

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

COUNTY AUDITOR'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
DECEMBER 31, 2010
PANOLA COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PANOLA COUNTY, TEXAS

FOR THE YEAR ENDED DECEMBER 31, 2010

Prepared by:

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

THIS PAGE LEFT BLANK INTENTIONALLY

**PANOLA COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010**

TABLE OF CONTENTS

	PAGE
 <u>INTRODUCTORY SECTION</u>	
County Auditor's Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	8
Directory of Officials	9
Organizational Chart	11
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	15
Management's Discussion and Analysis	17
<u>Basic Financial Statements:</u>	
Government-Wide Financial Statements:	
Statement of Net Assets	29
Statement of Activities	30
Fund Financial Statements:	
Balance Sheet – Governmental Funds	31
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Assets	32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Net Assets – Fiduciary Funds	35
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	36
Notes to the Financial Statements	37
 <u>Required Supplementary Information:</u>	
Budgetary Information	55
Schedule of Funding Progress for the Retirement Plan for the Employees of Panola County	56
Schedule of Funding Progress – Other Post Employment Benefits (OPEB) Plan	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund	59
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Road and Bridge Special Revenue Fund	60
 <u>Supplementary Financial Information:</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund	67

**PANOLA COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010**

Table of Contents (continued)

	PAGE
<u>Combining and Individual Fund Statements and Schedules:</u>	
Combining Balance Sheet – Non-Major Governmental Funds	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	88
Combining Balance Sheet – Non-Major Governmental Funds – Non-Major Special Revenue funds	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds – Non-Major Special Revenue Funds	100
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Special Revenue Funds	109
Combining Balance Sheet – Non-Major Governmental Funds – Non-Major Capital Projects Funds	135
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds – Non-Major Capital Projects Funds	136
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Sheriff’s Renovation Construction Capital Projects Fund	137
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – 1971 Road Bond Capital Projects Funds	138
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Permanent Improvement Capital Projects Funds	139
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Debt Service Fund	140
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	143
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source	151
Schedule by Function and Activity	153
Schedule of Changes by Function and Activity	155
 <u>STATISTICAL DATA (UNAUDITED)</u>	
TABLE 1 - Net Assets By Component	161
TABLE 2 - Changes in Net Assets	163
TABLE 3 - Fund Balances – Governmental Funds	167
TABLE 4 - Changes in Fund Balances – Governmental Funds	168
TABLE 5 - Assessed Value and Estimated Actual Value of Taxable Property	169
TABLE 6 - Direct and Overlapping Property Tax Rates	170
TABLE 7 - Principal Property Taxpayers	173
TABLE 8 - Property Tax Levies and Collections	174
TABLE 9 - Ratio of Outstanding Debt by Type	176
TABLE 10 - Direct and Overlapping Governmental Debt	177
TABLE 11 - Legal Debt Margin Information	178
TABLE 12 - Demographic and Economic Statistics	179
TABLE 13 - Principal Employers	181
TABLE 14 - Full-Time Equivalent County Government Employees	182
TABLE 15 - Capital Assets by Function/Program	184
TABLE 16 - Operating Indicators by Function/Program	185
TABLE 17 - Schedule of Insurance in Force	186

**PANOLA COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010**

Table of Contents (continued)

	PAGE
<u>OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION</u>	
<u>Independent Auditor's Report:</u>	
Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	195
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with <i>The State of Texas Single Audit Circular</i>	197
Schedule of Findings and Questioned Costs	199
<u>SUPPLEMENTARY GRANT REVENUE AND EXPENSE SCHEDULES</u>	
Schedule of Expenditures of Federal and State Awards	205
Notes to the Schedules of Expenditures of Federal and State Awards	207

THIS PAGE LEFT BLANK INTENTIONALLY

INTRODUCTORY SECTION

THIS PAGE LEFT BLANK INTENTIONALLY



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

June 24, 2011

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

Conforming to statutory requirements of the duties of the County Auditor, submitted herewith is the Comprehensive Annual Financial Report for Panola County, Texas, for the fiscal year ended December 31, 2010. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board, and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

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

The financial statements of Panola County have been audited by Richard P. Loughlin, CPA, a licensed certified public accountant. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on Panola County's financial statements for the year ended December 31, 2010, 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 23,093.

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

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

Budgets and Budgetary Controls

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

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

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

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

Financial Administration

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

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

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

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

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

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

Long-term Financial Planning

The Commissioners' Court continues to be very active in budgeting financial resources to rehabilitate all County maintained infrastructure over a number of years in the most economical way. Various capital outlays for road and bridge equipment have been made and are planned to ensure that the department stays updated to meet future repair needs. In addition, the Commissioners' Court continued to fund the Other Post-Employment Benefits (OPEB) Trust Fund in compliance with Government Accounting Standards Board Statement 45 (GASB 45). Compliance with this accounting standard and funding in 2011 will minimize the cost to future taxpayers.

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

During 2010, Panola County entered into construction contracts for the renovation of the old jail for expansion of the Sheriff's office. This project was ongoing at the end of 2010 and should be completed in 2011.

Various costs associated with increased health care premiums for active and retired employees had a significant effect on the financial statements in 2010. The County continues to participate in the insurance program provided through the Texas Association of Counties. This insurance pool allows the County to limit increases in premiums at an amount less than the national average.

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

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

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to Panola County, Texas, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009.

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

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

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

Acknowledgements

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

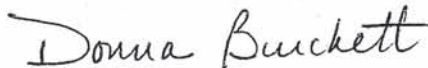
Respectfully submitted,



Sidney Burns
County Auditor



Jennifer Stacy
1st Assistant Auditor



Donna Burchett
2nd Assistant Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Panola County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

**PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2010**

DISTRICT COURT: 123rd Judicial District

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

COMMISSIONERS COURT:

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

COUNTY COURT AT LAW:

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

COUNTY AUDITOR:

Sidney Burns

ASSISTANT COUNTY AUDITORS:

**Jennifer Stacy
Donna Burchett**

COUNTY CLERK:

Clara Jones

COUNTY SHERIFF:

Jack Ellett

COUNTY SURVEYOR:

Don Austin

COUNTY TAX ASSESSOR-COLLECTOR:

Margaret Dyer

COUNTY TREASURER:

Gloria Portman

**PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2010**

COUNTY VETERAN SERVICE OFFICER:

Jim Young

JUSTICES OF THE PEACE:

Lora Taylor, Precincts #2 and #3

David Gray, Precincts #1 and #4

CONSTABLES:

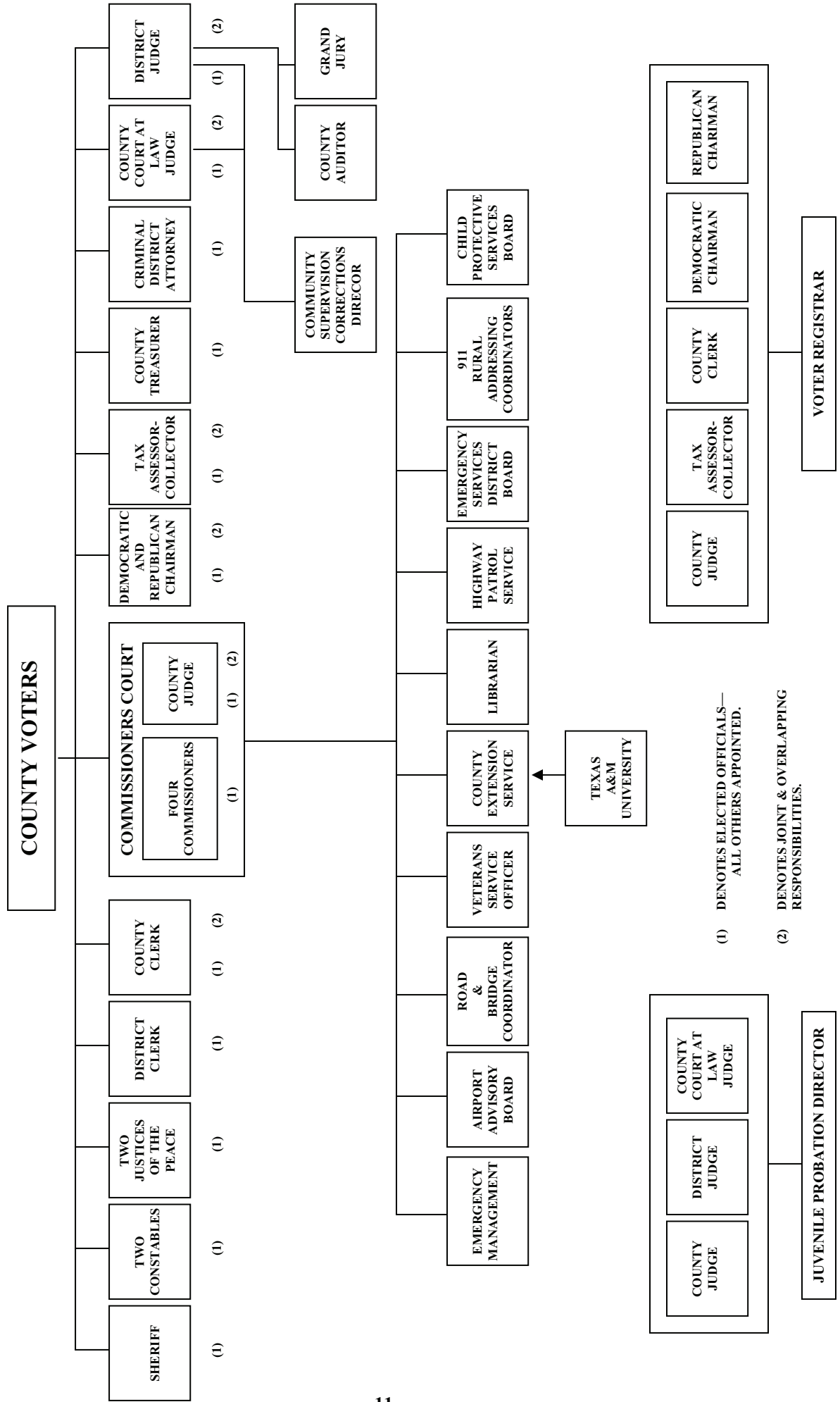
Kevin Lake, Precincts #1 and #4

Mitch Norton, Precincts #2 and #3

ELECTIONS ADMINISTRATOR:

Cheyenne Lampley

PANOLA COUNTY, TEXAS ORGANIZATION CHART



THIS PAGE LEFT BLANK INTENTIONALLY

FINANCIAL SECTION

THIS PAGE LEFT BLANK INTENTIONALLY



Richard P Loughlin
Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
P O Box 1716
Henderson TX 75654

INDEPENDENT AUDITOR'S REPORT

June 22, 2011

Panola County Commissioners' Court
Panola County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas, as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Panola County, Texas', management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas, as of December 31, 2010, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

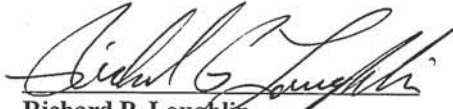
In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2011, on our consideration of Panola County, Texas, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 17 through 26; the Schedule of Funding Progress for the Retirement Plan for Employees of Panola County on page 56; the Schedule of Funding Progress – Other Post-Employment (OPEB) Plan on page 57; and budgetary comparison information on pages 59-63 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Panola County, Texas', basic financial statements. The introductory section, combining and individual non-major fund

MEMBER

financial statements, statistical section and schedules listed in the accompanying table of contents under supplementary financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the State of Texas Single Audit Circular, and is also not a required part of the basic financial statements of the County. The combining and individual non-major fund financial statements, supplementary financial information and the Schedule of Expenditures of Federal and State Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Richard P. Loughlin
Certified Public Accountant

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2010

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, 2010. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers of this discussion and analysis should consider the information presented here in conjunction with additional information that we have furnished in our accompanying letter of transmittal, and in the basic financial statements and notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

- The assets of Panola County, Texas exceeded its liabilities at December 31, 2010 by \$56,246,385 (net assets). Of this amount, \$33,209,420, (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$4,037,155.
- At December 31, 2010, the County's governmental funds reported combined ending fund balances of \$23,028,922, an increase of \$2,951,488 over the prior year. Of this amount, \$201,590 is reserved for debt service and \$24,346 is reserved for inventories. In addition, \$3,591,363, or 15.6% is designated for health care, and \$647,974, or 2.8%, is designated for capital projects. The remaining \$18,563,649, or 80.6%, is unreserved and undesignated. Unreserved fund balances are available for spending at the County's discretion.
- At December 31, 2010, unreserved fund balance for the general fund was \$11,572,586, or 104.1% of total general fund expenditures.
- The County's total debt decreased by \$1,285,000 during the year ended December 31, 2010.

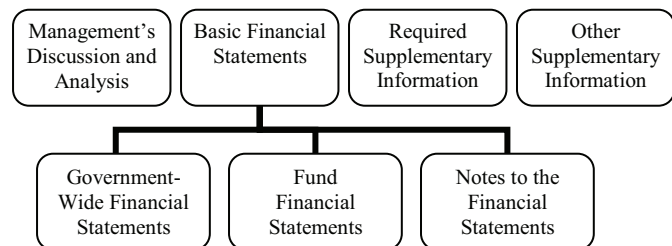
OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Components of the Financial Section



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

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2010

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Panola County is improving or deteriorating, respectively.

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

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

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

The government-wide financial statements can be found on pages 29 - 30 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The County maintains 36 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 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2010

The County adopts an annual appropriated budget for 29 of its operating funds. The Required Supplementary Information contains budget comparisons for the General Fund and the Road and Bridge special revenue fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget, as both originally adopted and as finally amended.

The basic governmental fund financial statements can be found on pages 31 - 34 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County's fiduciary funds consist of agency funds and the Retiree Health Benefits Trust Fund (RHBT). Agency funds are used as clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the parties, organizations, or other government agencies to which they belong. The RHBT Fund was created in November 2007 for the purpose of funding for the County's obligation under GASB 45 regarding other post-employment benefits (OPEB) for eligible retired employees. Contributions by the County during 2010 totaled \$908,548. The RHBT will be used to provide for the future payment of health care insurance premiums for eligible retired employees.

The basic fiduciary fund financial statement can be found on pages 35 - 36 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37 – 52 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Net assets of the County as of December 31, 2010 and December 31, 2009 are summarized and analyzed on the following page.

Assets exceeded liabilities by \$56,246,385 as of December 31, 2010, and by \$52,209,230 (as restated) as of December 31, 2009, a net increase of \$4,037,155. As of December 31, 2010, the County's total assets were \$76,803,169. Capital assets, which include land, buildings and improvements, machinery, equipment, furniture, infrastructure, and construction in progress less any related debt used to acquire those assets that is still outstanding, represent 40.6% of total net assets.

An amount of \$33,209,420 of the County's net assets is unrestricted net assets. This amount may be used to meet the County's ongoing obligations.

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2010

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

	<u>2010</u>	<u>(As restated)</u> <u>2009</u>
Current and Other Assets	\$ 52,650,307	\$ 46,587,507
Capital Assets	24,152,862	24,510,568
Total Assets	<u>\$ 76,803,169</u>	<u>\$ 71,098,075</u>
Long-Term Liabilities Outstanding	\$ 1,475,852	\$ 2,750,663
Other Liabilities	19,080,932	16,138,182
Total Liabilities	<u>\$ 20,556,784</u>	<u>\$ 18,888,845</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 22,812,862	\$ 21,868,287
Restricted	224,103	669,514
Unrestricted	33,209,420	29,671,429
Total Net Assets	<u><u>\$ 56,246,385</u></u>	<u><u>\$ 52,209,230</u></u>

Governmental activities increased the County's net assets by \$4,037,155 in 2010. Total revenues for Panola County were \$25,295,508 and \$21,864,531 in 2010 and 2009, respectively. Total expenses were \$21,258,353 and \$18,103,455 in 2010 and 2009, 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 by \$2,049,204, or 58.49%. Charges for services increased by \$100,710, or only 4.3%. Operating grants and contributions increased by 1,716,376. The principal reason for the increase was the receipt of a payment from the County owned hospital. Capital grants and contributions increased to \$232,118. The increase is attributable to a Homeland Security Grant and a Texas Department of Rural Affairs grant for a County water supply corporation.
- General revenues consist of taxes and interest not allocable to specific programs, as well as miscellaneous transactions that are not attributable to a specific program. The largest of these revenues, taxes, increased by \$1,798,323, or 10.7%. Other revenues decreased by \$416,550 principally due to decreasing interest rates on investments.
- Public safety, public transportation, and general administration are the three largest programs, in terms of expenses. These three activities accounted for more than 71.0% of total expenses.
- General administration activities for 2010 increased by \$453,446 from the prior year. Significant among the cause for the increase was insurance costs, computer costs, and appraisal fees.
- Public transportation activities for 2010 increased by \$690,333 from the prior year largely due to increased personnel costs, repairs, fuel, and road maintenance expenditures.
- Health and paupers care activities for 2010 increased by \$1,667,591 as a result of the County's participation in the Texas Health and Human Services Commission's Rural Public Hospital Supplement Payments Program.

