-	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-	-
Miscellaneous	244	37	1	5	33	370	2	2,456
<b>TOTAL REVENUES</b>	<u>244</u>	<u>27,535</u>	<u>1</u>	<u>5</u>	<u>33</u>	<u>370</u>	<u>2</u>	<u>10,783</u>
<b>EXPENDITURES</b>								
General Administration	-	-	-	-	-	-	-	-
Legal	812	27,087	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-	54,466
Capital Outlay	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>812</u>	<u>27,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,466</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(568)</u>	<u>448</u>	<u>1</u>	<u>5</u>	<u>33</u>	<u>370</u>	<u>2</u>	<u>(43,683)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	30,000
Transfers out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(568)</u>	<u>448</u>	<u>1</u>	<u>5</u>	<u>33</u>	<u>370</u>	<u>2</u>	<u>(13,683)</u>
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<u>39,750</u>	<u>832</u>	<u>197</u>	<u>1,053</u>	<u>6,346</u>	<u>59,524</u>	<u>322</u>	<u>169,129</u>
<b>FUND BALANCE-END OF YEAR</b>	<u>\$ 39,182</u>	<u>\$ 1,280</u>	<u>\$ 198</u>	<u>\$ 1,058</u>	<u>\$ 6,379</u>	<u>\$ 59,894</u>	<u>\$ 324</u>	<u>\$ 155,446</u>

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS			NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	HEALTH FUND	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT		
<b>REVENUES</b>								
Property Taxes	\$ -	\$ -	\$ 704,657	\$ -	\$ -	\$ -	\$ -	\$ 704,657
Intergovernmental Receipts	48,842	6,969	440,355	-	-	-	-	440,355
Fees of Office	-	-	453,616	-	-	-	-	453,616
Fines and Forfeits	-	-	1,997	-	-	-	-	1,997
Miscellaneous	24,704	76,320	176,141	1,919	1,513	3	3,435	179,576
<b>TOTAL REVENUES</b>	<b>73,546</b>	<b>83,289</b>	<b>1,776,766</b>	<b>1,919</b>	<b>1,513</b>	<b>3</b>	<b>3,435</b>	<b>1,780,201</b>
<b>EXPENDITURES</b>								
General Administration	-	-	79,488	-	-	-	-	79,488
Legal	-	-	43,603	-	-	-	-	43,603
Elections	-	-	4,400	-	-	-	-	4,400
Public Safety	-	-	773,365	-	-	-	-	773,365
Public Transportation	-	64,633	674,844	-	-	-	-	674,844
Health & Paupers Care	29,339	-	84,206	-	-	-	-	84,206
Capital Outlay	-	-	40,323	-	-	-	-	40,323
<b>TOTAL EXPENDITURES</b>	<b>29,339</b>	<b>64,633</b>	<b>1,700,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,700,229</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,207	18,656	76,537	1,919	1,513	3	3,435	79,972
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	229,884	-	-	-	-	229,884
Transfers out	-	-	(97,691)	-	-	-	-	(97,691)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>132,193</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,193</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>44,207</b>	<b>18,656</b>	<b>208,730</b>	<b>1,919</b>	<b>1,513</b>	<b>3</b>	<b>3,435</b>	<b>212,165</b>
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>3,804,659</b>	<b>459,963</b>	<b>8,875,025</b>	<b>298,025</b>	<b>234,185</b>	<b>467</b>	<b>532,677</b>	<b>9,407,702</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 3,848,866</b>	<b>\$ 478,619</b>	<b>\$ 9,083,755</b>	<b>\$ 299,944</b>	<b>\$ 235,698</b>	<b>\$ 470</b>	<b>\$ 536,112</b>	<b>\$ 9,619,867</b>

(Continued)

**DETAILED SCHEDULES OF REVENUES  
EXPENDITURES AND CHANGES IN  
FUND BALANCES – BUDGET TO ACTUAL**

**PANOLA COUNTY, TEXAS  
SPECIAL REVENUE FUND - LAW LIBRARY FUND  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
<b>REVENUES</b>				
Fees of Office:				
Law library fees	\$ 12,000	\$ 14,447	\$ 14,526	\$ 79
Total Fees of Office	<u>12,000</u>	<u>14,447</u>	<u>14,526</u>	<u>79</u>
Other Revenues and Fees:				
Interest	125	125	568	443
Total Other Revenues and Fees	<u>125</u>	<u>125</u>	<u>568</u>	<u>443</u>
Total Revenues	<u>12,125</u>	<u>14,572</u>	<u>15,094</u>	<u>522</u>
<b>EXPENDITURES</b>				
Legal:				
Miscellaneous - Law books	12,125	13,072	13,072	-
Repairs and Maintenance	-	1,500	1,484	16
Total Legal	<u>12,125</u>	<u>14,572</u>	<u>14,556</u>	<u>16</u>
Total Expenditures	<u>12,125</u>	<u>14,572</u>	<u>14,556</u>	<u>16</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	538	<u>\$ 538</u>
FUND BALANCE DECEMBER 30, 2020			<u>87,252</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 87,790</u>	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND - COUNTY JUVENILE DELINQUENCY PREVENTION**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Miscellaneous:				
Interest Earnings	\$ 1	\$ 1	\$ 2	\$ 1
Total Fees of Office	1	1	2	1
Total Revenues	1	1	2	1
<b>EXPENDITURES</b>				
Legal				
Contract Agreements	1	1	-	1
Total Legal	1	1	-	1
Total Expenditures	1	1	-	1
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	2	<u>\$ 2</u>
FUND BALANCE DECEMBER 30, 2020			<u>163</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 165</u>	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND - COURTHOUSE SECURITY**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Fees of Office:				
District Clerk Fees	\$ 1,302	\$ 1,302	\$ 1,754	\$ 452
County Clerk Fees	7,530	7,530	9,812	2,282
JP Offices	10,600	10,600	6,696	(3,904)
<b>Total Fees of Office</b>	<b>19,432</b>	<b>19,432</b>	<b>18,262</b>	<b>(1,170)</b>
Other Revenues and Fees:				
Interest Earnings	1,496	1,496	1,533	37
<b>Total Other Revenues and Fees</b>	<b>1,496</b>	<b>1,496</b>	<b>1,533</b>	<b>37</b>
<b>Total Revenues</b>	<b>20,928</b>	<b>20,928</b>	<b>19,795</b>	<b>(1,133)</b>
<b>EXPENDITURES</b>				
General Administration:				
Bailiff and Security	12,896	12,946	12,946	-
Social Security Taxes	987	937	744	193
Retirement and Death Benefits	3,098	3,109	3,109	-
Workers Compensation	317	293	207	86
Unemployment Insurance	26	26	14	12
Other Post Employment Benefits	3,604	3,617	3,617	-
<b>Total General Government</b>	<b>20,928</b>	<b>20,928</b>	<b>20,637</b>	<b>291</b>
<b>Total Expenditures</b>	<b>20,928</b>	<b>20,928</b>	<b>20,637</b>	<b>291</b>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(842)	<u>\$ (842)</u>
FUND BALANCE DECEMBER 30, 2020			<u>239,122</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 238,280</u>	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND - RECORDS MANAGEMENT FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Fees of Office:				
District Clerk Fees	\$ 3,000	\$ 3,000	\$ 2,926	\$ (74)
County Clerk Fees	<u>3,800</u>	<u>3,800</u>	<u>1,164</u>	<u>(2,636)</u>
Total Fees of Office	<u>6,800</u>	<u>6,800</u>	<u>4,090</u>	<u>(2,710)</u>
Miscellaneous				
Interest	<u>48</u>	<u>48</u>	<u>176</u>	<u>128</u>
Total Miscellaneous	<u>48</u>	<u>48</u>	<u>176</u>	<u>128</u>
Total Revenues	<u>6,848</u>	<u>6,848</u>	<u>4,266</u>	<u>(2,582)</u>
<b>EXPENDITURES</b>				
General Administration:				
Seasonal help	9,000	9,000	1,634	7,366
Social security taxes	689	689	125	564
Workers compensation	35	35	26	9
Unemployment insurance	18	18	-	18
Preservation and Restoration	<u>2,000</u>	<u>2,000</u>	<u>427</u>	<u>1,573</u>
Total Expenditures	<u>11,742</u>	<u>11,742</u>	<u>2,212</u>	<u>9,530</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (4,894)</u>	<u>\$ (4,894)</u>	2,054	<u>\$ 6,948</u>
FUND BALANCE DECEMBER 30, 2020			<u>27,650</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 29,704</u>	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND - COUNTY AND DISTRICT COURT TECHNOLOGY FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Fees of Office:				
District Clerk	\$ 50	\$ 50	\$ 207	\$ 157
County Clerk	100	100	246	146
Total Fees of Office	<u>150</u>	<u>150</u>	<u>453</u>	<u>303</u>
Other Revenues and Fees:				
Interest	1	1	44	43
Total Other Revenues and Fees	<u>1</u>	<u>1</u>	<u>44</u>	<u>43</u>
Total Revenues	<u>151</u>	<u>151</u>	<u>497</u>	<u>346</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Equipment and software	151	151	-	151
Total Capital Outlay	<u>151</u>	<u>151</u>	<u>-</u>	<u>151</u>
Total Expenditures	<u>151</u>	<u>151</u>	<u>-</u>	<u>151</u>
Excess of Revenues Over (Under) Expenditures	-	-	497	497
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	90	90
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>90</u>	<u>90</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	587	<u>\$ 587</u>
FUND BALANCE DECEMBER 30, 2020			<u>6,775</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 7,362</u>	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND - COURT RECORD PRESERVATION FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Fees of Office:				
District Clerk Fees	\$ 1,790	\$ 1,790	\$ 2,944	\$ 1,154
Total Fees of Office	<u>1,790</u>	<u>1,790</u>	<u>2,944</u>	<u>1,154</u>
Other Revenues and Fees:				
Interest	10	10	87	77
Total Other Revenues and Fees	<u>10</u>	<u>10</u>	<u>87</u>	<u>77</u>
Total Revenues	<u>1,800</u>	<u>1,800</u>	<u>3,031</u>	<u>1,231</u>
<b>EXPENDITURES</b>				
Justice System:				
Digitizing	1,800	1,800	-	1,800
Total Justice System	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Total Expenditures	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	3,031	<u>\$ 3,031</u>
FUND BALANCE DECEMBER 30, 2020			<u>12,447</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 15,478</u>	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND -DISTRICT CLERK RECORDS TECHNOLOGY FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
<b>REVENUES</b>				
Fees of Office				
District Clerk Fees	\$ 600	\$ 600	\$ 3,235	\$ 2,635
Total Fees of Office	600	600	3,235	2,635
Other Revenues and Fees				
Interest Earnings	-	-	134	134
Total Other Revenues and Fees	-	-	134	134
Total Revenues	600	600	3,369	2,769
<b>EXPENDITURES</b>				
Capital Outlay:				
Furniture and equipment	600	600	-	600
Total Capital Outlay	600	600	-	600
Total Expenditures	600	600	-	600
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	3,369	\$ 3,369
FUND BALANCE DECEMBER 30, 2020			20,013	
FUND BALANCE DECEMBER 31, 2021			\$ 23,382	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND - DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Fees of Office				
District Clerk Fees	\$ 600	\$ 600	\$ 1,925	\$ 1,325
Total Fees of Office	<u>600</u>	<u>600</u>	<u>1,925</u>	<u>1,325</u>
Other Revenues and Fees				
Interest Earnings	-	-	54	54
Total Other Revenues and Fees	<u>-</u>	<u>-</u>	<u>54</u>	<u>54</u>
Total Revenues	<u>600</u>	<u>600</u>	<u>1,979</u>	<u>1,379</u>
<b>EXPENDITURES</b>				
General Government				
Preservation and restoration	600	600	130	470
Total General Government	<u>600</u>	<u>600</u>	<u>130</u>	<u>470</u>
Total Expenditures	<u>600</u>	<u>600</u>	<u>130</u>	<u>470</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	1,849	<u>\$ 1,849</u>
FUND BALANCE DECEMBER 30, 2020			<u>7,836</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 9,685</u>	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND - COUNTY CLERK RECORDS PRESERVATION**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Fees of Office:				
County clerks fees	\$ 35,324	\$ 53,324	\$ 96,681	\$ 43,357
Total Fees of Office	<u>35,324</u>	<u>53,324</u>	<u>96,681</u>	<u>43,357</u>
Other Revenues and Fees:				
Interest earnings	692	692	3,916	3,224
Total Other Revenues and Fees	<u>692</u>	<u>692</u>	<u>3,916</u>	<u>3,224</u>
Total Revenues	<u>36,016</u>	<u>54,016</u>	<u>100,597</u>	<u>46,581</u>
<b>EXPENDITURES</b>				
General Administration:				
Digitizing real property instruments	9,715	-	-	-
Rentals microfilming and indexing	24,400	24,400	15,600	8,800
Records management and preservation	1,901	29,616	29,554	62
Total General Government	<u>36,016</u>	<u>54,016</u>	<u>45,154</u>	<u>8,862</u>
Total Expenditures	<u>36,016</u>	<u>54,016</u>	<u>45,154</u>	<u>8,862</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	55,443	<u>\$ 55,443</u>
FUND BALANCE DECEMBER 30, 2020			<u>583,235</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 638,678</u>	