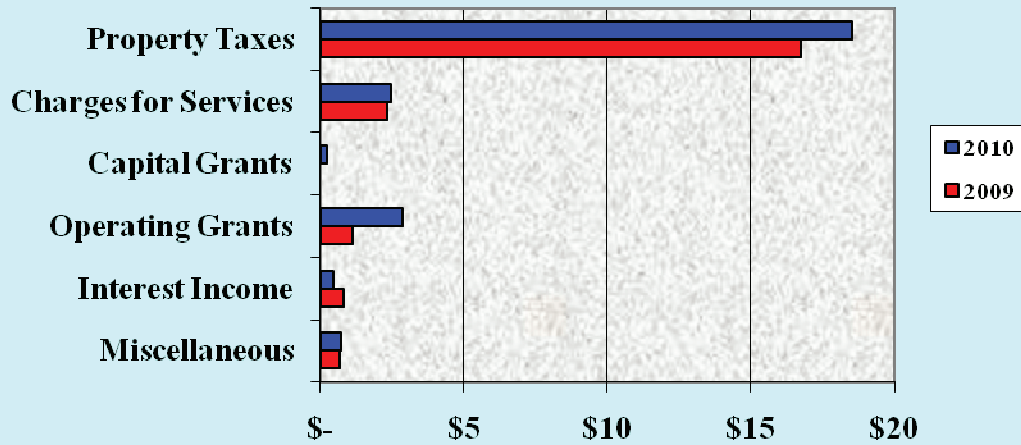
PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2010

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

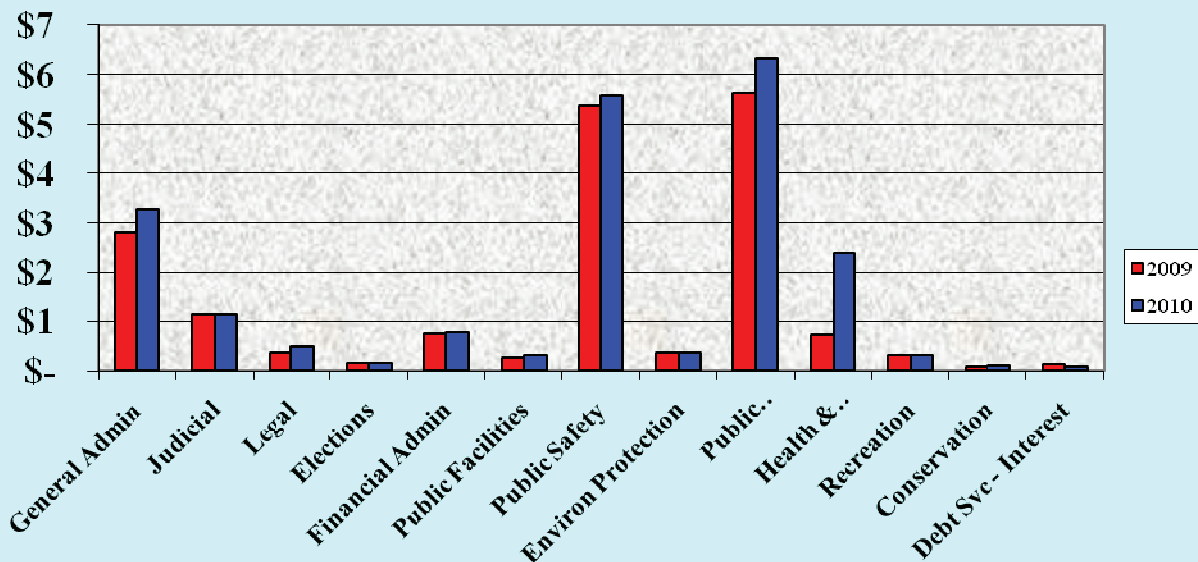
	<u>2010</u>	<u>2009</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,449,977	\$ 2,349,267
Operating Grants and Contributions	2,870,324	1,153,948
Capital Grants and Contributions	232,118	-
General Revenues:		
Property Taxes	18,542,362	16,744,039
Other	1,200,727	1,617,277
Total Revenues	\$ 25,295,508	\$ 21,864,531
Expenses:		
General administration	\$ 3,267,777	\$ 2,814,331
Judicial	1,120,449	1,134,624
Legal	490,452	350,538
Elections	163,105	167,952
Financial administration	766,574	755,563
Public facilities	297,677	258,652
Public safety	5,572,574	5,364,448
Environmental protection	361,383	363,925
Public transportation	6,333,001	5,642,668
Health & paupers care	2,402,045	734,454
Recreation	320,529	305,744
Conservation	92,987	90,679
Debt Service - Interest	69,800	119,877
	\$ 21,258,353	\$ 18,103,455
Increase in Net Assets	\$ 4,037,155	\$ 3,761,076
Net Assets - Beginning (as restated)	52,209,230	48,448,154
Net Assets - Ending (as restated)	\$ 56,246,385	\$ 52,209,230

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2010

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, 2010

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

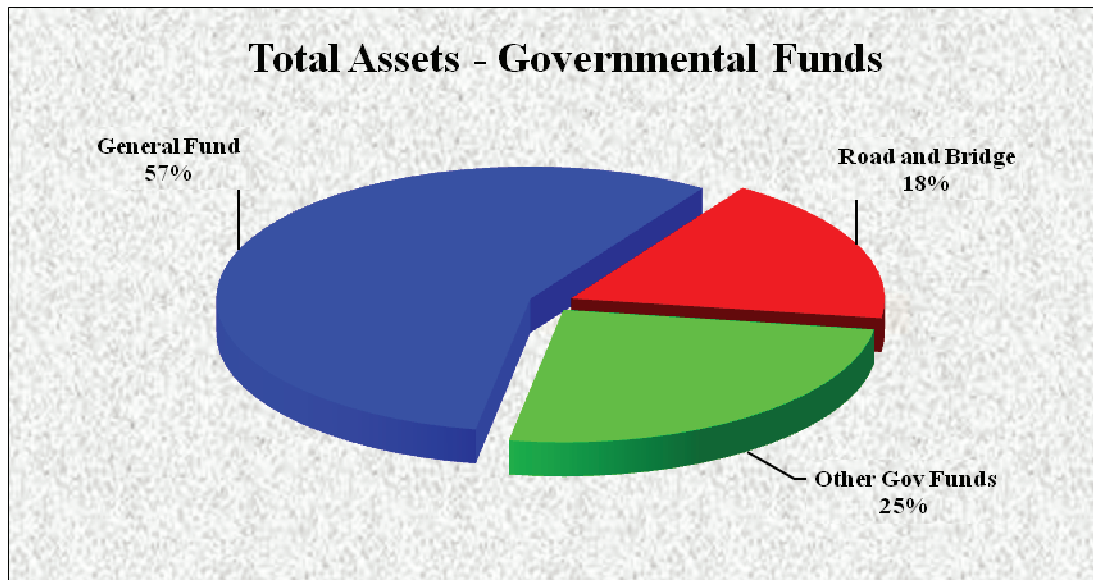
Governmental Funds

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

As of December 31, 2010, the County's governmental funds reported combined ending fund balances of \$23,028,922, an increase of \$2,951,488 over the prior year. Approximately 80.6% of this amount, \$18,563,649 constitutes unreserved fund balance, which is available for spending at the County's discretion.

The General Fund is the chief operating fund of the County. At December 31, 2010, 100% of the General Fund's total fund balance, or \$11,572,586, is unreserved. Total fund balance for the General Fund increased by \$2,145,295, or 22.8% over the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance, which equals total fund balance, represents 104.1% of total General Fund expenditures. Key factors in the change in fund balance in the General Fund are as follows: tax revenues increased by \$1,444,653 due to an increase in the tax rate and an increased rate of collection; miscellaneous revenues decreased by \$251,285 principally due to a decrease in the rate of interest earned on investments; intergovernmental receipts increased by \$130,956 due to an increase in homeland security funds for public safety. Expenditures increased by only approximately 5%. The change in fund balance in the Road and Bridge Fund approximated the amount from the prior year.

As shown below, as of December 31, 2010, total assets in the General Fund amounted to \$24,011,934, accounting for 57% of total governmental fund assets. The Road and Bridge special revenue fund, the County's other major fund's total asset amount is \$7,716,349. Together, these major funds account for 75%, of total governmental fund assets.



PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2010

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to an increase in appropriations of \$120,887. None of the budget amendments were significant and were funded from available fund balance.

General Fund revenues exceeded the final budget by \$1,196,583. The majority of this increase was attributable to interest and miscellaneous revenues exceeding anticipated amounts by \$458,329. In addition, property taxes exceeded the final budget by \$515,085, due to a change in the tax rate. Fees of office exceeded the final budget by \$139,136, principally due to additional fees collected by the Tax Assessor-Collector, and intergovernmental receipts exceeded the final budget by \$84,033, due to increased state funding.

General Fund expenditures were \$1,389,561 less than final budgeted expenditures. Major contributors to lower than budgeted expenditures are as follows:

- Expenditures for public safety activities were \$384,198 less than final budgeted expenditures due to less than anticipated fuel costs and costs of prisoner feeding and medical care.
- Expenditures for general administration activities were \$608,499 less than final budgeted expenditures due to the County's computer upgrade being not completed until 2011.
- Expenditures for health and paupers care activities were \$94,455 less than final budgeted expenditures, due to less than expected attorney's fees.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2010, amounts to \$24,152,862 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, furniture, infrastructure, and construction in progress. The net decrease in the County's investment in capital assets, after depreciation expense of \$1,670,677, for the current year was \$357,706.

This year's additions included machinery and equipment totaling \$1,060,446 and construction in progress of \$333,402.

Capital assets as of December 31, 2010 and 2009 are summarized on the following page.

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

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2010

Capital Assets
As of December 31

	<u>2010</u>	<u>2009</u>
Land	\$ 1,289,889	\$ 1,289,889
Buildings	18,537,168	18,537,168
Improvements other than buildings	259,303	259,303
Machinery and equipment	9,034,877	8,618,260
Infrastructure	10,371,442	10,371,442
Construction in Progress	333,402	-
Total Capital Assets	<u>39,826,081</u>	<u>39,076,062</u>
 Less: Accumulated Depreciation	 <u>(15,673,219)</u>	 <u>(14,565,494)</u>
 Total Capital Assets	 <u><u>\$ 24,152,862</u></u>	 <u><u>\$ 24,510,568</u></u>

Long-Term Debt

As of December 31, 2010, the County has \$1,340,000 of bonded debt. These bonds were issued in 2007 for the construction of a new jail facility. The only other debt outstanding is in the form of accrued compensated absences.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered in preparing the County's budget for 2011.

- The percentage decrease in total property assessed value for FY 2010 was 4.3% (FY 2009 decrease was 6.2%).
- Property tax receipts for FY 2010 were \$18.2 million, an increase of 9.0% over receipts of \$16.7 million for FY 2009.
- The County has consistently maintained an ad valorem tax collection rate over 97.5% for the last few years.
- The percentage increase in medical insurance premiums for employees was 10.1% for FY 2010 (FY 2009 increase was 9.8%).
- Fluctuating energy costs have affected the price of fuel and road surfacing materials.
- Property and liability insurance costs increased 12.3% for FY 2010 compared to a decrease of 1.09% for FY 2009.

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2010

Original budgeted expenditures for FY 2011 are \$23.5 million, an increase of 15.2% over original budgeted expenditures of \$20.4 million for FY 2010. Property taxes account for the bulk of the revenues, as approximately 92.0% of the total budgeted revenues for the General Fund are related to property taxes.

The tax rate for the new fiscal year was set at \$0.3887/\$100. This includes the debt service rate for bonds approved in 2006 for the construction of a new jail facility. The overall rate is lower than the county tax rate used ten years ago. The low rate was attributable to increased natural gas value and production.

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

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

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

**PANOLA COUNTY, TEXAS
STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

	Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 3,704,619
Investments	35,000,000
Receivables (net of allowance for uncollectible taxes):	
Property Taxes	2,921,376
Due from Other Governments	481,891
Miscellaneous	391,807
Inventory	24,346
Capital Assets (net of accumulated depreciation):	
Land	1,289,889
Buildings	14,974,338
Improvements other than buildings	219,101
Machinery and equipment	4,110,004
Infrastructure	3,226,128
Construction in Progress	333,402
Negative net OPEB obligation asset	10,118,668
Other Assets	7,600
Total Assets	76,803,169
LIABILITIES:	
Accounts Payable-Trade	499,450
Unearned Revenues	18,572,709
Accrued Liabilities	8,773
Noncurrent liabilities:	
Due Within One Year	1,350,189
Due In More Than One Year	125,663
Total Liabilities	20,556,784
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	22,812,862
Restricted for Debt Service	224,103
Unrestricted	33,209,420
Total Net Assets	\$ 56,246,385

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

**PANOLA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Government Activities:					
General administration	\$ 3,267,777	\$ 348,974	\$ -	\$ -	\$ (2,918,803)
Judicial	1,120,449	453,019	85,889	-	(581,541)
Legal	490,452	45,235	63,391	-	(381,826)
Elections	163,105	5,061	47,669	-	(110,375)
Financial administration	766,574	758,081	-	-	(8,493)
Public facilities	297,677	-	-	31,650	(266,027)
Public safety	5,572,574	520,674	662,193	200,468	(4,189,239)
Environmental protection	361,383	-	-	-	(361,383)
Public transportation	6,333,001	176,809	30,222	-	(6,125,970)
Health & paupers care	2,402,045	1,400	1,980,960	-	(419,685)
Recreation	320,529	136,592	-	-	(183,937)
Conservation	92,987	4,132	-	-	(88,855)
Debt Service - Interest	69,800	-	-	-	(69,800)
Total primary government	<u>\$ 21,258,353</u>	<u>\$ 2,449,977</u>	<u>\$ 2,870,324</u>	<u>\$ 232,118</u>	<u>\$ (15,705,934)</u>
General Revenues:					
Property Taxes					\$ 18,542,362
Interest Income					470,991
Miscellaneous					729,736
Total general revenues and transfers					<u>19,743,089</u>
Change in net assets					4,037,155
Net assets, Beginning of Year (As Restated)					52,209,230
Net Assets, End of Year					<u>\$ 56,246,385</u>

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

**PANOLA COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,344,319	\$ 596,918	\$ 1,763,382	\$ 3,704,619
Investments	20,272,543	6,232,352	8,495,105	35,000,000
Receivables (net of allowance for uncollectibles)				
Current Taxes	1,597,507	640,890	252,421	2,490,818
Delinquent Taxes	275,339	110,461	44,758	430,558
Due from Other Governments	310,164	123,077	48,650	481,891
Miscellaneous	204,462	12,651	174,694	391,807
Inventory	-	-	24,346	24,346
Other Assets	7,600	-	-	7,600
Total Assets	\$ 24,011,934	\$ 7,716,349	\$ 10,803,356	\$ 42,531,639
LIABILITIES				
Accounts Payable-Trade	\$ 231,795	\$ 21,059	\$ 246,596	\$ 499,450
Deferred Tax Revenues	12,207,553	4,872,780	1,922,934	19,003,267
Total Liabilities	12,439,348	4,893,839	2,169,530	19,502,717
FUND BALANCES				
Reserved for:				
Inventory	-	-	24,346	24,346
Debt Service	-	-	201,590	201,590
Unreserved, Designated for:				
Health Care, Reported in Special Revenue Funds	-	-	3,591,363	3,591,363
Capital Projects, Reported in Capital Project Fund	-	-	647,974	647,974
Unreserved and Undesignated:				
Reported in the General Fund	11,572,586	-	-	11,572,586
Reported in Special Revenue Funds	-	2,822,510	4,168,553	6,991,063
Total Fund Balances	11,572,586	2,822,510	8,633,826	23,028,922
Total Liabilities and Fund Balances	\$ 24,011,934	\$ 7,716,349	\$ 10,803,356	\$ 42,531,639

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

**PANOLA COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

Total Fund Balances - Governmental Funds	\$ 23,028,922
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,152,862
Negative net OPEB obligation assets created by contributions made by the County to its OPEB plan to retire part of its unfunded obligations are not recognized in the funds.	10,118,668
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.	430,558
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (See Note 2.A.)	<u>(1,484,625)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 56,246,385</u></u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 11,923,666	\$ 4,475,675	\$ 1,917,288	\$ 18,316,629
Licenses	-	413,439	-	413,439
Intergovernmental Receipts	577,416	58,977	731,536	1,367,929
Fees of Office	668,668	-	664,930	1,333,598
Fines	-	295,442	-	295,442
Miscellaneous	655,550	380,844	2,387,220	3,423,614
TOTAL REVENUES	13,825,300	5,624,377	5,700,974	25,150,651
EXPENDITURES				
Current				
General Administration	3,017,294	-	213,951	3,231,245
Judicial	1,072,245	-	-	1,072,245
Legal	349,341	-	139,003	488,344
Elections	139,068	-	-	139,068
Financial Administration	762,011	-	-	762,011
Public Facilities	267,150	-	28,150	295,300
Public Safety	3,907,934	-	1,230,281	5,138,215
Environmental Protection	355,109	-	-	355,109
Public Transportation	-	3,140,875	643,634	3,784,509
Health and Paupers Care	282,445	-	2,051,964	2,334,409
Recreation	318,498	-	-	318,498
Conservation	92,668	-	-	92,668
Capital Outlay	548,760	2,041,972	233,502	2,824,234
Debt Service:				
Principal	-	-	1,285,000	1,285,000
Interest	-	-	78,308	78,308
TOTAL EXPENDITURES	11,112,523	5,182,847	5,903,793	22,199,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,712,777	441,530	(202,819)	2,951,488
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	567,482	567,482
Transfers Out	(567,482)	-	-	(567,482)
Total Other Financing Sources (Uses)	(567,482)	-	567,482	-
Net Change in Fund Balances	2,145,295	441,530	364,663	2,951,488
FUND BALANCE-BEGINNING	9,427,291	2,380,980	8,269,163	20,077,434
FUND BALANCE-ENDING	\$ 11,572,586	\$ 2,822,510	\$ 8,633,826	\$ 23,028,922

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

**PANOLA COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Net Change in Fund Balances - Governmental Funds	\$ 2,951,488
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. (See Note 2.B)	(357,706)
The repayment of long-term debt (e.g. certificates of obligation and capital leases) consumes current financial resources of governmental funds, but the transaction has no effect on net assets.	1,285,000
Delinquent property tax collections provide current financial resources to the funds but has no effect on net assets.	(442,780)
Delinquent property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.	668,513
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (See Note 2.B.)	<u>(67,360)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 4,037,155</u></u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	Panola County Retiree Health Benefits Trust Fund	Agency Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 184,442	\$ 5,221,539
Investments	13,000,000	304,013
Interest receivable	48,415	-
Total Assets	<u>13,232,857</u>	<u>5,525,552</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable-Trade	419	-
Due to Other Governments	-	3,245,396
Court Ordered Deposits	-	32,999
Court Ordered Trust Funds	-	2,236,348
Restitution Payable	-	10,114
Other Payables	-	695
Total Liabilities	<u>419</u>	<u>\$ 5,525,552</u>
NET ASSETS		
Held in trust for OPEB benefits	<u>13,232,438</u>	
Total Net Assets	<u>\$ 13,232,438</u>	

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

PANOLA COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Panola County Retiree Health Benefits Trust Fund
ADDITIONS	
Contributions:	
Reimbursement from Medicare	\$ 25,450
Employer Contributions	<u>908,548</u>
Total Employer Contributions	<u>933,998</u>
 Total Contributions	 <u>933,998</u>
 Investment Income:	
Interest earnings	<u>190,940</u>
Total Investment Income	<u>190,940</u>
 TOTAL ADDITIONS	 <u>1,124,938</u>
 DEDUCTIONS	
Benefit Payments	<u>444,745</u>
 TOTAL DEDUCTIONS	 <u>444,745</u>
 CHANGE IN NET ASSETS	 680,193
 NET ASSETS - BEGINNING OF YEAR	 <u>12,552,245</u>
 NET ASSETS - END OF YEAR	 <u><u>\$ 13,232,438</u></u>

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The General Fund and Road and Bridge special revenue fund meet the criteria and are reported as major governmental funds. Non-major funds include other special revenue, capital projects, and the debt service funds. The combined amounts for these funds are reflected in a single column in the fund financial statements. Detailed statements for non-major funds are presented within the combining and individual fund statements and schedules.

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

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

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

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

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

The government reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

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

2. Receivables and Payables

Property taxes are recognized as revenues in the period for which the taxes are levied, regardless of the lien date. Property taxes for the County are levied based on taxable value on the lien date of January 1 prior to December 31 of the same year. They become due January 1 of the following year and delinquent after June 30 of the following year. Accordingly, receivables and revenues for prior-year levies delinquent at year-end are reflected on the government-wide statement based on the full accrual method of accounting and under the modified accrual method in the fund statements. Property Taxes Receivable are shown net of an allowance for uncollectible taxes. The allowance is equal to seven (7) percent of current property taxes receivable plus twenty (20) percent of delinquent taxes receivable at December 31, 2010.

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

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

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

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

3. Inventories

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

The inventory amount of \$24,346 in the Airport Special Revenue Fund consists of jet fuel held for consumption stated at cost on a first-in, first-out basis. Reported inventories are offset by a reserve of fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

4. Restricted Net Assets

Restricted net assets reflect net assets that are subject to restrictions beyond the government's control. Qualifying restrictions may include restrictions externally imposed (i.e., by creditors, grantors, contributors, or laws/regulations of other governments), or restrictions imposed by law through constitutional provisions or enabling legislation. As of December 31, 2010, the County has restricted net assets of \$224,103 for debt service.

5. Capital Assets

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

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

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

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

6. 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.

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Employees may accumulate a maximum of fifteen days of vacation leave and are not paid for any unused leave upon termination of employment. Consequently, no provision is made for accrued vacation in the financial statements.

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

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.

7. Long-Term Obligations

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

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

As of December 31, 2010, long-term debt outstanding consists of bonded indebtedness and compensatory time payable.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The Airport Special Revenue fund has a reserved fund balance of \$24,346 for inventories.

Designations of fund balance represent tentative management plans that are subject to change. The Health Care special revenue fund has a designated fund balance of \$3,591,363. The balance is designated for county health care expenses as authorized by State statutes. Capital project funds have total designated fund balances of \$647,974. Designation of the capital projects fund balances are for projects authorized by the Commissioners' Court.

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

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

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

One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

\$1,484,625 difference are as follows:

Bonds Payable	\$ 1,340,000
Accrued Interest Payable	8,773
Compensated Absences	<u>135,852</u>
Net Adjustment to Reduce Total Fund Balances-Total Governmental Funds to Arrive at Net Assets - Governmental Activities	<u><u>\$ 1,484,625</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$357,706 difference are as follows:

Capital Outlay	\$ 1,393,847
Depreciation Expense	(1,670,677)
Capital Asset Retirements	<u>(80,876)</u>
Net Adjustment to Decrease Net Changes in Fund Balance- Total Governmental Funds to Arrive at Changes in Net Assets- Governmental Activities	<u><u>\$ (357,706)</u></u>

Another element of that reconciliation states that “Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$67,360 difference are as follows:

Increase in Compensated Absences	\$ (10,189)
Decrease in Net OPEB Asset	(65,679)
Change in Accrued Interest Payable	<u>8,508</u>
Net Adjustment to Decrease Net Changes in Fund Balance- Total Governmental Funds to Arrive at Changes in Net Assets- Governmental Activities	<u><u>\$ (67,360)</u></u>

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Authorized Investments

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

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

B. Deposits and Investments

During the 2010 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, 2010, 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, 2010 for the County's individual major funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectibles, are as follows:

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Current Property Taxes	\$ 1,717,750	\$ 689,129	\$ 271,420	\$ 2,678,299
Delinquent Property Taxes	344,174	138,076	55,947	538,197
Due from Other Governments	310,164	123,077	48,650	481,891
Miscellaneous	204,462	12,651	174,694	391,807
	<u>2,576,550</u>	<u>962,933</u>	<u>550,711</u>	<u>4,090,194</u>
Total Gross Receivables	\$ 2,576,550	\$ 962,933	\$ 550,711	\$ 4,090,194
Less: Allowance for Uncollectible Tax	(189,077)	(75,854)	(30,189)	(295,120)
Net Total Receivables	<u>\$ 2,387,473</u>	<u>\$ 887,079</u>	<u>\$ 520,522</u>	<u>\$ 3,795,074</u>

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

	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Net Property Taxes Receivable	\$ 1,872,846	\$ 751,351	\$ 297,179	\$ 2,921,376
Advanced Tax Collections	10,334,707	4,121,429	1,625,755	16,081,891
Total Deferred Revenue	<u>\$ 12,207,553</u>	<u>\$ 4,872,780</u>	<u>\$ 1,922,934</u>	<u>\$ 19,003,267</u>

D. Property Taxes

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

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

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

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

E. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

	Balance January 1, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2010</u>
Capital Assets Not Being Depreciated:				
Land	\$ 1,289,889	\$ -	\$ -	\$ 1,289,889
Construction in Progress	-	333,402	-	333,402
Total Capital Assets Not Being Depreciated	<u>\$ 1,289,889</u>	<u>\$ 333,402</u>	<u>\$ -</u>	<u>\$ 1,623,291</u>
Capital Assets Being Depreciated:				
Buildings	\$ 18,537,168	\$ -	\$ -	\$ 18,537,168
Improvements other than Buildings	259,303	-	-	259,303
Machinery & Equipment	8,618,260	1,060,445	643,827	9,034,878
Infrastructure	10,371,442	-	-	10,371,442
Total Capital Assets Being Depreciated	<u>\$ 37,786,173</u>	<u>\$ 1,060,445</u>	<u>\$ 643,827</u>	<u>\$ 38,202,791</u>
Less Accumulated Depreciation for:				
Buildings	\$ 3,203,329	\$ 359,501	\$ -	\$ 3,562,830
Improvements other than Buildings	35,970	4,232	-	40,202
Machinery & Equipment	4,672,869	814,956	562,951	4,924,874
Infrastructure	6,653,326	491,988	-	7,145,314
Total Accumulated Depreciation	<u>\$ 14,565,494</u>	<u>\$ 1,670,677</u>	<u>\$ 562,951</u>	<u>\$ 15,673,220</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 23,220,679</u>	<u>\$ (610,232)</u>	<u>\$ 80,876</u>	<u>\$ 22,529,571</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,510,568</u>	<u>\$ (276,830)</u>	<u>\$ 80,876</u>	<u>\$ 24,152,862</u>

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

General Administration	\$ 22,955
Judicial	42,839
Elections	23,290
Public Facilities	2,070
Public Safety	409,289
Environmental Protection	6,274
Public Transportation	1,096,324
Health & Paupers Care	67,636
Total Depreciation Expense	<u>\$ 1,670,677</u>

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

F. Interfund Transfers

Interfund transfers for the year ended December 31, 2010 were as follows:

	<u>Transfers In</u>			
	<u>Nonmajor Governmental Funds</u>			
	Juvenile Services <u>Fund</u>	Child Protective Services <u>Fund</u>	Sheriff's Renovation Construction <u>Fund</u>	<u>Totals</u>
<u>Transfers Out</u>				
General Fund	\$ 133,000	\$ 28,000	\$ 406,482	\$ 567,482
Total	<u>\$ 133,000</u>	<u>\$ 28,000</u>	<u>\$ 406,482</u>	<u>\$ 567,482</u>

The purpose of these transfers was to supplement revenue.

G. Operating Leases

The County is obligated under certain leases for equipment accounted for as operating leases. General revenues of the General Fund will be used to pay these leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one (1) year as of December 31, 2010.

<u>Year Ending December 31</u>	<u>Governmental Activities</u>
2011	\$ 32,838
2012	32,984
2013	24,834
2014	11,631
2015	8,923
Thereafter	2,030
Total minimum lease payments	<u>\$ 113,240</u>

Total cost for these leases for the year ended December 31, 2010 was \$38,094.

H. Long-Term Debt

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

Annual debt service requirements to maturity for the bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2011	\$ 1,340,000	\$ 26,465	\$ 1,366,465
Total	<u>\$ 1,340,000</u>	<u>\$ 26,465</u>	<u>\$ 1,366,465</u>

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2010 was as follows:

	(as Restated) Balance January 1, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2010</u>	Due Within <u>One Year</u>
Bonds Payable	\$ 2,625,000	\$ -	\$ 1,285,000	\$ 1,340,000	\$ 1,340,000
Compensated Absences	<u>125,663</u>	<u>10,189</u>	<u>-</u>	<u>135,852</u>	<u>10,189</u>
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 2,750,663</u>	<u>\$ 10,189</u>	<u>\$ 1,285,000</u>	<u>\$ 1,475,852</u>	<u>\$ 1,350,189</u>

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

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the County is in compliance with all significant limitations and restrictions at December 31, 2010.

I. Net Asset Restatement

Beginning government wide net assets were restated due to corrections to prior year compensated absences liability balances. See below:

	Government-Wide Statements Net Assets <u>Governmental Activities</u>
Balance - December 31, 2009 (as previously reported)	<u>\$ 52,062,932</u>
Accrued Vacation leave removed	\$ 271,961
Accrued Compensatory time added	<u>(125,663)</u>
Total Restatement	<u>\$ 146,298</u>
Balance - December 31, 2009 (as restated)	<u>\$ 52,209,230</u>

NOTE 4 – OTHER INFORMATION

A. Risk Management

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

B. Contingent Liabilities

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

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

The County is not a member of a public entity risk pool as defined by GASB Statement No. 10. The County manages and finances risk by purchasing commercial insurance and by retaining the risk of loss. All known claims related to the year ending December 31, 2010 have been accrued and expensed in the current financial statements. Disclosure of loss contingencies will be made when there is a reasonable possibility that a loss has been incurred. There have been no significant reductions in insurance coverage in the current year.

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

C. Commitments

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

The County has ongoing active projects as of December 31, 2010. At year-end, the County's commitments with architects, contractors, and other vendors totaled \$460,289.

D. Pension Plan

Plan Description

Panola County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 602 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034. The CAFR is also available at www.tcdrs.org.

The plan provisions are adopted by the governing body of the employer, within the options available

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

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

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

Funding Policy

The County has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. It was 23.38% for calendar year 2010. The contribution rate payable by the employee members is the rate of 7.00% as adopted by the Commissioners' Court of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost

For the employer's accounting year ending December 31, 2010, the annual pension cost for the TCDRS plan for its employees was \$1,473,763, and the actual contributions were \$1,473,763.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2008, the basis for determining the contribution rate for calendar year 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

D. Pension Plan (Cont.)

	<u>Actuarial Valuation Information</u>		
	12/31/07	12/31/08	12/31/09
Actuarial Valuation Date	Entry Age	Entry Age	Entry Age
Actuarial Cost Method	Level Percentage of	Level Percentage of	Level Percentage of
Amortization Method	Payroll, Closed	Payroll, Closed	Payroll, Closed
Amortization Period in Years	7.3	8.1	5.4
Asset Valuation Method	SAF: 10-yr	SAF: 10-yr	SAF: 10-yr
	Smoothed Value	Smoothed Value	Smoothed Value
	ESF: Fund value	ESF: Fund value	ESF: Fund value
Assumptions:			
Investment Return (**)	8%	8%	8%
Projected Salary Increases (**)	5.3%	5.3%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-Living Adjustments	0%	0%	0%

(**) Includes inflation at the stated rate

<u>Trend Information for the Retirement Plan for the Employees of Panola County</u>			
Accounting	Annual	Percentage	Net
Year	Pension	of APC	Pension
<u>Ending</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
12/31/08	\$ 1,237,504	100%	\$ -
12/31/09	\$ 1,354,849	100%	\$ -
12/31/10	\$ 1,473,763	100%	\$ -

E. Other Post Employment Benefits Plan

Plan Description

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

The County established the RHBT in order to restructure the manner in which it funds post-employment benefits so as to more accurately reflect the accounting of such benefits in accordance with Governmental Accounting Standards Board Statement No. 45 (GASB45).

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

The County does not issue a separate financial report that includes financial statements and required supplementary information for the RHBT. However the financial statements and the required supplementary information are included in the County's comprehensive annual financial report at pages 35 - 36 (financial statements) and page 57 (required supplementary information).

At December 31, 2010 the RHBT had 60 retirees receiving benefits and has a total of 165 active participants who are not yet eligible to receive benefits. Order 2007-23 of Panola County assigned the authority to establish and amend benefit provisions to the Commissioners' Court.

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

The RHBT was initially funded in December 2007 by transferring from the governmental funds and proprietary funds of the County a total of \$9,992,132 into the RHBT. The \$9,992,132 was an initial funding toward an estimated \$12,429,768 in past-service actuarially determined liabilities for active and retired employees. Based on a new actuarial valuation as of December 31, 2010, the estimated past-service actuarially determined liabilities for active and retired employees amounted to \$15,588,645.

Annual OPEB Cost and Net OPEB Obligations

For 2010, the County's annual OPEB cost for the RHBT was \$801,781. Contributions of \$908,548 were made by the County. The activity for the year is shown in tabular form below.

Annual Required Contribution	\$ 801,781
Interest on Net OPEB Obligation	(458,296)
Amortization of Prior Year OPEB Obligation	630,742
Annual OPEB Cost (Expense)	<u>\$ 974,227</u>
Contributions Made	<u>(908,548)</u>
Change in OPEB Obligation	\$ 65,679
Net OPEB Obligation (Asset) - Beginning of Year	<u>(10,184,347)</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ (10,118,668)</u></u>

Trend Information

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB (Obligation) Asset</u>
2008	\$ 849,220	\$ 1,579,451	185.99%	\$ 9,898,883
2009	\$ 759,472	\$ 1,044,936	137.59%	\$ 10,184,347
2010	\$ 974,227	\$ 908,548	93.26%	\$ 10,118,668

Funding Policy

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

Actuarial Methods and Assumptions

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

The actuarial valuation for December 31, 2010, the unprojected unit credit cost method was used. The actuarial assumptions used included a 4.5% investment rate of return, compounded annually,

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

net of investment expenses. The annual healthcare cost trend of 10%, grading down to an ultimate 5% rate. Both the rate of return and the healthcare cost rate include and assumed inflation rate of 2.5%. The actuarial valuation of RHBT assets was set at fair market value of the cash and certificates of deposit comprising the investment account at the measurement date.

The RHBT's initial unfunded actuarial accrued liability (UAAL) is being amortized at a level (decreasing yearly) over a 30-year closed period. At December 31, 2010, the remaining amortization period is 26 years.

Funded Status						
Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liabilities (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Annual Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
12/31/10	\$ 13,232,438	\$ 15,588,645	\$ 2,356,207	84.89%	\$ 5,743,487	41.02%

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

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE LEFT BLANK INTENTIONALLY

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010**

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, 2010, the following funds had legally adopted budgets:

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

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	14,974,043	20,100,774	5,126,731	74.49%	5,071,333	101.09%
12/31/08	16,289,095	21,977,969	5,688,874	74.12%	5,279,316	107.76%
12/31/09	19,387,325	24,085,046	4,697,721	80.50%	5,785,813	81.19%

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

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

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$ 11,489,936	\$ 12,233,119	\$ 743,183	93.92%	\$ 4,964,735	14.97%
12/31/09	\$ 12,552,245	\$ 14,501,181	\$ 1,948,936	86.56%	\$ 5,401,864	36.08%
12/31/10	\$ 13,232,438	\$ 15,588,645	\$ 2,356,207	84.89%	\$ 5,743,487	41.02%

Notes to the Schedule of Funding Progress

Actuarial Valuation Date	12/31/08	12/31/09	12/31/10
Actuarial Cost Method	Unit Cost	Unit Cost	Unit Cost
Amortization Method	Decreasing Yearly	Decreasing Yearly	Decreasing Yearly
Asset Valuation Method	Market Value	Market Value	Market Value
Assumptions:			
Investment Return (**)	4.5% per annum	4.5% per annum	4.5% per annum
Health Care Cost Trend	10% Pre-Medicare grading to 5% ultimate	10% Pre-Medicare grading to 5% ultimate	10% Pre-Medicare grading to 5% ultimate

(**) Includes inflation at 2.5%

THIS PAGE LEFT BLANK INTENTIONALLY

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 11,408,581	\$ 11,408,581	\$ 11,923,666	\$ 515,085
Intergovernmental Receipts	275,230	493,383	577,416	84,033
Fees of Office	526,000	529,532	668,668	139,136
Total Miscellaneous	174,160	197,221	655,550	458,329
Total Revenues	12,383,971	12,628,717	13,825,300	1,196,583
EXPENDITURES				
Current				
General Administration	3,818,611	3,625,793	3,017,294	608,499
Judicial	1,118,633	1,134,569	1,072,245	62,324
Legal	397,216	400,216	349,341	50,875
Elections	136,973	151,473	139,068	12,405
Financial Administration	793,213	782,713	762,011	20,702
Public Facilities	284,643	284,643	267,150	17,493
Public Safety	4,314,391	4,292,132	3,907,934	384,198
Environmental Protection	346,000	356,000	355,109	891
Health and Paupers Care	376,900	376,900	282,445	94,455
Recreation	328,144	329,644	318,498	11,146
Conservation	95,548	96,108	92,668	3,440
Capital Outlay	612,699	671,893	548,760	123,133
Total Expenditures	12,622,971	12,502,084	11,112,523	1,389,561
Excess (Deficiency) of Revenues Over (Under) Expenditures	(239,000)	126,633	2,712,777	2,586,144
OTHER FINANCING SOURCES (USES):				
Transfers Out	(161,000)	(567,482)	(567,482)	-
Total Other Financing Sources (Uses)	(161,000)	(567,482)	(567,482)	-
Net Change in Fund Balance	(400,000)	(440,849)	2,145,295	2,586,144
FUND BALANCE, BEGINNING OF YEAR	9,427,291	9,427,291	9,427,291	-
FUND BALANCE, END OF YEAR	\$ 9,027,291	\$ 8,986,442	\$ 11,572,586	\$ 2,586,144

Note: See accompanying independent auditor's report.

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Property Taxes:				
Current	\$ 4,224,363	\$ 4,257,363	\$ 4,367,301	\$ 109,938
Delinquent	75,356	97,656	108,374	10,718
Total Property Taxes	4,299,719	4,355,019	4,475,675	120,656
Licenses:				
Motor Vehicle Registration	445,000	413,438	413,439	1
Intergovernmental Receipts:				
State Lateral Road Fund	29,000	29,000	30,222	1,222
Weight and Axle Fees	30,000	28,755	28,755	-
Total Intergovernmental Receipts	59,000	57,755	58,977	1,222
Fines:				
County and District Court Fines	315,000	278,507	295,442	16,935
Miscellaneous:				
Interest Earned	53,699	67,699	70,333	2,634
Miscellaneous	-	304,959	310,511	5,552
Total Miscellaneous	53,699	372,658	380,844	8,186
Total Revenues	5,172,418	5,477,377	5,624,377	147,000
EXPENDITURES				
PUBLIC TRANSPORTATION				
MAINTENANCE-ROADS AND BRIDGES				
PRECINCT 1				
Salaries - Road and Bridge Department	361,637	361,637	342,627	19,010
Benefits Termination Pay	3,303	3,303	-	3,303
Social Security Taxes	27,918	27,918	26,210	1,708
Group Insurance	93,060	93,060	91,235	1,825
Retirement and Death Benefits	87,586	87,586	79,035	8,551
Workers Compensation	34,955	34,955	14,073	20,882
Unemployment Insurance	1,509	1,509	479	1,030
Other Post Employment	38,538	38,538	34,776	3,762
Retiree Medical Insurance Trust	18,783	18,783	18,783	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	125,000	107,846	105,832	2,014
Parts and Supplies	31,250	31,250	29,871	1,379
Miscellaneous Supplies	25,500	14	14	-
TOTAL PRECINCT 1	880,344	837,704	774,240	63,464

Note: See accompanying independent auditor's report.