**PANOLA COUNTY, TEXAS  
SPECIAL REVENUE FUND - RECORDS ARCHIVE FEES  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
<b>REVENUES</b>				
Fees of Office:				
County Clerks Fees	\$ 35,000	\$ 35,000	\$ 85,838	\$ 50,838
Total Fees of Office	35,000	35,000	85,838	50,838
Other Revenues and Fees:				
Interest Earnings	100	100	2,034	1,934
Total Other Revenues and Fees	100	100	2,034	1,934
Total Revenues	35,100	35,100	87,872	52,772
<b>EXPENDITURES</b>				
General Administration:				
Preservation and Restoration	21,050	21,050	-	21,050
Digitizing	14,050	14,050	-	14,050
Total General Government	35,100	35,100	-	35,100
Total Expenditures	35,100	35,100	-	35,100
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	87,872	\$ 87,872
FUND BALANCE DECEMBER 30, 2020			283,596	
FUND BALANCE DECEMBER 31, 2021			\$ 371,468	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND - JUSTICE COURT TECHNOLOGY**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
<b>REVENUES</b>				
Fees of Office:				
JP Offices	\$ 4,488	\$ 4,488	\$ 6,454	\$ 1,966
Total Fees of Office	4,488	4,488	6,454	1,966
Other Revenues and Fees:				
Interest Earnings	512	512	615	103
Total Other Revenues and Fees	512	512	615	103
Total Revenues	5,000	5,000	7,069	2,069
<b>EXPENDITURES</b>				
Capital Outlay:				
Furniture and Equipment	5,000	11,000	10,332	668
Total Capital Outlay	5,000	11,000	10,332	668
Total Expenditures	5,000	11,000	10,332	668
Excess of Revenues Over (Under) Expenditures	-	(6,000)	(3,263)	2,737
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	73	73
Total Other Financing Sources (Uses)	-	-	73	73
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ (6,000)	(3,190)	\$ 2,810
FUND BALANCE DECEMBER 30, 2020			101,649	
FUND BALANCE DECEMBER 31, 2021			\$ 98,459	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND - FARM TO MARKET AND LATERAL ROAD**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Property Taxes:				
Taxes - current	\$ 533,340	\$ 533,340	\$ 678,131	\$ 144,791
Taxes - delinquent	8,556	8,556	26,526	17,970
Total Property Taxes	<u>541,896</u>	<u>541,896</u>	<u>704,657</u>	<u>162,761</u>
Other Revenues and Fees:				
Interest	12,718	12,718	15,900	3,182
Miscellaneous	-	3,708	28,361	24,653
Total Other Revenues and Fees	<u>12,718</u>	<u>16,426</u>	<u>44,261</u>	<u>27,835</u>
Total Revenues	<u>554,614</u>	<u>558,322</u>	<u>748,918</u>	<u>190,596</u>
<b>EXPENDITURES</b>				
Public Transportation:				
Salaries - Road and Bridge Department	81,505	106,819	104,792	2,027
Benefits Termination	1,600	1,600	-	1,600
Social Security Taxes	6,236	8,173	7,621	552
Group Insurance	27,022	34,966	34,929	37
Retirement and Death Benefits	19,578	25,659	25,321	338
Other Post Employment	22,773	29,846	29,453	393
Retiree Medical Insurance Trust	14,604	14,604	14,604	-
Workers Compensation	3,021	3,392	1,561	1,831
Optional Retirement	29,961	29,961	29,961	-
Unemployment Insurance	3,392	3,451	116	3,335
Repair and Maintenance	31,627	31,627	29,630	1,997
Parts and Repairs	20,000	20,000	7,782	12,218
Contingency	187,580	39,301	-	39,301
Utilities	22,000	32,000	31,250	750
Contractor Service	6,000	6,000	1,935	4,065
Physicals and Drug	3,500	3,500	2,154	1,346
Rentals and Leases	5,000	5,000	4,685	315
Beaver Control	38,400	38,400	38,400	-
Liability and Other Insurance	204,145	245,868	234,239	11,629
Miscellaneous	1,250	2,250	2,030	220
Total Justice System	<u>729,194</u>	<u>682,417</u>	<u>600,463</u>	<u>81,954</u>
Capital Outlay:				
Furniture and Equipment	1,000	51,485	50,071	1,414
Road Oil	2,000	2,000	-	2,000
Bridge Construction	10,000	10,000	-	10,000
Total Capital Outlay	<u>13,000</u>	<u>63,485</u>	<u>50,071</u>	<u>13,414</u>
Total Expenditures	<u>742,194</u>	<u>745,902</u>	<u>650,534</u>	<u>95,368</u>
Excess of Revenues Over (Under) Expenditures	(187,580)	(187,580)	98,384	285,964
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	762	762
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>762</u>	<u>762</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (187,580)</u>	<u>\$ (187,580)</u>	99,146	<u>\$ 286,726</u>
FUND BALANCE DECEMBER 30, 2020			<u>2,129,388</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 2,228,534</u>	

**PANOLA COUNTY, TEXAS  
SPECIAL REVENUE FUND - CHILD PROTECTIVE SERVICES  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Intergovernmental Receipts				
Federal Receipts	\$ -	\$ -	\$ 8,327	\$ 8,327
Total Intergovernmental Receipts	-	-	8,327	8,327
Other Revenues and Fees:				
Donations	-	-	1,385	1,385
Interest	800	800	1,071	271
Total Other Revenues and Fees	800	800	2,456	1,656
Total Revenues	800	800	10,783	9,983
<b>EXPENDITURES</b>				
Health and Paupers Care				
Miscellaneous	58,000	58,000	54,466	3,534
Total General Government	58,000	58,000	54,466	3,534
Total Expenditures	58,000	58,000	54,466	3,534
Excess of Revenues Over (Under) Expenditures	(57,200)	(57,200)	(43,683)	13,517
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	30,000	30,000	30,000	-
Total Other Financing Sources (Uses)	30,000	30,000	30,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (27,200)	\$ (27,200)	(13,683)	\$ 13,517
FUND BALANCE DECEMBER 30, 2020			169,129	
FUND BALANCE DECEMBER 31, 2021			\$ 155,446	