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
PRECINCT 2				
Salaries - Road and Bridge Department	\$ 300,000	\$ 300,000	\$ 294,918	\$ 5,082
Benefits Termination Pay	3,303	3,303	1,523	1,780
Social Security Taxes	23,203	23,203	22,677	526
Group Insurance	76,140	76,140	75,786	354
Retirement and Death Benefits	72,793	72,793	67,975	4,818
Workers Compensation	34,955	34,955	15,412	19,543
Unemployment Insurance	1,509	1,509	415	1,094
Other Post Employment	32,029	32,029	29,910	2,119
Retiree Medical Insurance Trust	18,783	18,783	18,783	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	125,000	118,560	118,030	530
Parts and Supplies	31,250	15,159	14,791	368
Contractor Service	-	8,010	8,010	-
Miscellaneous Supplies	25,500	500	447	53
TOTAL PRECINCT 2	775,770	736,249	699,982	36,267
PRECINCT 3				
Salaries - Road and Bridge Department	364,741	364,741	353,324	11,417
Benefits Termination Pay	3,302	3,302	-	3,302
Social Security Taxes	28,156	28,156	27,029	1,127
Group Insurance	93,060	93,060	92,627	433
Retirement and Death Benefits	88,331	88,331	81,662	6,669
Workers Compensation	34,955	34,955	17,621	17,334
Unemployment Insurance	1,509	1,509	494	1,015
Other Post Employment	38,866	38,866	35,932	2,934
Retiree Medical Insurance Trust	18,783	18,783	18,783	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	125,000	110,000	109,940	60
Parts and Supplies	31,250	31,250	30,037	1,213
Miscellaneous Supplies	25,500	14	14	-
TOTAL PRECINCT 3	884,758	844,272	798,768	45,504

Note: See accompanying independent auditor's report.

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
PRECINCT 4				
Salaries - Road and Bridge Department	\$ 395,560	\$ 395,560	\$ 374,948	\$ 20,612
Benefits Termination Pay	3,303	3,303	728	2,575
Social Security Taxes	30,514	30,514	28,739	1,775
Group Insurance	101,520	101,520	100,352	1,168
Retirement and Death Benefits	95,728	95,728	87,026	8,702
Workers Compensation	34,955	34,955	23,893	11,062
Unemployment Insurance	1,509	1,509	525	984
Other Post Employment	42,120	42,120	38,293	3,827
Retiree Medical Insurance Trust	18,783	18,783	18,783	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	125,000	139,237	139,142	95
Parts and Supplies	31,250	22,461	22,432	29
Miscellaneous Supplies	25,500	14	14	-
Contractor Service	-	1,705	1,705	-
TOTAL PRECINCT 4	937,047	918,714	867,885	50,829
Total Maintenance-Roads and Bridges	3,477,919	3,336,939	3,140,875	196,064
CAPITAL OUTLAY-ROAD AND BRIDGES				
PRECINCT 1				
Furniture & Equipment	\$ 139,515	\$ 123,689	\$ 123,689	\$ -
Road Oil	238,977	313,098	313,098	-
Lumber, Piling and Culverts	13,500	16,149	15,990	159
TOTAL PRECINCT 1	391,992	452,936	452,777	159
PRECINCT 2				
Furniture & Equipment	160,853	163,516	163,516	-
Road Oil	150,467	220,653	220,442	211
Lumber, Piling and Culverts	8,500	7,232	7,232	-
TOTAL PRECINCT 2	319,820	391,401	391,190	211
PRECINCT 3				
Furniture & Equipment	139,515	161,159	161,159	-
Road Oil	212,424	285,109	284,972	137
Lumber, Piling and Culverts	12,000	23,223	23,222	1
TOTAL PRECINCT 3	363,939	469,491	469,353	138

Note: See accompanying independent auditor's report.

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
PRECINCT 4				
Furniture & Equipment	\$ 319,515	\$ 401,392	\$ 401,391	\$ 1
Road Oil	283,233	409,218	311,280	97,938
Lumber, Piling and Culverts	16,000	16,000	15,981	19
TOTAL PRECINCT 4	618,748	826,610	728,652	97,958
Total Construction and Capital Outlay	1,694,499	2,140,438	2,041,972	98,466
Total Expenditures	5,172,418	5,477,377	5,182,847	294,530
Net Change in Fund Balances	-	-	441,530	441,530
FUND BALANCE, BEGINNING OF YEAR	2,380,980	2,380,980	2,380,980	-
FUND BALANCE, END OF YEAR	\$ 2,380,980	\$ 2,380,980	\$ 2,822,510	\$ 441,530

Note: See accompanying independent auditor's report.

THIS PAGE LEFT BLANK INTENTIONALLY

SUPPLEMENTAL FINANCIAL INFORMATION

THIS PAGE LEFT BLANK INTENTIONALLY

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES				
Current	\$ 11,208,637	\$ 11,208,637	\$ 11,636,113	\$ 427,476
Delinquent	199,944	199,944	287,553	87,609
Total Property Taxes	11,408,581	11,408,581	11,923,666	515,085
INTERGOVERNMENTAL RECEIPTS				
State Judicial	33,000	33,000	85,889	52,889
City - Public Library	136,592	136,592	136,592	-
Law Enforcement Officer	5,088	5,088	5,206	118
State Voter Registration	-	47,669	47,669	-
Exposition Building	-	-	1,162	1,162
Emergency Management	-	150,484	150,484	-
Federal Grant-Homeland Security	-	5,000	5,000	-
Indigent Defense Services Grant	3,000	3,000	24,381	21,381
Carthage and Gary School Tax				
Collection Contract	63,250	63,250	63,250	-
City of Carthage Tax				
Collection Contract	8,300	8,300	12,800	4,500
State 911 Rural Addressing	26,000	41,000	44,983	3,983
Total Intergovernmental Receipts	275,230	493,383	577,416	84,033
FEES OF OFFICE				
County Judge	1,000	1,000	2,712	1,712
Sheriff	34,000	34,000	34,704	704
District Attorney	5,000	5,000	6,483	1,483
County Clerk	200,000	203,532	231,616	28,084
Tax Assessor-Collector	160,000	160,000	250,019	90,019
District Clerk	60,000	60,000	74,010	14,010
County Treasurer	16,000	16,000	18,573	2,573
Justices of the Peace	50,000	50,000	50,551	551
Total Fees of Office	526,000	529,532	668,668	139,136

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
MISCELLANEOUS				
Interest Earned	\$ 134,160	\$ 148,160	\$ 272,518	\$ 124,358
Interest from Jury Fund	-	-	24	24
Hospital Collections	-	-	1,400	1,400
Time Payment EFTIC	-	-	1,263	1,263
Exposition Building	-	-	2,970	2,970
Vital Archive - County Clerk	-	-	713	713
Judiciary Support Fee	-	-	1,478	1,478
Miscellaneous	40,000	49,061	370,703	321,642
County Clerk Civil	-	-	2,160	2,160
Family Protection Fee	-	-	1,815	1,815
Miscellaneous Unclaimed Funds	-	-	506	506
Total Miscellaneous	174,160	197,221	655,550	458,329
Total Revenues	12,383,971	12,628,717	13,825,300	1,196,583
EXPENDITURES				
CURRENT				
GENERAL ADMINISTRATION				
COUNTY JUDGE				
Salary - County Judge	54,887	54,887	54,887	-
Salary - Co. Judge Admin. Assist	33,364	33,364	33,364	-
Social Security	6,752	6,752	6,752	-
Group Medical Insurance	16,920	16,920	16,841	79
Retirement and Death Benefits	21,181	21,181	21,180	1
Worker's Compensation	447	447	163	284
Unemployment Insurance	156	156	47	109
Other Post Employment Benefits	9,320	9,320	9,319	1
Office Supplies, Postage & Repairs	1,600	1,000	769	231
Law Books	-	3,145	2,914	231
Communication Telephone	400	400	55	345
Conferences and Dues	2,000	1,773	670	1,103
Miscellaneous	150	150	-	150
Total County Judge	147,177	149,495	146,961	2,534

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
COMMISSIONERS				
Salaries - Commissioners	\$ 177,428	\$ 177,428	\$ 177,428	\$ -
Salaries - Secretaries	25,787	25,787	25,787	-
Social Security Taxes	15,546	15,546	15,546	-
Group Insurance	42,300	42,300	41,546	754
Retirement and Death Benefits	48,772	48,772	48,772	-
Worker's Compensation	6,503	6,503	1,905	4,598
Unemployment Insurance	121	121	36	85
Other Post Employment Benefits	21,460	21,460	21,459	1
Office Supplies, Postage and Repairs	1,200	1,200	700	500
Communication Telephone	800	800	45	755
Miscellaneous	600	600	-	600
Conferences and Dues	6,000	6,000	5,826	174
Total Commissioners	346,517	346,517	339,050	7,467
COUNTY CLERK				
Salary - County Clerk	44,357	44,357	44,357	-
Salary - Deputies	132,589	132,589	128,288	4,301
Social Security	13,537	13,537	13,208	329
Group Medical Insurance	50,760	50,760	50,524	236
Retirement and Death Benefits	42,468	42,468	41,435	1,033
Worker's Compensation	881	881	340	541
Unemployment Insurance	621	621	179	442
Other Post Employment Benefits	18,686	18,686	18,231	455
Office Supplies, Postage & Repairs	14,500	14,500	9,712	4,788
Communication Telephone	850	850	465	385
Professional Services	-	3,532	3,532	-
Rentals, Microfilming & Indexing	85,621	85,621	66,452	19,169
Copy Machine Rental	8,000	8,000	4,220	3,780
Conferences & Dues	1,400	1,400	839	561
Miscellaneous	250	250	65	185
Total County Clerk	414,520	418,052	381,847	36,205

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
VETERANS SERVICE OFFICER				
Salary - Service Officer	\$ 32,121	\$ 32,121	\$ 32,121	\$ -
Salary - Secretary	25,787	25,787	25,787	-
Social Security	4,430	4,430	4,430	-
Group Medical Insurance	16,920	16,920	16,173	747
Retirement and Death Benefits	13,898	13,898	13,898	-
Worker's Compensation	293	293	107	186
Unemployment Insurance	271	271	81	190
Other Post Employment Benefits	6,116	6,116	6,116	-
Office Supplies, Postage & Repairs	600	600	206	394
Communication Telephone	500	500	70	430
Conferences and Dues	800	1,050	1,034	16
Programming & Computer	1,300	1,300	700	600
Miscellaneous	250	-	-	-
Total Vet. Service Officer	103,286	103,286	100,723	2,563
AIRPORT				
Airport Manager	32,866	32,866	32,865	1
Social Security	2,515	2,515	2,514	1
Group Insurance	8,460	8,460	8,421	39
Retirement	7,888	7,888	7,888	-
Worker's Compensation	1,517	1,517	1,350	167
Unemployment Insurance	154	154	46	108
Other Post Employment Benefits	3,471	3,471	3,471	-
Office Supplies	1,500	1,500	1,475	25
Repair and Maintenance	3,200	2,823	2,806	17
Professional Services	2,500	3,000	2,881	119
Communication Telephone	1,700	1,700	1,357	343
Conferences and Dues	1,000	-	-	-
Utilities	11,500	11,500	10,072	1,428
Contractor Service	2,500	1,237	876	361
Repairs and Renovation	1,045	1,045	1,045	-
Rentals and Leases	2,200	3,340	3,340	-
Total Airport	84,016	83,016	80,407	2,609

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
MISCELLANEOUS AND NON-DEPARTMENTAL				
Floating Secretary	\$ 25,787	\$ 25,787	\$ 23,539	\$ 2,248
Emergency Management	6,000	6,000	6,000	-
Benefits Termination Pay	10,227	11,977	11,474	503
Social Security	3,215	3,215	3,125	90
Group Insurance	8,460	8,460	8,163	297
Retirement	10,084	10,084	9,809	275
Worker's Compensation	5,152	5,152	1,155	3,997
Unemployment Insurance	169	169	59	110
Other Post Employment	4,437	4,437	4,315	122
Retiree Medical Insurance Trust	210,000	210,000	210,000	-
Optional Retirement	350,000	350,000	350,000	-
Advertising and Publications	12,000	12,000	7,192	4,808
Appraisal District	175,000	185,967	185,967	-
Outside Audit	39,000	39,000	35,200	3,800
Economic Development	14,000	20,304	20,303	1
Computer Services	1,190,000	1,147,526	638,437	509,089
Professional Services	20,000	20,000	18,492	1,508
Postage	60,000	60,000	53,872	6,128
Emergency Management	5,000	10,000	6,449	3,551
Physicals & Drug Screening	2,000	3,285	1,190	2,095
Dues, Memberships & Fees	7,500	7,500	7,449	51
Insurance	260,000	280,000	278,971	1,029
Historical Markers	1,000	1,000	1,000	-
Historical Commission	6,564	7,064	2,586	4,478
Miscellaneous	204,500	3,500	1,457	2,043
Copy Machine Rental & Supplies	24,000	24,000	18,637	5,363
Soil and Conservation Contract	1,000	1,000	1,000	-
Communication Telephone	50,000	50,000	47,815	2,185
Animal Control	15,000	15,000	14,650	350
Loss Control	3,000	3,000	-	3,000
Total Miscellaneous and Non-Depart.	2,723,095	2,525,427	1,968,306	557,121
Total General Administration	3,818,611	3,625,793	3,017,294	608,499

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (cont'd.)				
JUDICIAL				
DISTRICT COURT				
Salary - Court Reporter	\$ 28,855	\$ 28,855	\$ 28,855	\$ -
Salary - Secretary	32,774	32,774	32,774	-
Social Security	4,715	4,715	4,715	-
Group Medical Insurance	16,920	16,920	16,841	79
Retirement and Death Benefits	14,791	14,791	14,791	-
Worker's Compensation	301	301	116	185
Unemployment Insurance	288	288	86	202
Other Post Employment	6,509	6,509	6,509	-
Office Supplies, Postage & Repairs	1,000	1,140	1,140	-
Professional Services	2,500	2,500	2,500	-
Telephone	800	800	506	294
Conference and Dues	1,500	1,500	1,137	363
Visiting Court Reporters	750	2,250	1,432	818
Law Books for Law Library	2,900	2,900	2,900	-
Miscellaneous	600	460	459	1
Total District Court	115,203	116,703	114,761	1,942
COUNTY COURT AT LAW				
Salary - County Court at Law Judge	125,000	125,000	125,000	-
Salary - Court Reporter	50,316	50,316	50,316	-
Visiting Judges	1,000	11,000	7,854	3,146
Visiting Court Reporters	-	2,750	1,250	1,500
Social Security	13,412	13,412	12,283	1,129
Group Medical Insurance	16,920	16,920	16,842	78
Retirement and Death Benefits	42,076	42,076	42,076	-
Worker's Compensation	1,022	1,022	327	695
Unemployment Insurance	235	235	70	165
Other Post Employment	18,514	18,514	18,512	2
Office Supplies, Postage & Repairs	1,400	1,400	1,391	9
Law Books	-	-	-	-
Telephone	750	750	409	341
Conferences and Dues	1,100	1,100	270	830
Miscellaneous	300	300	49	251
Total County Court at Law	272,045	284,795	276,649	8,146

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (cont'd.)				
JUDICIAL (con'td.)				
DISTRICT CLERK				
Salary - District Clerk	\$ 44,357	\$ 44,357	\$ 44,357	\$ -
Salaries - Deputies	132,589	132,589	132,589	-
Social Security	13,537	13,537	13,537	-
Group Medical Insurance	50,760	50,760	49,828	932
Retirement and Death Benefits	42,468	42,468	42,354	114
Worker's Compensation	881	881	341	540
Unemployment Insurance	621	621	190	431
Other Post Employment	18,686	18,686	18,635	51
Office Supplies, Postage & Repairs	13,000	13,000	11,520	1,480
Telephone	400	500	500	-
Conferences and Dues	2,000	2,500	2,216	284
Rentals, Microfilming, & Indexing	35,800	33,220	13,483	19,737
Miscellaneous	300	200	63	137
Total District Clerk	355,399	353,319	329,613	23,706
JUSTICE OF THE PEACE PCT. 1 & 4				
Salaries - Justice of the Peace	44,357	44,357	44,357	-
Salaries - Secretary	38,681	38,681	38,680	1
Social Security	6,353	6,353	6,353	-
Group Medical Insurance	21,150	21,150	21,052	98
Retirement and Death Benefits	19,930	19,930	19,929	1
Worker's Compensation	394	394	308	86
Unemployment Insurance	182	182	54	128
Other Post Employment	8,769	8,769	8,769	-
Office Supplies and Repairs	3,500	4,000	4,000	-
Professional Services	3,500	3,500	3,475	25
Telephone	1,000	1,000	724	276
Travel	1,250	1,000	602	398
Conferences and Dues	1,800	1,550	915	635
Miscellaneous	200	124	90	34
Total Justices of the Peace Pct. 1 and 4	151,066	150,990	149,308	1,682

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (cont'd.)				
JUDICIAL (con'td.)				
JUSTICE OF THE PEACE PCT. 2 & 3				
Salaries - Justice of the Peace	\$ 44,357	\$ 44,357	\$ 44,357	\$ -
Salaries - Secretary	38,681	40,881	40,743	138
Social Security	6,353	6,523	6,523	-
Group Medical Insurance	21,150	21,850	21,748	102
Retirement	19,930	20,458	20,458	-
Worker's Compensation	394	400	-	400
Unemployment Insurance	182	187	56	131
Other Post Employment	8,769	9,002	9,002	-
Office Supplies and Repairs	4,000	4,287	4,287	-
Computer Replacement	1,000	1,000	-	1,000
Professional Services	3,970	3,970	3,051	919
Telephone	1,200	1,000	402	598
Travel	2,000	2,000	1,283	717
Conferences and Dues	2,000	2,000	1,022	978
Miscellaneous	200	113	113	-
Total Justices of the Peace Pct. 2 and 3	154,186	158,028	153,045	4,983
BAILIFFS AND JURORS				
Bailiffs	20,818	20,818	20,817	1
Group Medical Insurance	8,460	8,460	8,421	39
Retirement	4,997	4,997	4,996	1
Social Security Taxes	1,593	1,593	1,593	-
Worker's Compensation	669	669	576	93
Unemployment Insurance	98	98	29	69
Other Post Employment	2,199	2,199	2,198	1
Telephone	800	800	530	270
Conferences and Dues	1,000	1,000	-	1,000
Jurors, District & County	30,000	30,000	9,709	20,291
Miscellaneous	100	100	-	100
Total - Bailiffs, Jurors and Law Books	70,734	70,734	48,869	21,865
Total Judicial	1,118,633	1,134,569	1,072,245	62,324

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (Cont'd.)				
LEGAL				
DISTRICT ATTORNEY				
Salary - Asst. District Attorney	\$ 70,051	\$ 70,051	\$ 70,051	\$ -
Salary - Secretaries	77,361	77,361	71,844	5,517
Court Coordinator	29,611	29,611	29,611	-
Social Security	13,543	13,543	13,173	370
Group Medical Insurance	33,840	33,840	33,840	-
Retirement and Death Benefits	42,486	42,486	41,325	1,161
Worker's Compensation	1,156	1,156	1,013	143
Unemployment Insurance	828	828	205	623
Other Post Employment	18,694	18,694	18,183	511
Office Supplies and Repairs	12,000	12,000	5,500	6,500
Professional Services	36,450	37,150	37,150	-
Witness Expense	5,000	2,300	-	2,300
Special Prosecutor Contracts	-	-	-	-
Telephone	2,000	2,000	1,375	625
Conference & Dues	5,000	4,000	2,639	1,361
Law Enforcement Officer Standard Traini	696	696	-	696
Law Books	10,000	16,000	14,309	1,691
Miscellaneous	1,000	1,000	352	648
Total District Attorney	359,716	362,716	340,570	22,146
LAWSUITS AGAINST PANOLA COUNTY				
Attorney Fees	25,000	25,000	-	25,000
Settlements and Other	12,500	12,500	8,771	3,729
Total Lawsuits	37,500	37,500	8,771	28,729
Total Legal	397,216	400,216	349,341	50,875
ELECTIONS				
ELECTION JUDGES, CLERKS AND SUPPLIES				
Election Judges and Clerks	16,000	16,000	9,961	6,039
Social Security	1,224	1,224	-	1,224
Worker's Compensation	182	182	30	152
Professional Services	6,000	21,000	20,002	998
Polling Place Rent	900	900	365	535
Supplies and Miscellaneous	3,034	3,034	1,248	1,786
Total Election Judges, Clerks, and Supplies	27,340	42,340	31,606	10,734

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (Cont'd.)				
ELECTIONS (Cont'd.)				
VOTER REGISTRATION				
Salary - Voter Registrar	\$ 30,903	\$ 30,903	\$ 30,902	\$ 1
Deputies	25,787	25,787	25,787	-
Social Security	4,337	4,337	4,337	-
Group Medical Insurance	16,920	16,920	16,841	79
Retirement and Death Benefits	13,606	13,606	13,605	1
Worker's Compensation	272	272	105	167
Unemployment Insurance	266	266	79	187
Other Post Employment	5,987	5,987	5,986	1
Office Supplies and Repairs	2,500	1,900	1,793	107
Telephone	500	700	689	11
Internet Service	7,200	7,200	7,068	132
Conferences and Dues	1,000	1,000	270	730
Miscellaneous	355	255	-	255
Total Voter Registration	109,633	109,133	107,462	1,671
Total Elections	136,973	151,473	139,068	12,405
FINANCIAL ADMINISTRATION				
AUDITOR				
Salary - Auditor	54,887	54,887	54,887	-
Salaries - Assistant Auditors	82,853	82,853	82,853	-
Social Security	10,538	10,538	10,538	-
Group Medical Insurance	25,380	25,380	25,262	118
Retirement and Death Benefits	33,058	33,058	33,057	1
Worker's Compensation	708	708	255	453
Unemployment Insurance	643	643	193	450
Other Post Employment	14,546	14,546	14,545	1
Office Supplies and Repairs	2,000	2,500	2,333	167
Professional Computer Services	1,700	-	-	-
Telephone	600	700	645	55
Conferences and Dues	5,000	3,400	3,020	380
Re-creation, printing	1,600	1,600	1,404	196
Miscellaneous	376	376	28	348
Total Auditor	233,889	231,189	229,020	2,169

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
EXPENDITURES (Cont'd.)				
FINANCIAL ADMINISTRATION (Cont'd.)				
TREASURER				
Salary - Treasurer	\$ 44,357	\$ 44,357	\$ 44,357	\$ -
Salary - Deputies	55,228	55,228	51,528	3,700
Social Security	7,619	7,619	7,335	284
Group Medical Insurance	25,380	25,380	24,566	814
Retirement and Death Benefits	23,901	23,901	23,013	888
Worker's Compensation	502	502	185	317
Unemployment Insurance	259	259	72	187
Other Post Employment	10,517	10,517	10,125	392
Office Supplies and Repairs	2,400	3,400	2,982	418
Telephone	500	500	386	114
Professional Computer Services	6,000	-	-	-
Conferences and Dues	4,000	2,200	1,084	1,116
Miscellaneous	200	200	-	200
Total Treasurer	180,863	174,063	165,633	8,430
TAX ASSESSOR-COLLECTOR				
Salary - Tax Assessor-Collector	44,357	44,357	44,357	-
Salaries - Deputies	162,030	162,030	162,030	-
Salaries - Extra Help	10,285	10,285	8,667	1,618
Social Security	16,576	16,576	16,452	124
Group Medical Insurance	59,220	59,220	58,586	634
Retirement and Death Benefits	52,002	52,002	49,143	2,859
Worker's Compensation	1,074	1,074	402	672
Unemployment Insurance	807	807	239	568
Other Post Employment	21,795	21,795	21,623	172
Office Supplies and Repairs	3,925	2,925	2,922	3
Telephone	1,390	1,390	1,091	299
Conference and Dues	4,000	4,000	1,576	2,424
Re-creation, printing	500	500	-	500
Miscellaneous	500	500	270	230
Total Tax Assessor-Collector	378,461	377,461	367,358	10,103
Total Financial Admin.	793,213	782,713	762,011	20,702

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (Cont'd.)				
PUBLIC FACILITIES				
BUILDING MAINTENANCE				
Salary - Building Superintendent	\$ 32,640	\$ 32,640	\$ 32,640	\$ -
Seasonal Help	-	-	-	-
Travel Allowance	1,200	1,200	1,200	-
Social Security	2,589	2,589	2,589	-
Group Medical Insurance	8,460	8,460	8,408	52
Retirement	8,122	8,122	8,122	-
Worker's Compensation	2,205	2,205	1,142	1,063
Unemployment Insurance	171	171	47	124
Other Post Employment	3,574	3,574	3,574	-
S.W.E.A.T. Supplies	5,000	5,000	4,898	102
Operating Supplies	30,000	30,000	21,610	8,390
Repair and Maintenance Supplies	19,720	7,720	6,308	1,412
Professional Services	70,006	90,856	90,830	26
Telephone	800	800	390	410
Utilities	60,000	60,000	59,691	309
Repairs and Renovations	40,000	31,150	25,669	5,481
Miscellaneous	156	156	32	124
Total Building Maintenance	284,643	284,643	267,150	17,493
Total Public Facilities	284,643	284,643	267,150	17,493
PUBLIC SAFETY				
SHERIFF				
Salary - Sheriff	44,357	44,357	44,357	-
Salary - Chief Deputy	42,800	42,800	42,800	-
Salaries - Secretaries	77,361	77,361	77,360	1
Salaries - Juvenile Investigator	38,508	38,508	38,229	279
Salaries - Communication Officers	263,680	263,680	259,424	4,256
Salaries - Patrol and Investigative Deputies	419,169	419,169	415,751	3,418
Criminal Investigators	115,480	115,480	115,235	245
Captain	40,358	40,358	40,358	-
S.W.E.A.T. Coordinator	38,134	38,134	37,718	416
Social Security	82,609	82,609	81,908	701
Group Medical Insurance	262,260	262,260	259,311	2,949
Retirement and Death Benefits	259,164	259,164	256,962	2,202
Worker's Compensation	49,495	49,495	31,900	17,595
Unemployment Insurance	4,285	4,285	1,437	2,848
Other Post Employment	114,032	114,032	113,063	969
Office Supplies	24,500	23,500	20,600	2,900
Canine Expense	3,000	3,000	2,510	490

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
SHERIFF (Cont'd)				
Uniforms	\$ 14,700	\$ 14,700	\$ 9,922	\$ 4,778
Repair and Maintenance	3,000	4,000	2,691	1,309
Telephone and Radio Communications	11,000	11,000	10,835	165
Criminal Investigation	5,000	8,700	7,225	1,475
911 Supplies	2,000	2,200	2,157	43
Utilities	30,000	30,000	20,041	9,959
Gasoline, Auto Parts and Repairs	225,000	187,000	136,158	50,842
Conference, Dues, Lodging & Meals	22,000	21,296	16,404	4,892
Law Enforcement Officer Standard Traini	3,000	3,000	2,633	367
Miscellaneous	7,800	8,604	8,603	1
Total Sheriff	2,202,692	2,168,692	2,055,592	113,100
CONSTABLE PCT. 1 AND 4				
Salary - Constable Precinct #1	42,315	42,315	42,315	-
Social Security	3,238	3,238	3,237	1
Group Medical Insurance	8,460	8,460	8,421	39
Retirement and Death Benefits	10,156	10,156	10,156	-
Worker's Compensation	3,288	3,288	1,164	2,124
Other Post Employment	4,469	4,469	4,468	1
Law Enforcement Officer Standard Traini	696	696	225	471
Parts & Repairs	10,000	9,985	8,633	1,352
Telephone	800	800	556	244
Ammunition	1,000	444	443	1
Uniforms	1,000	1,000	933	67
Conferences & Dues	1,000	140	140	-
Capital Outlay - Furniture & Equipment				-
Miscellaneous	500	344	342	2
Total Constable Pct. 1 & 4	86,922	85,335	81,033	4,302
CONSTABLE PCT. 2 AND 3				
Salary - Constable Precinct #2	42,315	42,315	42,315	-
Social Security	3,238	3,238	3,237	1
Group Medical Insurance	8,460	8,460	8,421	39
Retirement and Death Benefits	10,156	10,156	10,156	-
Worker's Compensation	3,288	3,288	3,288	-
Other Post Employment	4,469	4,469	4,468	1
Ammunition	1,000	1,000	-	1,000
Uniforms	750	987	986	1
Telephone	800	800	645	155
Law Enforcement Officer Standard Traini	696	696	-	696
Parts & Repairs	10,000	10,000	9,189	811
Conferences & Dues	1,000	15	15	-
Miscellaneous	565	565	211	354
Total Constable Pct. 2 & 3	86,737	85,989	82,931	3,058

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
CORRECTIONS				
Salary - Sergeant and Jailors	\$ 660,258	\$ 660,258	\$ 632,286	\$ 27,972
Social Security	50,510	50,510	48,321	2,189
Group Medical Insurance	194,580	194,580	185,325	9,255
Retirement	158,462	158,462	151,586	6,876
Worker's Compensation	25,936	25,936	16,491	9,445
Unemployment Insurance	3,218	3,218	884	2,334
Other Post Employment	69,724	69,724	66,699	3,025
Clothing and Bedding	10,000	10,000	4,578	5,422
Jail Laundry	6,000	6,000	5,935	65
Office Supplies	3,000	3,000	376	2,624
Jail Board - Prisoners	200,000	200,000	112,250	87,750
Telephone	5,000	5,000	2,615	2,385
Medical - Prisoners	200,000	200,000	154,854	45,146
Utilities	100,000	95,000	63,332	31,668
Jail Repairs and Maintenance	21,000	21,000	7,569	13,431
Jail Repairs and Renovations	20,000	20,000	19,444	556
Rentals	3,600	3,600	805	2,795
Housing Prisoners	-	-	-	-
Miscellaneous Supplies	25,000	30,000	28,607	1,393
Miscellaneous	5,000	5,000	3,381	1,619
Total Corrections	1,761,288	1,761,288	1,505,338	255,950
RURAL ADDRESSING				
Salaries - Coordinator	61,187	68,993	68,102	891
Social Security	4,681	5,279	5,210	69
Group Medical Insurance	16,920	19,774	18,999	775
Retirement	14,685	16,559	16,344	215
Worker's Compensation	642	724	57	667
Unemployment Insurance	288	325	95	230
Other Post Employment	6,462	7,287	7,192	95
Office Supplies	1,200	1,200	706	494
Computer Parts	1,000	1,000	-	1,000
Signs & Posts	10,000	10,000	9,945	55
Computer Software	800	800	-	800
Telephone	1,600	1,600	1,069	531
Conference and Dues	400	400	109	291
Rental	3,600	3,780	3,780	-
Miscellaneous	500	320	143	177
Total Rural Addressing	123,965	138,041	131,751	6,290

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
HIGHWAY PATROL				
Salary - Secretary	\$ 25,787	\$ 25,787	\$ 25,787	\$ -
Social Security	1,973	1,973	1,973	-
Group Medical Insurance	8,460	8,460	8,421	39
Retirement and Death Benefits	6,189	6,189	6,189	-
Worker's Compensation	133	133	48	85
Unemployment Insurance	121	121	36	85
Other Post Employment	2,724	2,724	2,723	1
Telephone	1,000	1,000	868	132
Game Warden's Supplies	500	500	110	390
Highway Patrol's Cellular Phone	2,200	2,200	1,434	766
Office Supplies and Repairs	1,700	1,700	1,700	-
Miscellaneous	500	500	500	-
Total Highway Patrol	51,287	51,287	49,789	1,498
FIRE SAFETY				
Fire Services	1,500	1,500	1,500	-
Total Fire Safety	1,500	1,500	1,500	-
Total Public Safety	4,314,391	4,292,132	3,907,934	384,198
ENVIRONMENTAL PROTECTION				
Trash Disposal	346,000	356,000	355,109	891
Total Trash Disposal	346,000	356,000	355,109	891
Total Environmental Protection	346,000	356,000	355,109	891
HEALTH AND PAUPERS CARE				
Medical	\$ 15,000	\$ 9,658	\$ 3,848	\$ 5,810
Aging Match	3,200	3,200	-	3,200
Disaster Relief	-	-	-	-
Mental Health - Mental Retardation Cente	28,000	28,000	28,000	-
Statements of Facts	14,000	14,000	4,251	9,749
Autopsies, Inquests, & Burials	70,000	75,342	75,342	-
Mental Evaluation of Prisoners	5,000	5,000	-	5,000
Retarded Citizens Association	6,500	6,500	6,500	-
Alcohol Abuse Program	4,000	4,000	4,000	-
Child Protective Services				-
Attorney Fees -Juveniles	20,000	20,000	6,813	13,187
Juvenile Probation				-
Attorney Fees	200,000	200,000	142,691	57,309
Open Door/Juvenile Care	5,000	5,000	5,000	-
Miscellaneous	200	200	-	200
Health Officer	6,000	6,000	6,000	-
Total Health and Paupers Care	376,900	376,900	282,445	94,455

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
RECREATION				
LIBRARY				
Salaries - Librarians	153,591	153,591	153,589	2
Temporary Librarian	7,470	7,470	7,351	119
Social Security	12,322	12,322	12,312	10
Group Medical Insurance	50,760	50,760	50,524	236
Retirement and Death Benefits	38,655	38,655	36,861	1,794
Worker's Compensation	1,350	1,350	685	665
Unemployment Insurance	749	749	225	524
Other Post Employment	16,220	16,220	16,219	1
Supplies & Books	20,027	20,027	20,027	-
Repairs & Maintenance	-	1,500	1,500	-
Software & Supplies	3,000	3,000	2,629	371
Insurance	2,000	2,000	1,905	95
Total Library	306,144	307,644	303,827	3,817
YOUTH PROGRAMS				
Carthage	10,000	10,000	10,000	-
Beckville	3,000	3,000	-	3,000
Gary	2,000	2,000	2,000	-
Exposition Bldg.-Maintenance	5,000	5,000	2,671	2,329
Boys and Girls Club	2,000	2,000	-	2,000
Total Youth Programs	22,000	22,000	14,671	7,329
Total Recreation	328,144	329,644	318,498	11,146
CONSERVATION				
AGRICULTURAL EXTENSION SERVICE				
Salary - County Extension Agent	\$ 13,498	\$ 13,498	\$ 13,498	\$ -
Salary - Home Extension Agent	13,498	13,498	13,498	-
Expense Allowances - Agents	11,100	11,100	11,100	-
Salary - Secretary	25,787	25,787	24,008	1,779
Social Security	4,888	4,888	4,751	137
Group Medical Insurance	8,460	8,460	8,421	39
Retirement and Death Benefit	6,189	6,189	5,762	427
Worker's Compensation	1,676	1,601	1,301	300
Unemployment Insurance	301	301	87	214
Other Post Employment	2,723	2,723	2,535	188
Office Supplies, Postage & Repairs	1,350	1,700	1,699	1
Telephone	500	500	467	33
Travel	3,500	5,292	4,984	308
Conferences and Dues	1,500	571	557	14
Miscellaneous Supplies	250	-	-	-
Miscellaneous	328	-	-	-
Total Extension Service	95,548	96,108	92,668	3,440
Total Conservation	95,548	96,108	92,668	3,440

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
CAPITAL OUTLAY				
GENERAL ADMINISTRATION				
County Judge	250	2,587	2,571	16
Commissioners	250	250	-	250
County Clerk	8,128	8,128	6,325	1,803
Veterans Service Officer	300	300	-	300
Airport	-	1,000	980	20
Miscellaneous and Non-Departmental	430,000	127,924	103,939	23,985
JUDICIAL				
District Court	3,500	3,500	-	3,500
County Court at Law	3,650	3,650	348	3,302
District Clerk	7,628	9,708	9,249	459
Justice of the Peace Pct. 1 & 4	695	771	771	-
Justice of the Peace Pct. 2 & 3	495	495	169	326
LEGAL				
District Attorney	4,250	1,250	428	822
ELECTIONS				
Election Judges, Clerks and Supplies	-	47,915	47,080	835
Voter Registration	-	500	489	11
FINANCIAL ADMINISTRATION				
Auditor	3,300	6,000	6,000	-
Treasurer	-	6,800	5,063	1,737
Tax Assessor-Collector	-	1,000	932	68
PUBLIC FACILITIES				
Building Maintenance	-	40,000	39,290	710
PUBLIC SAFETY				
Sheriff	100,000	301,087	289,694	11,393
Constable Pct. 1 and 4	5,000	7,587	6,461	1,126
Constable Pct. 2 and 3	1,253	3,001	2,245	756
Corrections	10,000	65,000	15,674	49,326
Rural Addressing	30,000	30,000	7,908	22,092
Highway Patrol	3,000	3,000	2,704	296
CONSERVATION				
Agriculture Extension Service	1,000	440	440	-
Total Capital Outlay	612,699	671,893	548,760	123,133
Total Expenditures	12,622,971	12,502,084	11,112,523	1,389,561
Excess (Deficiency) of Revenues Over (Under) Expenditures	(239,000)	126,633	2,712,777	2,586,144
OTHER FINANCING SOURCES (USES):				
Transfers Out	(161,000)	(567,482)	(567,482)	-
Total Other Financing Sources (Uses)	(161,000)	(567,482)	(567,482)	-
Net Change in Fund Balance	(400,000)	(440,849)	2,145,295	2,586,144
FUND BALANCE, BEGINNING	9,427,291	9,427,291	9,427,291	-
FUND BALANCE, ENDING	\$ 9,027,291	\$ 8,986,442	\$ 11,572,586	\$ 2,586,144