**PANOLA COUNTY, TEXAS**  
**SPECIAL REVENUE FUND - HEALTH CARE FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Intergovernmental Receipts				
Tobacco Settlement	\$ 25,000	\$ 25,000	\$ 48,842	\$ 23,842
Total Intergovernmental Receipts	<u>25,000</u>	<u>25,000</u>	<u>48,842</u>	<u>23,842</u>
Miscellaneous				
Interest	25,000	25,000	24,704	(296)
Total Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>24,704</u>	<u>(296)</u>
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>73,546</u>	<u>23,546</u>
<b>EXPENDITURES</b>				
Health & Paupers Care				
Indigent Health Care	50,000	50,000	29,339	20,661
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>29,339</u>	<u>20,661</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	44,207	<u>\$ 44,207</u>
FUND BALANCE DECEMBER 30, 2020			<u>3,804,659</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 3,848,866</u>	

**PANOLA COUNTY, TEXAS  
SPECIAL REVENUE FUND - AIRPORT  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
<b>REVENUES</b>				
Intergovernmental Receipts				
Federal Receipts	\$ -	\$ 6,969	\$ 6,969	\$ -
Total Intergovernmental Receipts	-	6,969	6,969	-
Miscellaneous				
Miscellaneous Revenue	80,000	80,000	60,038	(19,962)
Hangar Rental & Ground Lease Agreements	14,310	14,310	13,460	(850)
Interest	900	900	2,822	1,922
Total Miscellaneous	95,210	95,210	76,320	(18,890)
Total Revenues	95,210	102,179	83,289	(18,890)
<b>EXPENDITURES</b>				
Public Transportation				
Insurance - liability and property	4,500	3,075	-	3,075
Professional Services	50	7,441	7,391	50
Repairs and renovations	50	3,732	3,707	25
Fuel and Repairs	90,560	87,881	53,535	34,346
Total Public Transportation	95,160	102,129	64,633	37,496
Capital Outlay:				
Furniture and Equipment	50	50	-	50
Total Capital Outlay	50	50	-	50
Total Expenditures	95,210	102,179	64,633	37,546
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	18,656	\$ 18,656
FUND BALANCE DECEMBER 30, 2020			459,963	
FUND BALANCE DECEMBER 31, 2021			\$ 478,619	

**PANOLA COUNTY, TEXAS  
CAPITAL PROJECTS FUND - 1971 ROAD BOND  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
<b>REVENUES</b>				
Other Revenues and Fees:				
Interest	\$ 1,250	\$ 1,250	\$ 1,919	\$ 669
Total Other Revenues and Fees	1,250	1,250	1,919	669
Total Revenues	1,250	1,250	1,919	669
<b>EXPENDITURES</b>				
Public Transportation				
Miscellaneous	1,250	1,250	-	1,250
Total Public Transportation	1,250	1,250	-	1,250
Total Expenditures	1,250	1,250	-	1,250
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	1,919	\$ 1,919
FUND BALANCE DECEMBER 30, 2020			298,025	
FUND BALANCE DECEMBER 31, 2021			\$ 299,944	

**PANOLA COUNTY, TEXAS**  
**CAPITAL PROJECTS FUND - PERMANENT IMPROVEMENT FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Other Revenues and Fees:				
Interest	\$ 1,000	\$ 1,000	\$ 1,513	\$ 513
Total Other Revenues and Fees	1,000	1,000	1,513	513
Total Revenues	1,000	1,000	1,513	513
<b>EXPENDITURES</b>				
Capital Outlay:				
Furniture and equipment	1,000	1,000	-	1,000
Total Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	1,000	1,000	-	1,000
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	1,513	\$ 1,513
FUND BALANCE DECEMBER 30, 2020			234,185	
FUND BALANCE DECEMBER 31, 2021			\$ 235,698	

**PANOLA COUNTY, TEXAS**  
**CAPITAL PROJECTS FUND - JAIL IMPROVEMENT FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Other Revenues and Fees:				
Interest	\$ 1	\$ 1	\$ 3	2
Total Other Revenues and Fees	1	1	3	2
Total Revenues	1	1	3	2
<b>EXPENDITURES</b>				
Capital Outlay				
Jail Equipment	1	1	-	1
Total Capital Outlay	1	1	-	1
Total Expenditures	1	1	-	1
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	3	<u>\$ 3</u>
FUND BALANCE DECEMBER 30, 2020			<u>467</u>	
FUND BALANCE DECEMBER 31, 2021			<u>\$ 470</u>	

**FIDUCIARY FUNDS**

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2021

	<u>Automobile Registration Fund</u>	<u>Tax Assessor- Collector Ad Valorem Tax Fund</u>	<u>County Clerk Registry Fund</u>	<u>District Clerk Registry Fund</u>	<u>Community Supervision and Corrections Department Fund</u>	<u>Juvenile Probation Fund</u>
Assets						
Cash	\$ 269,412	\$ 6,725,287	\$ 114,404	\$ 1,092,030	\$ 3,246	\$ -
Investments	-	-	-	332,724	-	-
Accounts receivable	-	-	-	-	-	-
Total assets	<u>\$ 269,412</u>	<u>\$ 6,725,287</u>	<u>\$ 114,404</u>	<u>\$ 1,424,754</u>	<u>\$ 3,246</u>	<u>\$ -</u>
Liabilities						
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	269,412	6,725,287	-	-	-	-
Due to others	-	-	114,404	1,424,754	-	-
Total liabilities	<u>269,412</u>	<u>6,725,287</u>	<u>114,404</u>	<u>1,424,754</u>	<u>-</u>	<u>-</u>
Net Position						
Individuals, organizations, and other governments	-	-	-	-	3,246	-
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,246</u>	<u>\$ -</u>

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2021

	<u>Criminal District Attorney Restitution Fund</u>	<u>Criminal District Attorney Seizure Fund</u>	<u>Sheriff Collections Fund</u>	<u>Jail Inmate Fund</u>	<u>Total Custodial Funds</u>
Assets					
Cash	\$ 100	\$ 102,501	\$ 534	\$ 17,017	\$ 8,324,531
Investments	-	-	-	-	332,724
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 100</u>	<u>\$ 102,501</u>	<u>\$ 534</u>	<u>\$ 17,017</u>	<u>\$ 8,657,255</u>
Liabilities					
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	6,994,699
Due to others	-	-	-	-	1,539,158
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,533,857</u>
Net Position					
Individuals, organizations, and other governments	100	102,501	534	17,017	123,398
Total net position	<u>\$ 100</u>	<u>\$ 102,501</u>	<u>\$ 534</u>	<u>\$ 17,017</u>	<u>\$ 123,398</u>

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Automobile Registration Fund</u>	<u>Tax Assessor - Collector Ad Valorem Tax Fund</u>	<u>County Clerk Registry Fund</u>	<u>District Clerk Registry Fund</u>	<u>Community Supervision and Corrections Department Fund</u>	<u>Juvenile Probation Fee Account</u>
<b>Additions</b>						
Tax collections for other governments	\$ 5,763,288	\$ 84,152,340	\$ -	\$ -	\$ -	\$ -
Held for others	-	-	1,083	326,484	382,082	1,180
Interest on investments	827	18,123	-	-	205	13
	<u>5,764,115</u>	<u>84,170,463</u>	<u>1,083</u>	<u>326,484</u>	<u>382,287</u>	<u>1,193</u>
<b>Deductions</b>						
Payments to other governments	5,764,115	84,170,463	-	-	-	-
Payments to others	-	-	1,083	324,119	381,100	3,537
Administrative expenses	-	-	-	2,365	-	-
	<u>5,764,115</u>	<u>84,170,463</u>	<u>1,083</u>	<u>326,484</u>	<u>381,100</u>	<u>3,537</u>
Net increase (decrease) in fiduciary position	-	-	-	-	1,187	(2,344)
Net position - beginning restated	-	-	-	-	2,059	2,344
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,246</u>	<u>\$ -</u>

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Criminal District Attorney Restitution Fund</u>	<u>Criminal District Attorney Seizure Fund</u>	<u>Sheriff Collection Fund</u>	<u>Jail Inmate Fund</u>	<u>Total Custodial Funds</u>
<b>Additions</b>					
Tax collections for other governments	\$ -	\$ -	\$ -	\$ -	\$ 89,915,628
Held for others	9,680	8,275	1,838	136,336	866,958
Interest on investments	509	-	-	-	19,677
	<u>10,189</u>	<u>8,275</u>	<u>1,838</u>	<u>136,336</u>	<u>90,802,263</u>
<b>Deductions</b>					
Payments to other governments	-	-	-	-	89,934,578
Payments to others	10,089	1,264	1,837	130,617	853,646
Administrative expenses	-	-	-	-	2,365
	<u>10,089</u>	<u>1,264</u>	<u>1,837</u>	<u>130,617</u>	<u>90,790,589</u>
Net increase (decrease) in fiduciary position	100	7,011	1	5,719	11,674
Net position - beginning restated	-	95,490	534	11,297	111,724
Net position - ending	<u>\$ 100</u>	<u>\$ 102,501</u>	<u>\$ 535</u>	<u>\$ 17,016</u>	<u>\$ 123,398</u>





**STATISTICAL SECTION**

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

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

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### **Financial Trends:**

These schedules compile information reported in the annual comprehensive financial report over the past ten years. These schedules report how the County's financial position and well-being have changed over time.

- TABLE 1 – Net Position by Component
- TABLE 2 – Changes in Net Position
- 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 by Industry

### **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

PANOLA COUNTY, TEXAS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Unaudited)

Governmental activities:	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Investment in Capital Assets	\$ 19,407,639	\$ 20,026,533	\$ 20,411,373	\$ 20,983,396	\$ 21,809,860	\$ 22,458,568	\$ 23,279,430	\$ 23,542,376	\$ 24,340,108	\$ 24,022,953
Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	-	-	-	-	-
Restricted for Other Purposes	16,688,338	15,988,312	-	-	-	-	-	-	-	-
Unrestricted	10,747,035	9,378,770	24,880,434	23,196,286	45,184,264	43,671,917	40,913,998	42,577,083	39,042,172	37,884,578
<b>Total governmental activities net position</b>	<b>\$ 46,843,012</b>	<b>\$ 45,393,615</b>	<b>\$ 45,291,807</b>	<b>\$ 44,179,682</b>	<b>\$ 66,994,124</b>	<b>\$ 66,130,485</b>	<b>\$ 64,193,428</b>	<b>\$ 66,119,459</b>	<b>\$ 63,382,280</b>	<b>\$ 61,907,531</b>

PANOLA COUNTY, TEXAS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
General administration	\$ 4,012,436	\$ 4,091,292	\$ 5,813,060	\$ 5,342,138	\$ 4,998,429	\$ 3,628,899	\$ 3,188,949	\$ 4,219,943	\$ 3,654,495	\$ 3,447,218
Judicial	1,756,897	1,824,413	1,501,830	1,463,707	1,504,247	1,440,455	1,313,677	1,288,251	1,226,565	1,136,940
Legal	796,328	919,988	844,493	621,159	614,417	646,121	618,330	589,841	507,415	467,497
Elections	240,177	234,316	190,348	192,420	189,184	216,421	213,282	206,776	189,931	186,869
Financial administration	1,178,392	1,255,840	1,076,875	1,084,669	1,071,598	1,003,659	900,619	913,259	852,036	794,223
Public facilities	321,607	330,773	559,976	881,056	469,972	420,136	493,979	695,814	582,996	435,721
Public safety	8,431,577	8,743,780	7,118,774	7,035,569	7,040,400	6,866,996	6,892,775	6,724,721	6,351,980	5,889,883
Environmental protection	342,370	424,727	424,322	449,386	405,004	405,004	417,769	397,717	426,905	392,801
Public transportation	9,962,334	7,120,378	6,464,256	6,444,767	6,800,101	6,523,876	6,450,555	6,713,665	6,918,240	6,378,730
Health and Paupers care	789,163	1,465,366	794,101	710,734	1,729,386	1,995,250	2,640,645	1,519,237	1,568,289	1,233,431
Recreation	445,773	481,366	435,797	423,521	464,777	445,229	428,808	409,735	381,777	363,850
Conservation	88,374	103,044	99,340	118,746	119,229	112,210	108,927	102,973	94,640	87,261
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>\$ 28,365,428</b>	<b>\$ 26,995,283</b>	<b>\$ 25,323,172</b>	<b>\$ 24,767,871</b>	<b>\$ 25,406,744</b>	<b>\$ 23,704,257</b>	<b>\$ 23,668,315</b>	<b>\$ 23,781,932</b>	<b>\$ 22,755,269</b>	<b>\$ 20,814,424</b>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services</b>										
General administration	\$ 450,259	\$ 430,163	\$ 404,371	\$ 393,927	\$ 332,744	\$ 325,813	\$ 358,984	\$ 378,308	\$ 355,323	\$ 320,353
Judicial	510,986	472,783	623,356	637,963	607,479	487,141	435,198	396,268	453,591	464,969
Legal	16,739	18,658	19,764	19,174	19,039	19,934	28,229	29,702	32,428	37,505
Elections	3,157	9,100	5,714	3,006	-	5,435	-	7,050	1,150	4,450
Financial administration	890,708	908,753	904,371	908,990	823,788	832,349	854,162	854,313	822,522	830,492
Public facilities	-	-	-	-	-	-	-	-	-	-
Public safety	275,147	228,049	287,566	292,881	253,340	298,428	374,660	431,121	463,719	453,190
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	110,227	91,880	147,046	60,912	226,139	141,950	130,661	139,891	139,815	38,894
Health and Paupers care	140	80	478	-	815	-	1,110	965	1,006	1,375
Recreation	171,571	171,625	174,381	170,099	186,593	182,318	187,112	162,407	156,724	152,856
Conservation	-	-	2,757	-	750	-	850	400	400	1,265
<b>Total Charges for Services</b>	<b>\$ 2,428,934</b>	<b>\$ 2,331,091</b>	<b>\$ 2,569,804</b>	<b>\$ 2,486,953</b>	<b>\$ 2,450,687</b>	<b>\$ 2,293,368</b>	<b>\$ 2,370,966</b>	<b>\$ 2,400,425</b>	<b>\$ 2,426,678</b>	<b>\$ 2,305,349</b>

PANOLA COUNTY  
CHANGES IN NET POSITION, Continued  
LAST TEN FISCAL YEARS  
(UNAUDITED)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Operating Grants and Contributions</b>										
General administration	\$ -	\$ 776,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	84,000	84,000	87,204	88,806	88,806	88,806	85,500	84,102	77,250	75,000
Legal	32,898	27,498	29,365	29,418	29,954	30,871	30,343	33,500	33,020	38,199
Elections	16,350	41,339	3,758	8,298	-	2,390	4,656	362	5,829	-
Financial administration	-	-	-	-	-	-	-	-	-	-
Public facilities	-	-	-	-	-	3,000	-	-	-	-
Public safety	349,223	364,381	380,306	436,612	474,948	546,400	686,415	684,681	638,384	573,135
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	3,540,360	32,451	32,522	29,538	29,575	29,575	29,575	29,676	30,441	29,620
Health and Paupers care	57,168	57,094	53,000	53,387	1,005,804	1,251,495	2,010,776	1,011,544	934,370	590,633
Recreation	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Grants and Contributions</b>	<b>\$ 4,079,999</b>	<b>\$ 1,382,849</b>	<b>\$ 586,155</b>	<b>\$ 646,059</b>	<b>\$ 1,629,087</b>	<b>\$ 1,952,537</b>	<b>\$ 2,847,265</b>	<b>\$ 1,843,865</b>	<b>\$ 1,719,294</b>	<b>\$ 1,306,587</b>
<b>Program Revenues, Continued:</b>										
<b>Capital Grants and Contributions</b>										
Judicial	\$ -	\$ 32,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	32,782	-	23,009	24,888	37,957	27,232	24,735	37,913	23,342	15,657
General Administration	-	-	-	-	404,353	-	-	-	-	-
Public Facilities	-	-	42,299	388,715	161,269	18,580	97,636	149,126	144,321	163,133
Public Safety	43,019	30,000	-	30,000	30,000	30,000	73,023	44,351	30,000	40,092
Public Transportation	-	-	-	117,854	-	-	-	-	-	-
Recreation	-	-	-	29,255	-	-	-	-	-	-
<b>Total Capital Grants and Contributions</b>	<b>\$ 75,801</b>	<b>\$ 62,485</b>	<b>\$ 65,308</b>	<b>\$ 590,712</b>	<b>\$ 633,579</b>	<b>\$ 75,812</b>	<b>\$ 195,394</b>	<b>\$ 231,390</b>	<b>\$ 197,663</b>	<b>\$ 218,882</b>
<b>Total Governmental Activities</b>										
Program Revenues	\$ 6,584,734	\$ 3,776,425	\$ 3,221,267	\$ 3,723,724	\$ 4,713,353	\$ 4,321,717	\$ 5,413,625	\$ 4,475,680	\$ 4,343,635	\$ 3,830,818
<b>Net (Expense) Revenue</b>										
Governmental Activities:	<b>\$ (21,780,694)</b>	<b>\$ (23,218,858)</b>	<b>\$ (22,101,905)</b>	<b>\$ (21,044,147)</b>	<b>\$ (20,693,391)</b>	<b>\$ (19,382,540)</b>	<b>\$ (18,254,690)</b>	<b>\$ (19,306,252)</b>	<b>\$ (18,411,634)</b>	<b>\$ (16,983,606)</b>

PANOLA COUNTY  
CHANGES IN NET POSITION, Continued  
LAST TEN FISCAL YEARS  
(UNAUDITED)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes	\$ 22,384,183	\$ 22,389,891	\$ 21,641,100	\$ 20,061,420	\$ 20,874,829	\$ 20,760,794	\$ 21,094,822	\$ 21,072,209	\$ 18,908,177	\$ 18,374,211
Interest Income	507,775	457,500	893,082	650,507	275,252	196,890	199,770	232,059	409,659	454,697
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	(73,459)	236,219
Miscellaneous	338,131	1,159,280	679,308	556,548	406,690	362,167	731,188	739,163	642,006	509,904
<b>Total Governmental Activities</b>	<u>\$ 23,230,089</u>	<u>\$ 24,006,671</u>	<u>\$ 23,213,490</u>	<u>\$ 21,268,475</u>	<u>\$ 21,556,771</u>	<u>\$ 21,319,851</u>	<u>\$ 22,025,780</u>	<u>\$ 22,043,431</u>	<u>\$ 19,886,383</u>	<u>\$ 19,575,031</u>
<b>Increase in Net Position Before Transfers</b>	1,449,395	787,813	1,111,585	224,328	863,381	1,937,311	3,771,090	2,737,179	1,474,749	2,591,425
<b>Transfers</b>	-	-	-	-	-	-	-	-	-	-
<b>Prior Period Adjustment</b>	-	(686,005)								
<b>Change in Net Position</b>										
Governmental Activities	<u>\$ 1,449,395</u>	<u>\$ 101,808</u>	<u>\$ 1,111,585</u>	<u>\$ 224,328</u>	<u>\$ 863,381</u>	<u>\$ 1,937,311</u>	<u>\$ 3,771,090</u>	<u>\$ 2,737,179</u>	<u>\$ 1,474,749</u>	<u>\$ 2,591,425</u>
<b>Total Primary Government</b>	<u><u>\$ 1,449,395</u></u>	<u><u>\$ 101,808</u></u>	<u><u>\$ 1,111,585</u></u>	<u><u>\$ 224,328</u></u>	<u><u>\$ 863,381</u></u>	<u><u>\$ 1,937,311</u></u>	<u><u>\$ 3,771,090</u></u>	<u><u>\$ 2,737,179</u></u>	<u><u>\$ 1,474,749</u></u>	<u><u>\$ 2,591,425</u></u>
<b>% Change from Prior Year</b>	1323.66%	(90.84%)	395.52%	(74.02%)	(55.43%)	(48.63%)	37.77%	85.60%	(43.09%)	(15.58%)