THIS PAGE LEFT BLANK INTENTIONALLY

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

THIS PAGE LEFT BLANK INTENTIONALLY

**PANOLA COUNTY, TEXAS
COMBINED BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	Special Revenue	Debt Service	Capital Projects	Total Other Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 1,470,987	\$ 9,931	\$ 282,464	\$ 1,763,382
Investments	6,715,661	1,322,444	457,000	8,495,105
Receivables (net of allowance for uncollectible taxes)				
Current Taxes	70,903	181,518	-	252,421
Delinquent Taxes	13,472	31,286	-	44,758
Due From Other Governments	13,791	34,859		48,650
Miscellaneous	172,901	1,658	135	174,694
Inventory	24,346	-	-	24,346
Total Assets	\$ 8,482,061	\$1,581,696	\$ 739,599	\$ 10,803,356
LIABILITIES:				
Accounts Payable-Trade	\$ 154,971	\$ -	\$ 91,625	\$ 246,596
Deferred Tax Revenues	542,828	1,380,106	-	1,922,934
Total Liabilities	697,799	1,380,106	91,625	2,169,530
FUND BALANCES:				
Reserved for Inventory	24,346	-	-	24,346
Reserved for Debt Service	-	201,590	-	201,590
Designated for Health Care	3,591,363	-	-	3,591,363
Designated for Capital Projects	-	-	647,974	647,974
Unreserved and Undesignated	4,168,553	-	-	4,168,553
Total Fund Balances	7,784,262	201,590	647,974	8,633,826
Total Liabilities and Fund Balances	\$ 8,482,061	\$1,581,696	\$ 739,599	\$ 10,803,356

PANOLA COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Special	Debt	Capital	Total Other
	Revenue	Service	Projects	Governmental
REVENUES				Funds
Property Taxes	\$ 524,174	\$1,393,114	\$ -	\$ 1,917,288
Intergovernmental Receipts	731,536	-	-	731,536
Fees of Office	664,930	-	-	664,930
Miscellaneous	2,369,359	9,860	8,001	2,387,220
TOTAL REVENUES	4,289,999	1,402,974	8,001	5,700,974
EXPENDITURES				
Current:				
General Administration	213,951	-	-	213,951
Legal	139,003	-	-	139,003
Public Facilities	28,150	-	-	28,150
Public Safety	1,230,281	-	-	1,230,281
Public Transportation	619,031	-	24,603	643,634
Health & Paupers Care	2,051,964	-	-	2,051,964
Capital Outlay:				
Public Safety	-	-	233,502	233,502
Debt Service:				
Principal	-	1,285,000	-	1,285,000
Interest	-	78,308	-	78,308
TOTAL EXPENDITURES	4,282,380	1,363,308	258,105	5,903,793
Excess (Deficiency) of Revenues				
Over Expenditures	7,619	39,666	(250,104)	(202,819)
OTHER FINANCING SOURCES (USES)				
Transfers In	161,000	-	406,482	567,482
TOTAL OTHER FINANCING SOURCES	161,000	-	406,482	567,482
NET CHANGE IN FUND BALANCES	168,619	39,666	156,378	364,663
FUND BALANCE-BEGINNING OF YEAR	7,615,643	161,924	491,596	8,269,163
FUND BALANCE-END OF YEAR	\$ 7,784,262	\$ 201,590	\$ 647,974	\$ 8,633,826

**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 – 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010**

	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT
ASSETS:				
Cash and Cash Equivalents	\$ 5,717	\$ 98	\$ 58,819	\$ 5,971
Investments	20,000	-	189,000	115,000
Receivables (net of allowance for uncollectible taxes)				
Current Taxes	-	-	-	-
Delinquent Taxes	-	-	-	-
Miscellaneous	614	-	261	501
Due From Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	\$ 26,331	\$ 98	\$ 248,080	\$ 121,472
LIABILITIES:				
Accounts Payable-Trade	\$ 1,469	\$ -	\$ 1	\$ 6
Deferred Tax Revenues	-	-	-	-
Total Liabilities	1,469	-	1	6
FUND BALANCES:				
Reserved for Inventory	-	-	-	-
Designated for Health Care	-	-	-	-
Unreserved and Undesignated	24,862	98	248,079	121,466
Total Fund Balances	24,862	98	248,079	121,466
Total Liabilities and Fund Balances	\$ 26,331	\$ 98	\$ 248,080	\$ 121,472

COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST
\$ 294	\$ 3,368	\$ 127,424	\$ 68,326	\$ 12,510	\$ 6,508
-	-	149,000	141,000	50,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	172	228	295	49	313
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 294</u>	<u>\$ 3,540</u>	<u>\$ 276,652</u>	<u>\$ 209,621</u>	<u>\$ 62,559</u>	<u>\$ 6,821</u>
\$ -	\$ -	\$ 2,151	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	2,151	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
294	3,540	274,501	209,621	62,559	6,821
294	3,540	274,501	209,621	62,559	6,821
<u>\$ 294</u>	<u>\$ 3,540</u>	<u>\$ 276,652</u>	<u>\$ 209,621</u>	<u>\$ 62,559</u>	<u>\$ 6,821</u>

**PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010**

	ELECTION SERVICES CONTRACT	FM & LATERAL	COMMUNITY SUPERVISION AND CORRECTIONS
ASSETS:			
Cash and Cash Equivalents	\$ 13,552	\$ 163,215	\$ 346,267
Investments	-	1,529,661	150,000
Receivables (net of allowance for uncollectible taxes)			
Current Taxes	-	70,903	-
Delinquent Taxes	-	13,472	-
Miscellaneous	2,550	1,900	34,245
Due From Other Funds	-	13,791	-
Inventory	-	-	-
Total Assets	\$ 16,102	\$ 1,792,942	\$ 530,512
LIABILITIES:			
Accounts Payable-Trade	\$ 985	\$ 3,862	\$ 7,756
Deferred Tax Revenues	-	542,828	-
Total Liabilities	985	546,690	7,756
FUND BALANCES:			
Reserved for Inventory	-	-	-
Designated For Health Care	-	-	-
Unreserved and Undesignated	15,117	1,246,252	522,756
Total Fund Balances	15,117	1,246,252	522,756
Total Liabilities and Fund Balances	\$ 16,102	\$ 1,792,942	\$ 530,512

DRUG COURT GRANT	JUVENILE PROBATION	OLD PROBATION	HOT CHECK FEE	SHERIFF'S STATE FORFEITURE	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE
\$ 50,500	\$ 172,425	\$ 1,242	\$ 22,496	\$ 107,804	\$ 3	\$ 70,884
-	250,000	10,000	55,000	180,000	-	126,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
17,762	1,487	17	1,862	143	100	88
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 68,262</u>	<u>\$ 423,912</u>	<u>\$ 11,259</u>	<u>\$ 79,358</u>	<u>\$ 287,947</u>	<u>\$ 103</u>	<u>\$ 196,972</u>
\$ 12,593	\$ 21,953	\$ -	\$ 20	\$ -	\$ -	\$ 210
-	-	-	-	-	-	-
<u>12,593</u>	<u>21,953</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>210</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
55,669	401,959	11,259	79,338	287,947	103	196,762
<u>55,669</u>	<u>401,959</u>	<u>11,259</u>	<u>79,338</u>	<u>287,947</u>	<u>103</u>	<u>196,762</u>
<u>\$ 68,262</u>	<u>\$ 423,912</u>	<u>\$ 11,259</u>	<u>\$ 79,358</u>	<u>\$ 287,947</u>	<u>\$ 103</u>	<u>\$ 196,972</u>

**PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010**

	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	CDA FEDERAL FORFEITURE
ASSETS:				
Cash and Cash Equivalents	\$ 532	\$ 297	\$ 1,989	\$ 54,718
Investments	-	-	-	-
Receivables (net of allowance for uncollectible taxes)				
Current Taxes	-	-	-	-
Delinquent Taxes	-	-	-	-
Miscellaneous	-	-	-	-
Due From Other Funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	\$ 532	\$ 297	\$ 1,989	\$ 54,718
LIABILITIES:				
Accounts Payable-Trade	\$ -	\$ -	\$ -	\$ -
Deferred Tax Revenues	-	-	-	-
Total Liabilities	-	-	-	-
FUND BALANCES:				
Reserved for Inventory	-	-	-	-
Designated for Health Care	-	-	-	-
Unreserved and Undesignated	532	297	1,989	54,718
Total Fund Balances	532	297	1,989	54,718
Total Liabilities and Fund Balances	\$ 532	\$ 297	\$ 1,989	\$ 54,718

CONSTABLE PCT. 1&4 FEDERAL FORFEITURES	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	DEADWOOD WATER SUPPLY CORPORATION	CHILD PROTECTIVE SERVICES	HEALTH FUND	AIRPORT
\$ 2,795	\$ 2,626	\$ 3,500	\$ 12,935	\$ 67,569	\$ 86,603
-	-	-	41,000	3,525,000	185,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,500	6,380	97,259	1,175
-	-	-	-	-	-
-	-	-	-	-	24,346
<u>\$ 2,795</u>	<u>\$ 2,626</u>	<u>\$ 9,000</u>	<u>\$ 60,315</u>	<u>\$ 3,689,828</u>	<u>\$ 297,124</u>
\$ -	\$ -	\$ 5,500		\$ 98,465	\$ -
-	-	-		-	-
-	-	5,500	-	98,465	-
-	-	-	-	-	24,346
-	-	-	-	3,591,363	-
2,795	2,626	3,500	60,315	-	272,778
<u>2,795</u>	<u>2,626</u>	<u>3,500</u>	<u>60,315</u>	<u>3,591,363</u>	<u>297,124</u>
<u>\$ 2,795</u>	<u>\$ 2,626</u>	<u>\$ 9,000</u>	<u>\$ 60,315</u>	<u>\$ 3,689,828</u>	<u>\$ 297,124</u>

THIS PAGE LEFT BLANK INTENTIONALLY

**PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010**

	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL
ASSETS:	
Cash and Cash Equivalents	\$ 1,470,987
Investments	6,715,661
Receivables (net of allowance for uncollectible taxes)	
Current Taxes	70,903
Delinquent Taxes	13,472
Miscellaneous	172,901
Due From Other Funds	13,791
Inventory	24,346
Total Assets	\$ 8,482,061
LIABILITIES:	
Accounts Payable-Trade	\$ 154,971
Deferred Tax Revenues	542,828
Total Liabilities	697,799
FUND BALANCES:	
Reserved for Inventory	24,346
Designated for Health Care	3,591,363
Unreserved and Undesignated	4,168,553
Total Fund Balances	7,784,262
Total Liabilities and Fund Balances	\$ 8,482,061

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>LAW LIBRARY</u>	<u>JUVENILE DELINQUENCY PREVENTION</u>	<u>COURT- HOUSE SECURITY</u>	<u>RECORDS MANAGEMENT</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-
Fees of Office	17,845	97	21,679	14,203
Miscellaneous	565	1	3,462	1,638
TOTAL REVENUES	<u>18,410</u>	<u>98</u>	<u>25,141</u>	<u>15,841</u>
EXPENDITURES				
Current				
General Administration	-	-	21,594	6,542
Legal	18,200	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	-
Health & Paupers Care	-	-	-	-
TOTAL EXPENDITURES	<u>18,200</u>	<u>-</u>	<u>21,594</u>	<u>6,542</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>210</u>	<u>98</u>	<u>3,547</u>	<u>9,299</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	210	98	3,547	9,299
FUND BALANCE-BEGINNING OF YEAR	<u>24,652</u>	<u>-</u>	<u>244,532</u>	<u>112,167</u>
FUND BALANCE-END OF YEAR	<u><u>\$ 24,862</u></u>	<u><u>\$ 98</u></u>	<u><u>\$ 248,079</u></u>	<u><u>\$ 121,466</u></u>

COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
293	3,520	48,700	42,840	8,876	-
1	20	3,397	3,885	805	389
294	3,540	52,097	46,725	9,681	389
-	-	28,546	149,490	7,064	715
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	28,546	149,490	7,064	715
294	3,540	23,551	(102,765)	2,617	(326)
-	-	-	-	-	-
-	-	-	-	-	-
294	3,540	23,551	(102,765)	2,617	(326)
-	-	250,950	312,386	59,942	7,147
\$ 294	\$ 3,540	\$ 274,501	\$ 209,621	\$ 62,559	\$ 6,821

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>ELECTION SERVICES CONTRACT</u>	<u>FM & LATERAL</u>	<u>COMMUNITY SUPERVISION AND CORRECTIONS</u>	<u>DRUG COURT GRANT</u>
REVENUES				
Property Taxes	\$ -	\$ 524,174	\$ -	\$ -
Intergovernmental Receipts	-	-	400,680	91,821
Fees of Office	-	-	474,994	10,976
Miscellaneous	5,190	69,226	6,687	435
TOTAL REVENUES	<u>5,190</u>	<u>593,400</u>	<u>882,361</u>	<u>103,232</u>
EXPENDITURES				
Current				
General Administration	-	-	-	-
Legal	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	755,839	91,821
Public Transportation	-	476,949	-	-
Health & Paupers Care	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>476,949</u>	<u>755,839</u>	<u>91,821</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>5,190</u>	<u>116,451</u>	<u>126,522</u>	<u>11,411</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	5,190	116,451	126,522	11,411
FUND BALANCE-BEGINNING OF YEAR	<u>9,927</u>	<u>1,129,801</u>	<u>396,234</u>	<u>44,258</u>
FUND BALANCE-END OF YEAR	<u><u>\$ 15,117</u></u>	<u><u>\$ 1,246,252</u></u>	<u><u>\$ 522,756</u></u>	<u><u>\$ 55,669</u></u>

<u>JUVENILE PROBATION</u>	<u>OLD PROBATION</u>	<u>HOT CHECK FEE</u>	<u>SHERIFF'S STATE FORFEITURE</u>	<u>DIST ATTY LONGEVITY PAY SUPPLEMENT</u>	<u>D.A. FORFEITURE</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164,485	-	-	-	4,560	-
-	-	20,907	-	-	-
5,842	155	-	44,034	62	38,661
<u>170,327</u>	<u>155</u>	<u>20,907</u>	<u>44,034</u>	<u>4,622</u>	<u>38,661</u>
-	-	-	-	-	-
-	-	15,022	-	4,560	66,771
-	-	-	-	-	-
311,923	-	-	70,538	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>311,923</u>	<u>-</u>	<u>15,022</u>	<u>70,538</u>	<u>4,560</u>	<u>66,771</u>
(141,596)	155	5,885	(26,504)	62	(28,110)
133,000	-	-	-	-	-
133,000	-	-	-	-	-
(8,596)	155	5,885	(26,504)	62	(28,110)
410,555	11,104	73,453	314,451	41	224,872
<u>\$ 401,959</u>	<u>\$ 11,259</u>	<u>\$ 79,338</u>	<u>\$ 287,947</u>	<u>\$ 103</u>	<u>\$ 196,762</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>STATE APPORTION- MENT - DA</u>	<u>CONSTABLE PCT. 1&4 STATE FORFEITURES</u>	<u>CONSTABLE PCT. 2 & 3 STATE FORFEITURES</u>	<u>CDA FEDERAL FORFEITURE</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	34,450	-	-	-
Fees of Office	-	-	-	-
Miscellaneous	14	3	23	599
TOTAL REVENUES	<u>34,464</u>	<u>3</u>	<u>23</u>	<u>599</u>
EXPENDITURES				
Current				
General Administration	-	-	-	-
Legal	34,450	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	-
Health & Paupers Care	-	-	-	-
TOTAL EXPENDITURES	<u>34,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>14</u>	<u>3</u>	<u>23</u>	<u>599</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	14	3	23	599
FUND BALANCE-BEGINNING OF YEAR	<u>518</u>	<u>294</u>	<u>1,966</u>	<u>54,119</u>
FUND BALANCE-END OF YEAR	<u><u>\$ 532</u></u>	<u><u>\$ 297</u></u>	<u><u>\$ 1,989</u></u>	<u><u>\$ 54,718</u></u>

CONSTABLE PCT. 1&4 FEDERAL FORFEITURES	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	DEADWOOD WATER SUPPLY CORPORATION	CHILD PROTECTIVE SERVICES	HEALTH FUND	AIRPORT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	28,150	7,390	-	-
-	-	-	-	-	-
31	29	3,500	2,288	2,026,718	151,699
31	29	31,650	9,678	2,026,718	151,699
-	-	-	-	-	-
-	-	-	-	-	-
-	-	28,150	-	-	-
160	-	-	-	-	-
-	-	-	-	-	142,082
-	-	-	24,041	2,027,923	-
160	-	28,150	24,041	2,027,923	142,082
(129)	29	3,500	(14,363)	(1,205)	9,617
-	-	-	28,000	-	-
-	-	-	28,000	-	-
(129)	29	3,500	13,637	(1,205)	9,617
2,924	2,597	-	46,678	3,592,568	287,507
\$ 2,795	\$ 2,626	\$ 3,500	\$ 60,315	\$ 3,591,363	\$ 297,124

THIS PAGE LEFT BLANK INTENTIONALLY

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURE
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL
REVENUES	
Property Taxes	\$ 524,174
Intergovernmental Receipts	731,536
Fees of Office	664,930
Miscellaneous	<u>2,369,359</u>
TOTAL REVENUES	<u>4,289,999</u>
EXPENDITURES	
Current	
General Administration	213,951
Legal	139,003
Public Facilities	28,150
Public Safety	1,230,281
Public Transportation	619,031
Health & Paupers Care	<u>2,051,964</u>
TOTAL EXPENDITURES	<u>4,282,380</u>
 Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>7,619</u>
 OTHER FINANCING SOURCES (USES)	
Transfers In	<u>161,000</u>
 TOTAL OTHER FINANCING SOURCE	<u>161,000</u>
 NET CHANGE IN FUND BALANCES	168,619
 FUND BALANCE-BEGINNING OF YEAR	<u>7,615,643</u>
 FUND BALANCE-END OF YEAR	<u>\$ 7,784,262</u>