TABLE 3

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Fund:</b>										
<b>Committed</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Unassigned</b>	19,873,867	17,530,662	15,304,714	12,516,976	10,605,091	11,431,684	12,628,900	13,701,192	14,386,419	12,914,895
<b>Total General Fund</b>	<u>19,873,867</u>	<u>17,530,662</u>	<u>15,304,714</u>	<u>12,516,976</u>	<u>10,605,091</u>	<u>11,431,684</u>	<u>12,628,900</u>	<u>13,701,192</u>	<u>14,386,419</u>	<u>12,914,895</u>
<b>All Other Governmental Funds:</b>										
<b>Nonspendable, Reported in:</b>										
Special Revenue Funds	33,963	21,054	6,121	24,305	25,968	68,066	6,740	20,014	17,036	29,129
<b>Restricted, Reported in:</b>										
Special Revenue Funds	16,688,338	15,988,313	15,998,539	15,385,545	14,801,460	14,260,464	13,524,120	12,896,767	11,505,906	10,942,194
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
<b>Committed, Reported in:</b>										
Capital Projects Funds	536,112	532,677	527,667	736,616	724,419	718,821	715,382	711,931	702,640	2,032,738
<b>Total All Other Governmental Funds</b>	<u>17,258,413</u>	<u>16,542,044</u>	<u>16,532,327</u>	<u>16,146,466</u>	<u>15,551,847</u>	<u>15,047,351</u>	<u>14,246,242</u>	<u>13,628,712</u>	<u>12,225,582</u>	<u>13,004,061</u>
<b>Total Governmental Funds</b>	<u>\$ 37,132,280</u>	<u>\$ 34,072,706</u>	<u>\$ 31,837,040</u>	<u>\$ 28,663,442</u>	<u>\$ 26,156,938</u>	<u>\$ 26,479,035</u>	<u>\$ 26,875,142</u>	<u>\$ 27,329,904</u>	<u>\$ 26,612,001</u>	<u>\$ 25,918,956</u>
<b>% Change from Prior Year</b>	8.98%	7.02%	11.07%	9.58%	(1.22%)	(1.47%)	(1.66%)	2.70%	2.67%	5.91%

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>REVENUES</b>										
Property Taxes	\$ 22,807,919	\$ 21,628,160	\$ 20,788,517	\$ 19,970,452	\$ 20,649,393	\$ 20,757,166	\$ 21,028,302	\$ 21,053,992	\$ 18,828,094	\$ 18,364,115
Licenses	361,345	270,300	334,557	360,000	347,114	352,249	335,099	377,382	401,952	367,773
Intergovernmental	2,175,499	1,822,839	1,027,356	1,620,910	1,216,040	1,116,535	1,365,622	1,384,707	1,289,263	1,236,451
Fees of Office	1,276,162	1,260,405	1,334,172	1,268,928	1,146,745	1,196,135	1,346,858	1,366,538	1,347,853	1,354,699
Fines	327,735	321,947	401,396	446,306	417,917	348,600	295,881	275,040	300,696	311,936
Miscellaneous	3,481,649	1,871,973	2,703,676	1,205,378	1,863,127	1,867,254	3,001,123	2,043,236	2,056,617	1,964,666
<b>Total Revenues</b>	<b>30,430,309</b>	<b>27,175,624</b>	<b>26,589,674</b>	<b>24,871,974</b>	<b>25,640,336</b>	<b>25,637,939</b>	<b>27,372,885</b>	<b>26,500,895</b>	<b>24,224,475</b>	<b>23,599,640</b>
<b>EXPENDITURES</b>										
General Administration	3,934,459	3,890,949	4,311,657	3,841,882	7,053,322	6,582,858	6,952,902	6,970,773	3,992,090	3,582,755
Judicial	1,628,886	1,472,938	1,442,898	1,380,305	1,384,658	1,395,577	1,342,386	1,244,293	1,183,353	1,169,242
Legal	796,328	915,549	849,805	615,790	591,967	654,074	649,523	589,841	507,415	497,360
Elections	231,584	206,658	185,516	184,792	168,418	186,710	160,810	158,049	141,204	160,792
Financial Administration	1,134,329	1,103,635	1,078,830	1,067,110	1,027,105	1,017,607	955,794	913,259	852,036	851,633
Public Facilities	314,590	436,738	558,641	878,379	464,822	419,018	476,331	693,744	582,006	438,005
Public Safety	7,691,562	7,168,596	6,653,067	6,454,908	6,215,052	6,466,865	6,626,369	6,242,852	5,866,187	5,733,918
Environmental Protection	335,742	417,254	417,449	443,112	398,730	398,730	411,495	391,443	420,631	386,527
Conservation	87,137	96,014	99,565	117,060	114,292	113,739	112,089	102,973	94,640	91,770
Public Transportation	9,230,511	4,422,485	4,595,182	4,452,625	4,368,238	4,311,552	4,160,966	4,298,754	4,382,791	4,249,786
Health & Paupers Care	729,176	1,397,730	726,578	643,007	1,661,289	1,927,757	2,573,604	1,451,601	1,500,653	1,165,795
Culture & Recreation	397,270	396,690	399,028	381,984	411,315	412,922	411,917	372,336	359,961	385,146
Debt Service - Principal	-	-	-	-	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-
Capital Outlay	859,161	3,015,132	2,097,859	1,904,516	2,051,967	2,146,382	2,993,461	2,353,074	3,648,463	3,440,298
<b>Total Expenditures</b>	<b>27,370,735</b>	<b>24,940,368</b>	<b>23,416,075</b>	<b>22,365,470</b>	<b>25,911,175</b>	<b>26,033,791</b>	<b>27,827,647</b>	<b>25,782,992</b>	<b>23,531,430</b>	<b>22,153,027</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,059,574</b>	<b>2,235,256</b>	<b>3,173,599</b>	<b>2,506,504</b>	<b>(270,839)</b>	<b>(395,852)</b>	<b>(454,762)</b>	<b>717,903</b>	<b>693,045</b>	<b>1,446,613</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Relocation of Fund Equity to Shelby County	-	-	-	-	(51,515)	-	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-	-	-	-	-	-	-
Transfers In	326,650	355,051	251,097	236,108	241,108	241,108	203,100	198,000	254,757	2,423,518
Transfers Out	(326,650)	(355,051)	(251,097)	(236,108)	(241,108)	(241,108)	(203,100)	(198,000)	(254,757)	(2,423,518)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(51,515)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 3,059,574</b>	<b>\$ 2,235,256</b>	<b>\$ 3,173,599</b>	<b>\$ 2,506,504</b>	<b>\$ (322,354)</b>	<b>\$ (395,852)</b>	<b>\$ (454,762)</b>	<b>\$ 717,903</b>	<b>\$ 693,045</b>	<b>\$ 1,446,613</b>
<b>Debt Service as a percentage of Noncapital Expenditures</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>						

**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 Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property	Less: Tax-Exempt Property		
2021	2,430,287,826	1,316,887,340	195,922,610	3,551,252,556	0.5725
2020	2,371,714,686	1,222,070,000	194,283,423	3,399,501,263	0.6135
2019	2,748,391,017	1,277,769,740	192,442,832	3,833,717,925	0.5514
2018	2,160,005,630	1,209,557,190	189,712,070	3,179,850,750	0.6080
2017	2,135,791,140	1,277,158,670	188,898,640	3,224,051,170	0.5983
2016	2,296,344,230	1,314,906,237	187,611,420	3,423,639,047	0.5983
2015	3,088,945,555	1,429,501,180	190,325,020	4,328,121,715	0.4837
2014	3,154,126,118	1,402,523,190	190,458,950	4,366,190,358	0.4694
2013	2,708,044,440	1,425,049,578	188,983,380	3,944,110,638	0.4994
2012	2,879,044,410	1,414,793,228	197,839,570	4,095,998,068	0.4611