THIS PAGE LEFT BLANK INTENTIONALLY

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
LAW LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
Law Library Fees	\$ 16,000	\$ 16,000	\$ 17,845	\$ 1,845
MISCELLANEOUS				
Interest Earnings	200	200	565	365
Total Revenues	<u>16,200</u>	<u>16,200</u>	<u>18,410</u>	<u>2,210</u>
EXPENDITURES				
Current:				
Legal	18,200	18,200	18,200	-
Total Expenditures	<u>18,200</u>	<u>18,200</u>	<u>18,200</u>	<u>-</u>
Net Change in Fund Balances	(2,000)	(2,000)	210	2,210
FUND BALANCE, BEGINNING OF YEAR		24,652	24,652	-
FUND BALANCE, END OF YEAR	<u>\$ (2,000)</u>	<u>\$ 22,652</u>	<u>\$ 24,862</u>	<u>\$ 2,210</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
COURTHOUSE SECURITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 2,180	\$ 2,180	\$ 2,278	\$ 98
County Clerk Fees	8,406	8,898	10,484	1,586
JP Offices	9,408	8,916	8,916	-
Total Fees of Office	<u>19,994</u>	<u>19,994</u>	<u>21,678</u>	<u>1,684</u>
MISCELLANEOUS				
Interest Earnings	2,971	2,971	3,463	492
Total Revenues	<u>22,965</u>	<u>22,965</u>	<u>25,141</u>	<u>2,176</u>
EXPENDITURES				
Current:				
General Administration:				
Baliff and Security	14,909	14,909	14,908	1
Social Security Taxes	1,141	1,141	1,141	-
Workers Compensation	391	391	372	19
Unemployment Insurance	70	70	21	49
Other Post Employment	1,575	1,575	1,574	1
Retirement	3,579	3,579	3,578	1
Capital Outlay:				
General Administration	1,300	1,300	-	1,300
Total Expenditures	<u>22,965</u>	<u>22,965</u>	<u>21,594</u>	<u>1,371</u>
Net Change in Fund Balances	-	-	3,547	3,547
FUND BALANCE, BEGINNING OF YEAR	<u>244,532</u>	<u>244,532</u>	<u>244,532</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 244,532</u>	<u>\$ 244,532</u>	<u>\$ 248,079</u>	<u>\$ 3,547</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
RECORDS MANAGEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 3,083	\$ 3,083	\$ 6,685	\$ 3,602
County Clerk Fees	4,836	4,836	7,518	2,682
Total Fees of Office	<u>7,919</u>	<u>7,919</u>	<u>14,203</u>	<u>6,284</u>
MISCELLANEOUS				
Interest Earnings	986	986	1,638	652
Total Revenues	<u>8,905</u>	<u>8,905</u>	<u>15,841</u>	<u>6,936</u>
EXPENDITURES				
Current:				
General Administration:				
Seasonal Help	6,716	6,716	6,073	643
Retirement	1,612	1,612	465	1,147
Social Security Taxes	514	514	-	514
Workers Compensation	33	33	-	33
Unemployment Insurance	30	30	4	26
Total Expenditures	<u>8,905</u>	<u>8,905</u>	<u>6,542</u>	<u>2,363</u>
Net Change in Fund Balances	-	-	9,299	9,299
FUND BALANCE, BEGINNING OF YEAR	<u>112,167</u>	<u>112,167</u>	<u>112,167</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 112,167</u>	<u>\$ 112,167</u>	<u>\$ 121,466</u>	<u>\$ 9,299</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
RECORDS PRESERVATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
County Clerks Fees	\$ 34,910	\$ 34,910	\$ 48,700	\$ 13,790
Total Fees of Office	<u>34,910</u>	<u>34,910</u>	<u>48,700</u>	<u>13,790</u>
MISCELLANEOUS				
Interest Earnings	2,600	2,600	3,397	797
Total Revenues	<u>37,510</u>	<u>37,510</u>	<u>52,097</u>	<u>14,587</u>
EXPENDITURES				
Current:				
General Administration:				
Seasonal Help	6,716	6,716	4,542	2,174
Social Security Taxes	514	514	347	167
Retirement	1,612	1,612	-	1,612
Workers Compensation	38	38	-	38
Unemployment Insurance	30	30	7	23
Rentals, Microfilm	25,000	25,000	23,650	1,350
Internet Download	3,600	3,600	-	3,600
Total Expenditures	<u>37,510</u>	<u>37,510</u>	<u>28,546</u>	<u>8,964</u>
Net Change in Fund Balances	-	-	23,551	23,551
FUND BALANCE, BEGINNING OF YEAR	<u>250,950</u>	<u>250,950</u>	<u>250,950</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 250,950</u>	<u>\$ 250,950</u>	<u>\$ 274,501</u>	<u>\$ 23,551</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
RECORDS ARCHIVE FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
County Clerk Fees	\$ 4,000	\$ 4,000	\$ 42,840	\$ 38,840
Total Fees of Office	<u>4,000</u>	<u>4,000</u>	<u>42,840</u>	<u>38,840</u>
MISCELLANEOUS				
Interest Earnings	<u>1,000</u>	<u>1,000</u>	<u>3,885</u>	<u>2,885</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>46,725</u>	<u>41,725</u>
EXPENDITURES				
Current:				
General Administration:				
Professional Services	5,000	5,000	-	5,000
Digitizing	<u>180,000</u>	<u>180,000</u>	<u>149,490</u>	<u>30,510</u>
Total Expenditures	<u>185,000</u>	<u>185,000</u>	<u>149,490</u>	<u>35,510</u>
Net Change in Fund Balances	(180,000)	(180,000)	(102,765)	77,235
FUND BALANCE, BEGINNING OF YEAR	<u>312,386</u>	<u>312,386</u>	<u>312,386</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 132,386</u>	<u>\$ 132,386</u>	<u>\$ 209,621</u>	<u>\$ 77,235</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
JP Offices	\$ 9,500	\$ 8,876	\$ 8,876	\$ -
Total Fees of Office	<u>9,500</u>	<u>8,876</u>	<u>8,876</u>	<u>-</u>
MISCELLANEOUS				
Interest Earnings	500	804	805	1
Total Revenues	<u>10,000</u>	<u>9,680</u>	<u>9,681</u>	<u>1</u>
EXPENDITURES				
Current:				
General Administration:				
Professional Services	5,000	4,680	4,086	594
Supplies	5,000	5,000	2,978	2,022
Total Expenditures	<u>10,000</u>	<u>9,680</u>	<u>7,064</u>	<u>2,616</u>
Net Change in Fund Balances	-	-	2,617	2,617
FUND BALANCE, BEGINNING OF YEAR	<u>59,942</u>	<u>59,942</u>	<u>59,942</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 59,942</u>	<u>\$ 59,942</u>	<u>\$ 62,559</u>	<u>\$ 2,617</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
VIT INTEREST SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Miscellaneous Revenue:				
Interest Earnings	\$ 244	\$ 244	\$ 389	\$ 145
Total Revenues	<u>244</u>	<u>244</u>	<u>389</u>	<u>145</u>
EXPENDITURES				
Current:				
Deputy Supplement	502	502	501	1
Social Security Taxes	39	39	39	-
Retirement	121	121	120	1
Workers Compensation	12	12	1	11
Unemployment Insurance	3	3	1	2
Other Post Employment	54	54	53	1
Total Expenditures	<u>731</u>	<u>731</u>	<u>715</u>	<u>16</u>
Net Change in Fund Balances	(487)	(487)	(326)	161
FUND BALANCE, BEGINNING OF YEAR	<u>7,147</u>	<u>7,147</u>	<u>7,147</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,660</u>	<u>\$ 6,660</u>	<u>\$ 6,821</u>	<u>\$ 161</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FARM TO MARKET AND LATERAL ROAD SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES				
Current	\$ 492,039	\$ 492,039	\$ 511,054	\$ 19,015
Delinquent	8,777	8,777	13,120	4,343
Total Property Taxes	500,816	500,816	524,174	23,358
MISCELLANEOUS				
Interest Earned	17,628	17,628	20,580	2,952
Miscellaneous	-	6,000	48,646	42,646
Total Miscellaneous	17,628	23,628	69,226	45,598
Total Revenues	518,444	524,444	593,400	68,956
EXPENDITURES				
Current:				
Public Transportation				
Salaries - Road and Bridge Department	122,430	122,430	96,268	26,162
Benefits Termination	1,286	4,286	2,787	1,499
Social Security Taxes	9,465	9,465	7,578	1,887
Group Insurance	25,380	25,380	22,408	2,972
Retirement and Death Benefits	29,692	29,692	23,773	5,919
Other Post Employment	13,065	13,065	7,374	5,691
Retiree Medical Insurance Trust	14,868	14,868	14,868	-
Workers Compensation	32,496	32,496	2,354	30,142
Optional Retirement	29,961	29,961	29,961	-
Unemployment Insurance	1,251	1,251	139	1,112
Repair and Maintenance	13,000	34,700	32,316	2,384
Parts and Repairs	20,000	10,300	10,116	184
Conferences and Dues	900	-	-	-
Utilities	12,000	15,900	14,903	997
Contractor Service	8,000	8,900	7,925	975
Physicals and Drug	1,000	2,000	1,803	197
Rentals and Leases	5,000	2,100	2,100	-
Beaver Control	26,400	26,400	26,400	-
Liability and Other Insurance	125,000	132,000	131,521	479
Miscellaneous	11,250	1,250	1,218	32
Capital Outlay:				
Public Transportation	16,000	148,000	41,137	106,863
Total Expenditures	518,444	664,444	476,949	187,495
Net Change in Fund Balances	-	(140,000)	116,451	256,451
FUND BALANCE, BEGINNING OF YEAR	1,129,801	1,129,801	1,129,801	-
FUND BALANCE, END OF YEAR	\$ 1,129,801	\$ 989,801	\$ 1,246,252	\$ 256,451

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY SUPERVISION AND CORRECTION DEPARTMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Aid	234,494	234,494	234,494	\$ -
SAFPE Payments	4,180	4,180	4,180	-
Rider 80	21,225	21,225	21,225	-
C.S.R. Coordinator	40,643	40,643	40,643	-
Absconder Caseload	38,992	38,992	38,992	-
Sex Offender/DV Services	10,790	10,790	10,790	-
Specialized Caseload-Sex Offender	50,356	50,356	50,356	-
Total Intergovernmental Receipts	400,680	400,680	400,680	-
FEES OF OFFICE				
Probation Fees	456,196	456,196	456,196	-
Payments by Program Participants	18,798	18,798	18,798	-
Total Fees of Office	474,994	474,994	474,994	-
MISCELLANEOUS				
Interest Earned	5,546	5,546	5,546	-
Miscellaneous	1,141	1,141	1,141	-
Total Miscellaneous	6,687	6,687	6,687	-
Total Revenues	882,361	882,361	882,361	-
EXPENDITURES				
Current:				
Public Safety:				
Supervision	626,373	626,373	626,373	
C.S.R. Coordination	30,448	30,448	30,448	
CSCD Sex Offender	8,881	8,881	8,881	
Specialized Caseload	49,450	49,450	49,450	
Absconder Caseload	40,687	40,687	40,687	
Total Expenditures	755,839	755,839	755,839	-
Net Change in Fund Balances	126,522	126,522	126,522	-
FUND BALANCE, BEGINNING OF YEAR	396,234	396,234	396,234	-
FUND BALANCE, END OF YEAR	\$ 522,756	\$ 522,756	\$ 522,756	\$ -

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DRUG COURT GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Aid	\$ 91,821	\$ 91,821	\$ 91,821	\$ -
Total Intergovernmental Receipts	91,821	91,821	91,821	-
FEES OF OFFICE				
Drug Court Fees	10,976	10,976	10,976	-
Total Fees of Office	10,976	10,976	10,976	-
MISCELLANEOUS				
Interest Earned	435	435	435	-
Total Miscellaneous	435	435	435	-
Total Revenues	103,232	103,232	103,232	-
EXPENDITURES				
Current:				
Public Safety:				
Salary - Supervisors				-
Salaries - Officers	30,057	30,057	30,057	-
Social Security	2,682	2,682	2,682	-
Group Medical Insurance	4,736	4,736	4,736	-
Retirement	8,414	8,414	8,414	-
Unemployment Insurance	49	49	49	-
Workers Compensation	874	874	874	-
Prosecutor	5,000	5,000	5,000	-
Contractual & Professional Services	36,832	36,832	36,832	-
Office and Computer Supplies	2,496	2,496	2,496	-
Project Supplies	681	681	681	-
Total Expenditures	91,821	91,821	91,821	-
Net Change in Fund Balances	11,411	11,411	11,411	-
FUND BALANCE, BEGINNING OF YEAR	44,258	44,258	44,258	-
FUND BALANCE, END OF YEAR	\$ 55,669	\$ 55,669	\$ 55,669	\$ -

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
JUVENILE PROBATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS:				
C.C.A.P. Program Funding	38,570	38,570	38,570	-
T.J.P.C. Regular State Funding	53,677	53,677	53,677	-
State Salary Adjustment Funding	9,000	9,000	9,000	-
Diversionary Placement Fund Grant	18,000	18,000	18,000	-
Federal Title IV-E Funding	2,782	2,782	2,782	-
Progressive Sanctions Program	42,456	42,456	42,456	-
Total Intergovernmental Receipts	164,485	164,485	164,485	-
MISCELLANEOUS				
Interest Earned	5,842	5,842	5,842	-
Total Miscellaneous	5,842	5,842	5,842	-
Total Revenues	170,327	170,327	170,327	-
EXPENDITURES				
Current:				
Public Safety:				
Local Match Expenditures	120,721	120,721	120,721	-
Title IV-E	17,169	17,169	17,169	-
C.C.A.P.	39,770	39,770	39,770	-
Diversionary Placement	22,713	22,713	22,713	-
TJPC/A	52,805	52,805	52,805	-
Salary Adjustment	9,000	9,000	9,000	-
Progressive Sanctions	49,745	49,745	49,745	-
Total Expenditures	311,923	311,923	311,923	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(141,596)	(141,596)	(141,596)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	133,000	133,000	133,000	-
Total Other Financing Sources (Uses)	133,000	133,000	133,000	-
Net Change in Fund Balances	(8,596)	(8,596)	(8,596)	-
FUND BALANCE, BEGINNING OF YEAR	410,555	410,555	410,555	-
FUND BALANCE, END OF YEAR	\$ 268,959	\$ 268,959	\$ 401,959	\$ -

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
OLD PROBATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ 165	\$ 165	\$ 155	\$ (10)
Total Revenues	<u>165</u>	<u>165</u>	<u>155</u>	<u>(10)</u>
EXPENDITURES				
Current:				
Public Safety:				
Miscellaneous	190	190	-	190
Total Expenditures	<u>190</u>	<u>190</u>	<u>-</u>	<u>190</u>
Net Change in Fund Balances	(25)	(25)	155	180
FUND BALANCE, BEGINNING OF YEAR	<u>11,104</u>	<u>11,104</u>	<u>11,104</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 11,079</u>	<u>\$ 11,079</u>	<u>\$ 11,259</u>	<u>\$ 180</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
HOT CHECK FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
Hot Check Fees	\$ 20,316	\$ 20,316	\$ 20,907	\$ 591
Total Fees of Office	20,316	20,316	20,907	591
Total Revenues	20,316	20,316	20,907	591
EXPENDITURES				
Current:				
Legal:				
Secretaries	2,903	2,903	2,902	1
Group Medical & Insurance	8,460	8,460	6,895	1,565
Social Security Taxes	223	223	221	2
Retirement	697	697	697	-
Workers Compensation	14	14	-	14
Unemployment Insurance	12	12	10	2
Other Post Employment	307	307	306	1
Professional Liability Insurance	6,000	6,000	3,332	2,668
Cellular Phone	1,200	1,200	659	541
Miscellaneous	500	500	-	500
Total Hot Check Fee	20,316	20,316	15,022	5,294
Net Change in Fund Balances	-	-	5,885	5,885
FUND BALANCE, BEGINNING OF YEAR	73,453	73,453	73,453	-
FUND BALANCE, END OF YEAR	\$ 73,453	\$ 73,453	\$ 79,338	\$ 5,885

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
SHERIFF'S STATE FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Forfeitures/Auction & Seizure	\$ -	\$ 21,000	\$ 39,934	\$ 18,934
Interest Earnings	-	-	4,100	4,100
Total Revenues	<u>-</u>	<u>21,000</u>	<u>44,034</u>	<u>23,034</u>
EXPENDITURES				
Current:				
Public Safety:				
Narcotics Investigator & Deputies	71,954	76,090	37,630	38,460
Social Security Taxes	5,649	5,966	3,570	2,396
Group Medical & Life Benefits	16,920	16,920	9,750	7,170
Retirement & Death Benefits	17,721	18,714	11,200	7,514
Workers Compensation	2,309	2,309	1,796	513
Unemployment Insurance	200	207	65	142
Other Post Employment Benefits	10,345	10,782	4,928	5,854
Parts Repairs Gas and Trans Exp	14,000	14,000	115	13,885
Miscellaneous	5,000	5,000	1,484	3,516
Other Supplies	32,326	32,326	-	32,326
Capital Outlay:				
Public Safety	-	21,000	-	21,000
Total Expenditures	<u>176,424</u>	<u>203,314</u>	<u>70,538</u>	<u>73,316</u>
Net Change in Fund Balances	<u>(176,424)</u>	<u>(182,314)</u>	<u>(26,504)</u>	<u>155,810</u>
FUND BALANCE, BEGINNING OF YEAR	<u>314,451</u>	<u>314,451</u>	<u>314,451</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 138,027</u>	<u>\$ 132,137</u>	<u>\$ 287,947</u>	<u>\$ 155,810</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DISTRICT ATTORNEY LONGEVITY PAY SUPPLEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Longevity Funds	\$ 4,560	\$ 4,560	\$ 4,560	\$ -
MISCELLANEOUS				
Interest Earnings	-	-	62	62
Total Revenues	4,560	4,560	4,622	62
EXPENDITURES				
Current				
Legal	4,560	4,560	4,560	-
Total Expenditures	4,560	4,560	4,560	-
Net Change in Fund Balances	-	-	62	62
FUND BALANCE, BEGINNING OF YEAR	41	41	41	-
FUND BALANCE, END OF YEAR	\$ 41	\$ 41	\$ 103	\$ 62