Source: Panola County Appraisal District

TABLE 6

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>Panola County Direct Rates</u></b>										
GENERAL	0.55752	0.59750	0.53620	0.59130	0.58220	0.58220	0.46980	0.45580	0.48420	0.32210
SPECIAL REVENUE	0.01497	0.01600	0.01520	0.01670	0.01610	0.01610	0.01390	0.01360	0.01520	0.13900
DEBT SERVICE	-	-	-	-	-	-	-	-	-	-
<b>TOTAL DIRECT RATE</b>	<b>0.57249</b>	<b>0.61350</b>	<b>0.55140</b>	<b>0.60800</b>	<b>0.59830</b>	<b>0.59830</b>	<b>0.48370</b>	<b>0.46940</b>	<b>0.49940</b>	<b>0.46110</b>
<b><u>Overlapping Rates</u></b>										
<b>City and Town Rates:</b>										
CARTHAGE	0.60140	0.58940	0.58940	0.57440	0.57440	0.57440	0.52000	0.52000	0.50000	0.48000
BECKVILLE	0.48597	0.52065	0.52586	0.58011	0.54693	0.53320	0.45603	0.45867	0.42723	0.38552
<b>School Districts Rates:</b>										
CARTHAGE ISD	1.19610	1.19640	1.21000	1.28000	1.28000	1.14000	1.14000	1.14000	1.14000	1.14000
GARY ISD	1.44340	1.44640	1.43000	1.50000	1.50000	1.37000	1.29000	1.29000	1.29000	1.24000
BECKVILLE ISD	0.88300	0.96640	0.97000	1.04000	1.35339	1.34000	1.25655	1.12000	1.10000	1.10000
ELYSIAN FIELDS ISD	0.93700	0.97470	1.16000	1.35000	1.35000	1.35000	1.32000	1.28300	1.23700	1.22500
TATUM ISD	1.20700	1.20700	1.20700	1.20700	1.20700	1.20000	0.17000	1.17000	1.17000	1.17000
TENAHA ISD	1.10940	1.09330	1.08210	1.16153	1.15852	1.16300	1.19249	1.18760	1.18000	1.18658
JOAQUIN ISD	1.51850	1.52940	1.54170	1.62140	1.59730	1.59730	1.55970	1.45550	1.60600	1.54530
<b>Other Special District Rates:</b>										
PANOLA JR. COLLEGE	0.27775	0.29079	0.25112	0.27039	0.25700	0.24334	0.20787	0.21483	0.21483	0.14519
PANOLA COUNTY ESD	0.02791	0.02842	0.02359	0.02372	0.02130	0.02130	0.02130	0.02130	0.02130	0.02130
PANOLA GWCD	0.01010	0.01010	0.01011	0.01100	0.01100	0.01100	0.01000	0.00970	0.00970	0.00855

Source: Various taxing entities

TABLE 7

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

Name of Taxpayer	Fiscal Year 2021		Fiscal Year 2012	
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
ROCKCLIFF ENERGY OP LLC	\$ 603,562	17.00 %	\$ -	-
SABINE OIL & GAS CORP (WI)	160,386	4.52 %	-	-
MARKWEST ENERGY ETX GAS CO LP	107,895	3.04 %	-	-
BTA ETG GATHERING LLC	109,068	3.07 %	-	-
TGNR EAST TEXAS LLC (MIN-WI)	104,620	2.95 %	-	-
R LACY SERVICES LTD	92,334	2.60 %	-	-
GEMINI CARTHAGE PIPELINE LLC	85,084	2.40 %	-	-
SHERIDAN PRODUCTION CO LLC	80,686	2.27 %	-	-
MARKWEST-CARTHAGE PLANT & EAST	73,101	2.06 %	-	-
MIDCOAST G&P (EAST TEXAS) LP	71,877	2.02 %	-	-
DEVON ENERGY PROD CO LP (MIN#)	-	-	379,822	14.04 %
ANADARKO E&P COMPANY LP	-	-	253,301	8.41 %
MARKWEST ENERGY ETX GAS CO LP	-	-	140,591	4.07 %
DCP MIDSTREAM LP	-	-	142,782	3.17 %
XTO ENERGY INC (MIN)	-	-	110,701	2.82 %
CHEVRON USA INC (MIN)	-	-	84,021	2.67 %
ETC TIGER PIPELINE	-	-	79,585	2.62 %
EXXON MOBIL CORP (MIN)	-	-	72,677	2.48 %
R LACY SERVICES LTD	-	-	71,398	2.09 %
LUMINANT MINING CO LLC	-	-	59,390	1.82 %
<b>Total</b>	<b>\$ 1,488,613</b>		<b>\$ 1,394,268</b>	
<b>Total Assessed Value and Percentage of Total</b>	<b>\$ 3,551,252</b>	<b>41.92 %</b>	<b>\$ 4,095,998</b>	<b>34.04 %</b>

Source: Panola County Appraisal District

TABLE 8

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

<b>Fiscal Year</b>	<b>Tax Levy</b>	<b>Current Tax Collection</b>	<b>Percent Of Levy Collected</b>	<b>Collections in Subsequent Periods (2)</b>	<b>Total Collections</b>	<b>Percent Of Total Collections To Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Percent of Delinquent Taxes to Tax Levy</b>
2021	22,941,750	22,186,827	97.00%	562,803	22,749,630	99.16%	457,480	4.36%
2020	22,827,138	21,666,273	94.91%	360,179	22,026,452	96.49%	880,686	3.86%
2019	21,083,217	20,493,930	97.20%	335,903	20,829,833	98.80%	385,263	1.83%
2018	20,076,037	19,078,999	95.03%	576,244	19,655,243	97.90%	247,895	1.23%
2017	21,149,892	20,456,482	96.72%	412,865	20,869,347	98.67%	280,545	1.33%
2016	21,338,275	20,783,808	97.40%	300,574	21,084,382	98.81%	253,894	1.19%
2015	21,460,930	20,940,280	97.57%	264,740	21,205,020	98.81%	255,910	1.19%
2014	21,378,495	20,839,267	97.48%	306,048	21,145,315	98.91%	232,880	1.09%
2013	19,264,186	18,740,914	97.28%	255,731	18,996,645	98.61%	267,541	1.39%
2012	18,757,346	18,339,364	97.77%	305,231	18,644,595	99.40%	112,751	0.60%

Source: Tax Rolls

Notes:

(1) Delinquent taxes are reported by levy year.

(2) Property taxes become due January 31 and become delinquent on July 1. The column "Current Tax Collection", represents taxes collected beginning October 1st of 2021 through June 30th. The column "Collections in Subsequent Periods", represents the amount of delinquent taxes that have been collected.

TABLE 9

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

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Percentage of Personal Income (2)</b>	<b>Per Capita (2)</b>
	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>				
2021	-	-	-	-	-	-
2020	-	-	-	-	-	-
2019	-	-	-	-	-	-
2018	-	-	-	-	-	-
2017	-	-	-	-	-	-
2016	-	-	-	-	-	-
2015	-	-	-	-	-	-
2014	-	-	-	-	-	-
2013	-	-	-	-	-	-
2012	-	-	-	-	-	-

**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

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

TABLE 10

**PANOLA COUNTY, TEXAS  
DIRECT AND OVERLAPPING GOVERNMENTAL DEBT  
AS OF DECEMBER 31, 2021  
(UNAUDITED)**

<u>Jurisdiction</u>	<u>Net Debt Outstanding Amount (1)</u>	<u>Applicable to Panola County Percent</u>	<u>Amount Applicable to Panola County</u>
<b>Cities:</b>			
Carthage	\$ 7,806,753	100.00%	\$ 7,806,753
<b>Total Cities</b>	<u>7,806,753</u>		<u>7,806,753</u>
<b>School Districts:</b>			
Carthage ISD	17,565,717	100.00%	17,565,717
Gary ISD	6,810,000	100.00%	6,810,000
Beckville ISD	-	100.00%	-
Elysian Fields ISD	5,005,000	52.55%	2,630,128
Tatum ISD	16,180,675	2.27%	367,301
Tenaha ISD	3,249,385	4.75%	154,346
Joaquin ISD	11,773,422	5.05%	594,558
<b>Total School Districts</b>	<u>60,584,199</u>		<u>28,122,049</u>
Panola Junior College	<u>25,425,000</u>	100.00%	<u>25,425,000</u>
<b>Subtotal, Overlapping Debt</b>	<b>93,815,952</b>		<b>61,353,802</b>
<b>Panola County (Direct Debt)</b>	<u>-</u>		<u>-</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 93,815,952</u>		<u>\$ 61,353,802</u>

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.

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	936,793,792	898,446,172	1,006,540,189	842,390,705	853,237,453	902,812,617	1,129,611,684	1,163,580,582	724,256,955	769,022,995
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>936,793,792</u>	<u>898,446,172</u>	<u>1,006,540,189</u>	<u>842,390,705</u>	<u>853,237,453</u>	<u>1,129,611,684</u>	<u>1,129,611,684</u>	<u>724,256,955</u>	<u>769,220,995</u>	<u>851,899,527</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%

**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessed value	\$ 3,551,252,556
Add back: exempt real property	<u>195,922,610</u>
Total assessed value	\$ 3,747,175,166
Debt limit 25% of assessed value of real property (Article 3, Section 52, Constitution of the State of Texas)	\$ 936,793,792
Amount of Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 936,793,792</u>

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

TABLE 12

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>College &amp; School Enrollment</u>
2021	22,675	\$ 1,094,229	\$ 47,191	5.70%	6,337
2020	23,796	\$ 1,054,569	\$ 45,467	8.40%	6,310
2019	23,796	\$ 1,007,115	\$ 43,508	3.90%	6,735
2018	23,796	\$ 939,265	\$ 40,411	3.60%	6,918
2017	23,243	\$ 891,054	\$ 37,930	4.40%	6,805
2016	23,492	\$ 952,436	\$ 40,543	7.10%	6,533
2015	23,766	\$ 1,049,942	\$ 44,173	5.20%	6,516
2014	23,769	\$ 1,091,774	\$ 45,738	4.90%	6,574
2013	23,870	\$ 1,070,065	\$ 44,549	5.10%	6,932
2012	24,020	\$ 1,000,264	\$ 40,962	5.60%	6,502

Sources: United States Census Bureau, Various Education Entities, Bureau of Economic Analysis, and Texas Association of Counties

TABLE 13

**PANOLA COUNTY, TEXAS  
PRINCIPAL EMPLOYERS BY INDUSTRY  
CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)**

<b>TYPE OF EMPLOYER</b>	<b>2021</b>		<b>2012</b>	
	<b>Number of Employees</b>	<b>Percentage of Total Employment</b>	<b>Number of Employees</b>	<b>Percentage of Total Employment</b>
Natural Resource and Mining	755	9.66 %	1,365	13.84 %
Construction	1,244	15.92 %	1,938	19.65 %
Manufacturing	880	11.26 %	834	8.45 %
Trade, Transportation, Utilities	1,568	20.07 %	2,020	20.48 %
Information	58	0.74 %	58	0.59 %
Financial Activities	214	2.74 %	209	2.12 %
Professional Business Services	696	8.91 %	665	6.74 %
Education Health Services	628	8.04 %	806	8.17 %
Leisure Hospitality	426	5.45 %	411	4.17 %
Other Services	157	2.01 %	226	2.29 %
Federal Government	59	0.76 %	76	0.77 %
State Government	30	0.38 %	42	0.43 %
Local Government	1,097	14.04 %	1,215	12.32 %
<b>Total</b>	<b>7,812</b>	<b>100.00 %</b>	<b>9,865</b>	<b>100.00 %</b>

Source: Texas Workforce Commission 2021

Source: Texas Workforce Commission 2012

**TABLE 14**

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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>General Administration</b>	16	15	14	14	15	16	16	17	17	17
<b>Judicial</b>	16	17	16	16	17	17	17	17	16	16
<b>Elections</b>	2	2	2	2	2	2	2	2	2	2
<b>Financial Administration</b>	14	15	15	14	14	14	13	13	13	13
<b>Legal</b>	7	7	7	7	7	7	6	6	6	6
<b>Public Facilities</b>	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>	70	69	73	74	74	75	85	84	83	79
<b>Public Transportation</b>	38	39	41	41	45	46	47	47	47	47
<b>Culture and Recreation</b>	4	5	5	6	6	6	6	6	6	6
<b>Conservation-Agriculture</b>	3	2	3	3	3	3	3	3	3	3
<b>Totals</b>	<b>171</b>	<b>172</b>	<b>177</b>	<b>178</b>	<b>184</b>	<b>187</b>	<b>196</b>	<b>196</b>	<b>194</b>	<b>190</b>

Source: Panola County Payroll History Report

PANOLA COUNTY, TEXAS  
 CAPITAL ASSETS BY FUNCTION/PROGRAM  
 December 31, 2021  
 (UNAUDITED)

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Administration</b>										
Furniture & Equipment	8	8	8	8	8	8	8	8	8	8
Facilities	5	5	5	5	5	5	5	5	5	5
Tracts of Land	10	10	10	10	10	10	10	10	10	10
<b>Judicial</b>										
Furniture & Equipment	4	4	3	3	3	3	3	3	3	3
Facilities	1	1	1	1	1	1	1	1	1	1
<b>Elections</b>										
Equipment	7	3	2	2	2	2	2	2	2	2
<b>Public Facilities</b>										
Facilities	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Vehicles	51	55	47	45	45	45	45	45	45	45
Equipment	14	14	14	14	14	14	14	14	13	13
Facilities	2	2	2	2	2	2	2	2	2	2
<b>Environmental Protection</b>										
Facilities	2	2	2	2	2	2	2	2	2	2
Landfill	1	1	1	1	1	1	1	1	1	1
<b>Public Transportation</b>										
Miles of County Roads	610	610	610	610	610	610	610	610	610	610
Number of Bridges	15	15	15	15	15	15	15	12	12	12
Facilities	6	6	6	5	5	5	5	5	5	5
Equipment & Vehicles	169	143	138	137	137	137	137	137	138	138
Tracts of Land	6	6	6	6	6	6	6	5	5	5
<b>Health/Paupers Care</b>										
Facilities	2	2	2	2	2	2	2	2	2	2
Tracts of Land	1	1	1	1	1	1	1	1	1	1
<b>Recreation</b>										
Facilities	1	1	1	1	1	1	1	1	1	0
<b>Conservation</b>										
Facilities	1	1	1	1	1	1	1	1	1	1
Tracts of Land	1	1	1	0	0	0	0	0	0	0

Source: Panola County Capital Asset Inventory Listing

TABLE 16

**PANOLA COUNTY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**December 31, 2021**  
**(UNAUDITED)**

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Administration</b>										
Official Public Records Filed	8,574	8,524	7,939	7,955	6,277	5,701	7,058	7,639	8,699	7,386
Vital Statistics Filed	298	268	103	105	81	71	72	68	281	251
<b>Judicial</b>										
Number of Civil Cases	612	599	677	632	413	501	703	525	685	437
Number of Criminal Cases	701	522	595	709	646	754	813	849	880	828
<b>Legal</b>										
Number of Convictions - Misdemeanors	173	73	243	246	212	248	270	181	270	240
Number of Convictions - Felony	94	38	151	240	109	171	245	120	212	131
<b>Elections</b>										
Number of Registered Voters	16,749	16,838	17,807	15,523	16,248	10,475	15,647	15,775	15,708	15,894
Number of Elections	2	4	1	3	1	3	1	4	1	4
<b>Financial Administration</b>										
Number of mineral tax items	333,892	338,783	370,170	364,688	353,538	365,436	359,573	386,945	388,617	384,508
Number of real estate tax items	38,151	38,151	38,078	26,366	26,396	26,419	26,423	26,281	26,285	26,132
Number of registered vehicles	26,965	25,953	27,106	31,871	27,882	28,593	29,519	30,460	31,046	32,122
<b>Public Facilities</b>										
Number of repair jobs	58	59	70	66	64	85	80	71	88	52
<b>Public Safety</b>										
Number of emergency responses	7,339	6,729	6,213	4,373	4,580	4,223	4,418	4,013	4,719	4,567
Number of book-ins	806	503	982	1,048	1,128	1,106	1,233	1,410	1,285	1,242
<b>Environmental Protection</b>										
Number of solid waste transfers(tons)	6,485	6,312	6,223	41,652	11,914	12,465	12,235	13,026	13,034	12,170
Number of Diversions (tons)	3,323	4,179	4,219	528	554	428	387	308	389	340
<b>Public Transportation</b>										
Miles of road resurfaced	42	13	20	11	15	19	9	7	21	11
Number of repairs	80	75	111	70	129	340	390	350	380	107
<b>Health and Paupers Care</b>										
Number of autopsies performed	41	22	36	32	32	34	31	40	29	21
Number of indigent admissions	487	435	426	560	549	575	688	322	479	738
<b>Recreation</b>										
Number of patrons to Library	39,245	35,324	9,890	13,163	12,835	11,979	11,113	8,921	13,779	12,591
Number of books in library	36,868	40,229	40,254	41,457	43,983	48,819	45,270	50,727	57,548	52,323
Number of programs	92	75	102	99	78	116	69	83	83	52
<b>Conservation</b>										
Number of programs	45	148	134	115	253	78	275	149	70	285
Number of radio programs	115	84	34	8	12	31	75	100	52	64
County Extension mailouts & emails	8,300	4,822	15,350	14,500	45,550	10,850	23,500	18,906	8,534	10,584

Source: Individual County Departments

PANOLA COUNTY, TEXAS  
 SCHEDULE OF INSURANCE IN FORCE  
 DECEMBER 31, 2021  
 (Unaudited)

Insurer or Name of Company	Number	Policy Period		Building and/or Department & Description	Amount of Coverage	Premiums & Funding
		From	To			
The St. Paul Ins. Co.	H8101171X911	1/1/2021	1/1/2022	Physical Damage-Comp. Limit PD; 500 Deduct; Bodily Injury - Limit; Comp. Auto liability. Ins. 1,000	\$ 2,000,000	\$ 148,695
The St. Paul Ins. Co.	ZAS-14T88141	1/1/2021	1/1/2022	General Liability; 2,000,000	2,000,000	59,279
The St. Paul Ins. Co.	H6301171X911	1/1/2021	1/1/2022	Commercial Property and Equipment	5,701,171	84,737
The St. Paul Ins. Co.	ZAS-14P02174	1/1/2021	1/1/2022	Commercial Umbrella Liability- 1,000,000 each occurrence Aggregate 1,000,000; Retention 10,000	2,000,000	26,039
The St. Paul Ins. Co.	ZAS-14T88141	1/1/2021	1/1/2022	Law Enforcement Professional Liability; Each Person 1,000,000 Aggregate 3,000,000; Each occurrence 1,000,000	2,000,000	112,364
The St. Paul Ins. Co.	ZAS-14T88141	1/1/2021	1/1/2022	2,000,000 Limit Each 2,000,000 Aggregate 25,000 retention; Public Officials and Employees Legal Liability	2,000,000	67,143
The St. Paul Ins. Co.	H6301171X911	1/1/2021	1/1/2022	Crime - Employee Theft, Forgery	2,000,000	INC. IN PKG.
The St. Paul Ins. Co.	ZAS-14P02174	1/1/2021	1/1/2022	General Liability - Cyberfirst Liability.	2,000,000	5,468
The St. Paul Ins. Co.	H6301171X911	1/1/2021	1/1/2022	Package	25,096,481	96,524
EBCO	UA00134783-19	12/13/2021	12/13/2022	Property Damage 1,000,000; General Liability- Airport 1,000,000 each occurrence, 2,000,000 aggregate	2,000,000	3,660
Texas Association of Counties	#1830	1/1/2021	12/31/2021	Workers Compensation Self-Funded Insurance through Texas Association of Counties	(2)	110,144
Texas Association of Counties	#1830	1/1/2021	12/31/2021	Unemployment Insurance Self-Funded through Texas Association of Counties	(3)	10,638
Texas Association of Counties - BCBS	62946	12/1/2020	11/30/2021	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)	4,192,328
The CIMA Companies, Inc.	TXCART6	7/1/2021	7/1/2022	Volunteers Insurance Service Association (VIS) Work Release Volunteer Accident Insurance	25,000	2,495

(1) 2018 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 (cont.)

PANOLA COUNTY, TEXAS  
 SCHEDULE OF INSURANCE IN FORCE  
 DECEMBER 31, 2021  
 (Unaudited)

Insurer or Name of Company	Number	Policy Period		Building and/or Department & Description	Amount of Coverage	Premiums & Funding
		From	To			
Safeco Ins.	999134838	10/1/2021	12/31/2022	County Judge	\$ 5,000	\$ 119
Safeco Ins.	999080132	1/1/2021	1/1/2024	Commissioner Precinct 1	3,000	325
	999080134	1/1/2021	1/1/2024		3,000	325
Safeco Ins.	32S596363	1/1/2021	1/1/2023	Commissioner Precinct 2	3,000	175
	32S596364	1/1/2021	1/1/2023		3,000	175
Safeco Ins.	32S522467	1/1/2021	1/1/2025	Commissioner Precinct 3	3,000	325
	32S522470	1/1/2021	1/1/2025		3,000	325
Safeco Ins.	32S159904	1/1/2019	1/1/2023	Commissioner Precinct 4	3,000	355
	32S161129	12/31/2019	12/31/2022		3,000	270
Safeco Ins.	32S519863	1/1/2021	1/1/2023	County Clerk	150,000	919
Safeco Ins.	32S171102	12/31/2018	12/31/2022	Deputy County Clerks	160,000	1,988
AMWins	MEO1749	1/14/2021	1/14/2022	County Clerk Errors & Omissions	500,000	986
Safeco Ins.	32S159840	1/1/2019	1/1/2023	County Court at Law Judge	1,000	355
Safeco Ins.	32S598000	1/1/2019	1/1/2023	District Clerk - Bond	100,000	1,139
AMWins	MEO1747	1/14/2021	1/14/2022	District Clerk Errors & Omissions	500,000	688
Travelers	6608010A867660	8/27/2021	8/27/2022	Crime - Money & Securities - District Clerk	20,000	264
Safeco Ins.	999078571	12/1/2021	12/1/2022	Justice of the Peace Pct. 1&4	5,000	100
Safeco Ins.	32S531960	12/31/2020	12/31/2022	Justice of the Peace Pct. 2&3	5,000	175
Safeco Ins.	32S171038	1/1/2019	1/1/2023	Criminal District Attorney	5,000	355
Safeco Ins.	999067433	9/11/2021	9/11/2022	Elections Administrator	1,000	100
Safeco Ins.	32S577699	9/1/2020	8/31/2022	Auditor	5,000	175
	999026518	8/31/2020	8/31/2022	Assistant Auditor	5,000	200
	32S587339	8/31/2020	9/1/2022	Assistant Auditor	5,000	175
Safeco Ins.	32S454765	1/1/2019	1/1/2023	County Treasurer	1,000	325
Safeco Ins.	32S429390	3/15/2021	3/15/2022	Assistant Treasurer/Chief Deputy	25,000	125
	32S434402	5/5/2021	5/5/2022	Deputy Treasurer	25,000	125

PANOLA COUNTY, TEXAS  
 SCHEDULE OF INSURANCE IN FORCE  
 DECEMBER 31, 2021  
 (Unaudited)

Insurer or Name of Company	Number	Policy Period		Building and/or Department & Description	Amount of Coverage	Premiums & Funding
		From	To			
Safeco Ins.	32S600119	1/1/2021	1/1/2025	Tax Assessor/Collector (Ad Valorem Tax Office)	\$ 100,000	\$ 1,221
Safeco Ins.	32S600081	1/1/2021	1/1/2025	Tax Assessor for PC Auto Tax	100,000	1,221
Safeco Ins.	LSF028274	1/1/2021	1/1/2022	Tax Assessor/Collector (Deputies) Crime Bond	35,000	176
Safeco Ins.	999108211	5/15/2021	5/15/2022	Sheriff	30,000	150
Safeco Ins.		10/1/2021	12/31/2022	Reserve Deputies - Eight @ 2,000	16,000	800
Safeco Ins.	32S388169	1/1/2021	1/1/2022	Constable Precinct 1	1,000	325
Safeco Ins.	999105418	5/15/2021	5/15/2022	Reserve Constable Deputy Pct. 1	1,500	100
	32S608840	4/1/2021	4/1/2022	Reserve Constable Deputy Pct. 1	2,000	100
	32S388262	1/1/2021	1/1/2022	Reserve Constable Deputy Pct. 1	2,000	100
Safeco Ins.	999080128	1/1/2021	12/31/2024	Constable Precinct 2	1,000	325
Safeco Ins.	32S419755	11/8/2021	11/8/2022	Reserve Constable Deputy Pct. 2	2,000	100
	32S160071	12/31/2021	12/31/2022	Reserve Constable Deputy Pct. 2	2,000	100
The Travelers	I660287X6078TIL21	12/30/2021	12/20/2022	123rd Judicial District Adult Probation	10,000	250
The Travelers	I660226X9543TIL21	12/30/2021	12/20/2022	123rd Judicial District Juvenile Probation	10,000	250
Safeco Ins.	32S171012	1/1/2019	1/1/2023	County Surveyor	1,000	355
Safeco Ins.	32S600377	1/10/2021	1/10/2022	Special Prosecutor - Six @ 2,500	2,500	100
	999143067	11/12/2021	11/12/2022		2,500	100
	32S560840	4/1/2021	4/1/2022		2,500	100
	32S560854	4/1/2021	4/1/2022		2,500	100
	32S560858	4/1/2021	4/1/2022		2,500	100
	32S560867	4/1/2021	4/1/2022		2,500	100
	999033575	12/23/2021	12/23/2022		2,500	100
	999067439	9/8/2021	9/8/2022		2,500	100
	999139517	10/22/2021	10/22/2022		2,500	100
Safeco Ins.	32S171050	8/29/2021	8/29/2022	Court Coordinator LE & Forfeiture Spec.	2,000	100
Safeco Ins.	999017579	4/1/2021	4/1/2022	Asst. District Attorney	5,000	100
Safeco Ins.	32S171051	12/31/2018	12/31/2022	Public Official Schedule	100,000	1,244





**GOVERNMENTAL COMPLIANCE SECTION**



**INDEPENDENT AUDITORS' 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**

The Honorable Commissioners' Court of Panola County  
Carthage, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Panola County, Texas's basic financial statements, and have issued our report thereon dated May 31, 2022.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

*Gollob Morgan Peddy PC*

Certified Public Accountants

Tyler, Texas  
May 31, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY STATE OF TEXAS  
*UNIFORM GRANT MANAGEMENT STANDARDS***

To Honorable Commissioners' Court of Panola County  
Carthage, Texas

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

***Opinion on Each Major State Program***

We have audited Panola County, Texas' compliance with the types of compliance requirements described in the State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on each of Panola County, Texas' major state programs for the year ended December 31, 2021. Panola County, Texas' major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Panola County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of the State of Texas *Uniform Grant Management Standards* (UGMS). Our responsibilities under those standards and the UGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Panola County, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Panola County, Texas's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Panola County, Texas's state programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Panola County, Texas's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the UGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Panola County, Texas's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Panola County, Texas's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Panola County, Texas's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the UGMS, but not for the purpose of expressing an opinion on the effectiveness of Panola County, Texas's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Gollob Morgan Peddy PC*

Certified Public Accountants

Tyler, Texas  
May 31, 2022

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**PANOLA COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>State Grantor/Pass Through Grantor/ Program Title</u>	<u>Grantor or Grantor's Number</u>	<u>Funds Expensed</u>
<b>TEXAS OFFICE OF THE ATTORNEY GENERAL</b>		
Direct Programs:		
Texas Automated Victim Nitification - VINE	20202144900-466-01	\$ 4,815
<b>TOTAL TEXAS OFFICE OF THE ATTORNEY GENERAL</b>		<u>4,815</u>
<b>TASK FORCE ON INDIGENT DEFENSE FORMULA GRANT</b>		
Direct Programs:		
Indigent Defense Formula Grant	212-20-183	32,782
<b>TOTAL TASK FORCE ON INDIGENT DEFENSE FORMULA GRANT</b>		<u>32,782</u>
<b>TEXAS DEPARTMENT OF TRANSPORTATION</b>		
Direct Programs:		
State Airport Grant	M2119CART	6,969
County Transportation Infrastructure Fund	CTIF_19_183	1,170,268
<b>TOTAL TEXAS DEPARTMENT OF TRANSPORTATION</b>		<u>1,177,237</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<u>\$ 1,214,834</u>

See Notes to Schedule on following page.

**PANOLA COUNTY, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

The accompanying schedule of expenditures of state awards includes the state award activity of Panola County, Texas, under programs of the state government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Uniform Grant Management Standards (UGMS). Therefore, some amounts presented in this schedule may differ from amounts present in, or used in, the preparation of the basis financial statements.

Expenditures reported in the schedule is presented on the modified accrual basis of accounting, which is described in Note 1 to the County's financial statement. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and UGMS, wherein certain types of expenditures are not allowable or limited as to reimbursement.

**NOTE 2 – INDIRECT COST RATES**

The County did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**PANOLA COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021**

**Section I – Summary of Auditors’ Results**

*Financial Statements*

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

*State Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   No

Type of auditors’ report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported by the State of Texas Uniform Grant Management Standards? \_\_\_\_\_ Yes   X   No

Identification of major programs:

<b>Cluster/Program</b>	<b>State Agency</b>	<b>Grant Number</b>
County Transportation Infrastructure Fund Grant	Texas Department of Transportation	CTIF_19_183
Dollar threshold used to distinguish Between type A and type B programs:	\$300,000	
Auditee qualified as low-risk auditee:	_____ Yes <u>  X  </u> No	

**PANOLA COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021**

**Section II – Financial Statement Findings**

None noted.

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

None noted.

**PANOLA COUNTY, TEXAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2021**

Finding:

2020-001 – Corrected.  
2020-002 – Corrected.