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DISTRICT ATTORNEY FOFEITURE SPECIAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Forfeitures	\$ -	\$ -	\$ 35,775	\$ 35,775
Interest Earnings	-	-	2,886	2,886
Total Revenues	<u>-</u>	<u>-</u>	<u>38,661</u>	<u>38,661</u>
EXPENDITURES				
Current:				
Legal:				
Appointed Official	5,582	5,582	5,582	-
Administrator/Secr	20,547	20,547	20,525	22
Court Coordinator and Spec.	2,344	2,344	2,344	-
Social Security Taxes	5,283	5,283	4,537	746
Group Insurance	8,460	8,460	8,460	-
Retirement	16,572	16,572	14,234	2,338
Workers Compensation	580	580	500	80
Unemployment Insurance	328	328	115	213
Other Post Employment	7,292	7,292	6,193	1,099
Parts, Repairs & Gas	4,500	4,500	1,948	2,552
Office Supplies	1,500	1,500	1,028	472
Advertising and Publications	500	500	-	500
Cellular Phone	1,200	1,200	1,200	-
Miscellaneous	3,409	3,409	105	3,304
Total Expenditures	<u>78,097</u>	<u>78,097</u>	<u>66,771</u>	<u>11,304</u>
Net Change in Fund Balances	(78,097)	(78,097)	(28,110)	49,987
FUND BALANCE, BEGINNING OF YEAR	<u>224,872</u>	<u>224,872</u>	<u>224,872</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 146,775</u>	<u>\$ 146,775</u>	<u>\$ 196,762</u>	<u>\$ 49,987</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
STATE APPORTIONMENT - DISTRICT ATTORNEY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Comptroller Payments	\$ 34,450	\$ 34,450	\$ 34,450	\$ -
Total Intergovernmental Receipts	34,450	34,450	34,450	-
MISCELLANEOUS				
Interest Earnings	1	1	14	13
Total Revenues	34,451	34,451	34,464	13
EXPENDITURES				
Current				
Public Safety:				
Administrative Assistant	20,317	20,317	20,316	1
Court Coordinator & Specialist	14,134	14,134	14,134	-
Total Expenditures	34,451	34,451	34,450	1
Net Change in Fund Balances	-	-	14	12
FUND BALANCE, BEGINNING OF YEAR	518	518	518	-
FUND BALANCE, END OF YEAR	\$ 518	\$ 518	\$ 532	\$ 14

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
CDA FEDERAL FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 599	\$ 599
Total Miscellaneous Receipts	-	-	599	599
Total Revenues	-	-	599	599
EXPENDITURES				
Capital Outlay				
Legal	10,000	10,000	-	10,000
Total Expenditures	10,000	10,000	-	10,000
Net Change in Fund Balances	(10,000)	(10,000)	599	10,599
FUND BALANCE, BEGINNING OF YEAR	54,119	54,119	54,119	-
FUND BALANCE, END OF YEAR	\$ 44,119	\$ 44,119	\$ 54,718	\$ 10,599

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
CONSTABLE PCT. 1 & 4 FEDERAL FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 31	\$ 31
Total Miscellaneous Receipts	-	-	31	-
Total Revenues	-	-	31	-
EXPENDITURES				
Current				
Public Safety				
Body Armor	1,000	1,000	160	840
Furniture & Equipment	1,900	1,900	-	1,900
Total Expenditures	2,900	2,900	160	2,740
Net Change in Fund Balances	(2,900)	(2,900)	(129)	2,771
FUND BALANCE, BEGINNING OF YEAR	2,924	2,924	2,924	-
FUND BALANCE, END OF YEAR	\$ 24	\$ 24	\$ 2,795	\$ 2,771

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DEADWOOD WATER SUPPLY CORPORATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Federal Receipts	\$ -	\$ 28,150	\$ 28,150	\$ -
Total Intergovernmental Receipts	-	28,150	28,150	-
MISCELLANEOUS				
Local Match - Deadwood WSC		3,500	3,500	-
Total Miscellaneous Receipts	-	3,500	3,500	-
Total Revenues	-	31,650	31,650	-
EXPENDITURES				
Current:				
Public Facilities		28,150	28,150	-
Total Expenditures	-	28,150	28,150	-
Net Change in Fund Balances	-	3,500	3,500	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ 3,500	\$ 3,500	\$ -

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
CHILD PROTECTIVE SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Federal receipts	\$ -	\$ -	\$ 7,390	\$ 7,390
Total Intergovernmental Receipts	-	-	7,390	7,390
MISCELLANEOUS				
Interest Earned			713	713
Donations			1,575	1,575
Total Miscellaneous Receipts	-	-	2,288	2,288
Total Revenues	-	-	9,678	9,678
EXPENDITURES				
Current				
Health & Paupers Care	28,000	28,000	24,041	3,959
Total Expenditures	28,000	28,000	24,041	3,959
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,000)	(28,000)	(14,363)	13,637
OTHER FINANCING SOURCES (USES)				
Transfers in	28,000	28,000	28,000	-
Total Other Financing Sources (Uses)	28,000	28,000	28,000	-
Net Change in Fund Balances	-	-	13,637	13,637
FUND BALANCE, BEGINNING OF YEAR	46,678	46,678	46,678	-
FUND BALANCE, END OF YEAR	\$ 46,678	\$ 46,678	\$ 60,315	\$ 13,637

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
HEALTH CARE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Tobacco Settlement	\$ -		\$ 21,010	\$ 21,010
Total Intergovernmental Receipts	-	-	21,010	21,010
MISCELLANEOUS				
Hospital Lease	-	1,952,561	1,952,561	-
Interest Earnings	50,000	50,000	53,147	3,147
Total Miscellaneous Revenue	50,000	2,002,561	2,005,708	3,147
Total Revenues	50,000	2,002,561	2,026,718	24,157
EXPENDITURES				
Current				
Health & Paupers Care	150,000	2,102,561	2,027,923	74,638
Total Expenditures	150,000	2,102,561	2,027,923	74,638
Net Change in Fund Balances	(100,000)	(100,000)	(1,205)	98,795
FUND BALANCE, BEGINNING OF YEAR	3,592,568	3,592,568	3,592,568	-
FUND BALANCE, END OF YEAR	\$ 3,492,568	\$ 3,492,568	\$ 3,591,363	\$ 98,795

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
AIRPORT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Miscellaneous	\$ 167,500	\$ 168,850	\$ 148,053	\$ (20,797)
Interest Earned	2,500	1,150	3,646	2,496
Total Revenues	<u>170,000</u>	<u>170,000</u>	<u>151,699</u>	<u>(18,301)</u>
EXPENDITURES				
Current				
Public Transportation	170,000	170,000	142,082	27,918
Total Expenditures	<u>170,000</u>	<u>170,000</u>	<u>142,082</u>	<u>27,918</u>
Net Change in Fund Balances	-	-	9,617	9,617
FUND BALANCE, BEGINNING OF YEAR	<u>287,507</u>	<u>287,507</u>	<u>287,507</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 287,507</u>	<u>\$ 287,507</u>	<u>\$ 297,124</u>	<u>\$ 9,617</u>

THIS PAGE LEFT BLANK INTENTIONALLY

CAPITAL PROJECT FUNDS

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

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

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

THIS PAGE LEFT BLANK INTENTIONALLY

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2010

	SHERIFF'S RENOVATION CONSTRUCTION	ROAD BOND 1971	PERMANENT IMPROVEMENT	NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL
ASSETS:				
Cash and Cash Equivalents	\$ 265,604	\$ 9,139	\$ 7,721	\$ 282,464
Investments	-	254,000	203,000	457,000
Receivables (net of allowance for uncollectibles)				
Miscellaneous	-	67	68	135
Total Assets	\$ 265,604	\$ 263,206	\$ 210,789	\$ 739,599
LIABILITIES:				
Accounts Payable-Trade	\$ 91,625	\$ -	\$ -	\$ 91,625
Total Liabilities	91,625	-	-	91,625
FUND BALANCES:				
Designated for Capital Projects	173,979	263,206	210,789	647,974
Total Fund Balances	173,979	263,206	210,789	647,974
Total Liabilities and Fund Balances	\$ 265,604	\$ 263,206	\$ 210,789	\$ 739,599

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	SHERIFF'S	ROAD BOND	PERMANENT	NON-MAJOR
	RENOVATION	1971	IMPROVEMENT	CAPITAL
	CONSTRUCTION			PROJECTS
				FUNDS
				TOTAL
REVENUES				
Miscellaneous	\$ 999	\$ 3,959	\$ 3,043	\$ 8,001
TOTAL REVENUES	<u>999</u>	<u>3,959</u>	<u>3,043</u>	<u>8,001</u>
EXPENDITURES				
Current				
Public Transportation	-	24,603	-	24,603
Capital Outlay				
Public Safety	233,502	-	-	233,502
TOTAL EXPENDITURES	<u>233,502</u>	<u>24,603</u>	<u>-</u>	<u>258,105</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(232,503)</u>	<u>(20,644)</u>	<u>3,043</u>	<u>(250,104)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>406,482</u>	<u>-</u>	<u>-</u>	<u>406,482</u>
TOTAL OTHER FINANCING SOURCES	<u>406,482</u>	<u>-</u>	<u>-</u>	<u>406,482</u>
NET CHANGE IN FUND BALANCES	173,979	(20,644)	3,043	156,378
FUND BALANCE-BEGINNING OF YEAR	<u>-</u>	<u>283,850</u>	<u>207,746</u>	<u>491,596</u>
FUND BALANCE-END OF YEAR	<u>\$ 173,979</u>	<u>\$ 263,206</u>	<u>\$ 210,789</u>	<u>\$ 647,974</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SHERIFF'S RENOVATION CONSTRUCTION CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 999	\$ 999
Total Miscellaneous Revenues	<u>-</u>	<u>-</u>	<u>999</u>	<u>999</u>
EXPENDITURES				
Capital Outlay:				
Public Safety	-	406,482	233,502	172,980
Total Expenditures	<u>-</u>	<u>406,482</u>	<u>233,502</u>	<u>172,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(406,482)</u>	<u>(232,503)</u>	<u>173,979</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	406,482	406,482	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>406,482</u>	<u>406,482</u>	<u>-</u>
Net Change in Fund Balances	-	-	173,979	173,979
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,979</u>	<u>\$ 173,979</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
1971 ROAD BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ 3,086	\$ 3,086	\$ 3,959	\$ 873
Total Revenues	<u>3,086</u>	<u>3,086</u>	<u>3,959</u>	<u>873</u>
EXPENDITURES				
Current:				
Public Transportation	3,086	27,689	24,603	3,086
Total Expenditures	<u>3,086</u>	<u>27,689</u>	<u>24,603</u>	<u>3,086</u>
Net Change in Fund Balances	-	(24,603)	(20,644)	3,959
FUND BALANCE, BEGINNING OF YEAR	<u>283,850</u>	<u>283,850</u>	<u>283,850</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 283,850</u>	<u>\$ 259,247</u>	<u>\$ 263,206</u>	<u>\$ 3,959</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ 2,208	\$ 2,208	\$ 3,043	\$ 835
Total Miscellaneous Revenues	<u>2,208</u>	<u>2,208</u>	<u>3,043</u>	<u>835</u>
EXPENDITURES				
Capital Outlay:				
General Administration	2,208	2,208	-	2,208
Total Expenditures	<u>2,208</u>	<u>2,208</u>	<u>-</u>	<u>2,208</u>
 Net Change in Fund Balances	 -	 -	 3,043	 3,043
 FUND BALANCE, BEGINNING OF YEAR	 <u>207,746</u>	 <u>207,746</u>	 <u>207,746</u>	 <u>-</u>
 FUND BALANCE, END OF YEAR	 <u>\$ 207,746</u>	 <u>\$ 207,746</u>	 <u>\$ 210,789</u>	 <u>\$ 3,043</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES				
Current Property Tax	\$ 1,314,921	\$ 1,314,921	\$ 1,359,381	\$ 44,460
Delinquent Taxes	23,456	23,456	33,733	10,277
Total Property Taxes	1,338,377	1,338,377	1,393,114	54,737
MISCELLANEOUS				
Interest Earned	4,000	4,000	8,400	4,400
Miscellaneous	-	-	1,460	1,460
Total Miscellaneous	4,000	4,000	9,860	5,860
Total Revenues	1,342,377	1,342,377	1,402,974	60,597
EXPENDITURES				
Debt Service:				
Principal	1,285,000	1,285,000	1,285,000	
Interest	78,309	78,309	78,308	1
Total Expenditures	1,363,309	1,363,309	1,363,308	1
Net Change in Fund Balances	(20,932)	(20,932)	39,666	60,598
FUND BALANCE, BEGINNING OF YEAR	161,924	161,924	161,924	-
FUND BALANCE, END OF YEAR	\$ 140,992	\$ 140,992	\$ 201,590	\$ 60,598

**PANOLA COUNTY, TEXAS
AGENCY FUNDS**

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

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

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

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

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.

THIS PAGE LEFT BLANK INTENTIONALLY

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
AUTOMOBILE REGISTRATION FUND				
ASSETS				
Cash and Cash Equivalents	\$ 336,964	\$ 4,964,621	\$ 4,926,489	\$ 375,096
Total Assets	<u>\$ 336,964</u>	<u>\$ 4,964,621</u>	<u>\$ 4,926,489</u>	<u>\$ 375,096</u>
LIABILITIES				
Due to Other Governments	\$ 336,964	\$ 4,964,621	\$ 4,926,489	\$ 375,096
Total Liabilities	<u>\$ 336,964</u>	<u>\$ 4,964,621</u>	<u>\$ 4,926,489</u>	<u>\$ 375,096</u>
TAX ASSESSOR-COLLECTOR ADVALOREM TAX FUND				
ASSETS				
Cash and Cash Equivalents	\$ 2,695,655	\$ 75,548,682	\$ 75,374,037	\$ 2,870,300
Total Assets	<u>\$ 2,695,655</u>	<u>\$ 75,548,682</u>	<u>\$ 75,374,037</u>	<u>\$ 2,870,300</u>
LIABILITIES				
Due to Other Governments	\$ 2,695,655	\$ 75,548,682	\$ 75,374,037	\$ 2,870,300
Total Liabilities	<u>\$ 2,695,655</u>	<u>\$ 75,548,682</u>	<u>\$ 75,374,037</u>	<u>\$ 2,870,300</u>
COUNTY CLERK FUND				
ASSETS				
Cash and Cash Equivalents	\$ 315,864	\$ 88,587	\$ 154,854	\$ 249,597
Due From Other Agency Funds	5,042	-	5,042	-
Total Assets	<u>\$ 320,906</u>	<u>\$ 88,587</u>	<u>\$ 159,896</u>	<u>\$ 249,597</u>
LIABILITIES				
Court Ordered Deposits	\$ 17,079	\$ 6,500	\$ 7,250	\$ 16,329
Court Ordered Trust Funds	303,740	82,087	152,559	233,268
Due To Other Agency Funds	87	-	87	-
Total Liabilities	<u>\$ 320,906</u>	<u>\$ 88,587</u>	<u>\$ 159,896</u>	<u>\$ 249,597</u>

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
CRIMINAL JUSTICE FUND				
ASSETS				
Cash and Cash Equivalents	\$ 66,491	\$ 130,876	\$ 197,367	\$ -
Due From Other Agency Funds	2,290	-	2,290	-
Total Assets	\$ 68,781	\$ 130,876	\$ 199,657	\$ -
LIABILITIES				
Due to Other Governments	\$ 68,781	\$ 130,876	\$ 199,657	\$ -
Total Liabilities	\$ 68,781	\$ 130,876	\$ 199,657	\$ -
DISTRICT CLERK FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 1,377,028	\$ 1,059,597	\$ 860,363	\$ 1,576,262
Investments	305,988	50,145	52,120	304,013
Due From Other Agency Funds	3,658	-	3,658	-
Total Assets	\$ 1,686,674	\$ 1,109,742	\$ 916,141	\$ 1,880,275
LIABILITIES				
Court Ordered Deposits	\$ 14,600	\$ 333,666	\$ 331,596	\$ 16,670
Due To Other Agency Funds	1,878	-	1,878	-
Court Ordered Trust Funds	1,670,196	776,076	582,667	1,863,605
Total Liabilities	\$ 1,686,674	\$ 1,109,742	\$ 916,141	\$ 1,880,275

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT FUND				
ASSETS				
Cash and Cash Equivalents	\$ 17,995	\$ 1,004,073	\$ 1,011,737	\$ 10,331
Total Assets	\$ 17,995	\$ 1,004,073	\$ 1,011,737	\$ 10,331
LIABILITIES				
Restitution Payable	\$ 9,225	\$ 889	\$ -	\$ 10,114
Court Ordered Trust Funds	-	1,003,184	1,002,967	217
Due To Other Agency Funds	8,770	-	8,770	-
Total Liabilities	\$ 17,995	\$ 1,004,073	\$ 1,011,737	\$ 10,331
JUVENILE PROBATION FUND				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 2,254	\$ 2,074	\$ 180
Total Assets	\$ -	\$ 2,254	\$ 2,074	\$ 180
LIABILITIES				
Court Ordered Trust Funds	\$ -	\$ 2,254	\$ 2,074	\$ 180
Total Liabilities	\$ -	\$ 2,254	\$ 2,074	\$ 180
CRIMINAL DISTRICT ATTORNEY FORFEITURE FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 214,116	\$ 75,038	\$ 139,078
Total Assets	\$ -	\$ 214,116	\$ 75,038	\$ 139,078
LIABILITIES				
Court Ordered Trust Funds	\$ -	\$ 214,116	\$ 75,038	\$ 139,078
Total Liabilities	\$ -	\$ 214,116	\$ 75,038	\$ 139,078

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
CRIMINAL DISTRICT ATTORNEY RESTITUTION FUND				
ASSETS				
Cash and Cash Equivalents	\$ 10,132	\$ 222,362	\$ 232,494	\$ -
Total Assets	<u>\$ 10,132</u>	<u>\$ 222,362</u>	<u>\$ 232,494</u>	<u>\$ -</u>
LIABILITIES				
Restitution Payable	\$ 10,132	\$ 222,362	\$ 232,494	\$ -
Total Liabilities	<u>\$ 10,132</u>	<u>\$ 222,362</u>	<u>\$ 232,494</u>	<u>\$ -</u>
SHERIFF COLLECTIONS FUND				
ASSETS				
Cash and Cash Equivalents	\$ 255	\$ 10,515	\$ 10,770	\$ -
Total Assets	<u>\$ 255</u>	<u>\$ 10,515</u>	<u>\$ 10,770</u>	<u>\$ -</u>
LIABILITIES				
Due To Other Agency Funds	\$ 255	\$ 10,515	\$ 10,770	\$ -
Total Liabilities	<u>\$ 255</u>	<u>\$ 10,515</u>	<u>\$ 10,770</u>	<u>\$ -</u>
JAIL INMATE FUND				
ASSETS				
Cash and Cash Equivalents	\$ 738	\$ -	\$ 43	\$ 695
Total Assets	<u>\$ 738</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 695</u>
LIABILITIES				
Other Payables	\$ 738	\$ -	\$ 43	\$ 695
Total Liabilities	<u>\$ 738</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 695</u>

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS, continued
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 4,821,122	\$ 83,245,683	\$ 82,845,266	\$ 5,221,539
Investments	305,988	50,145	52,120	304,013
Due from Other Agency Funds	10,990	-	10,990	-
Total Assets	<u><u>\$ 5,138,100</u></u>	<u><u>\$ 83,295,828</u></u>	<u><u>\$ 82,908,376</u></u>	<u><u>\$ 5,525,552</u></u>
LIABILITIES				
Due to Other Governments	3,101,400	80,644,179	80,500,183	3,245,396
Court Ordered Deposits	31,679	340,166	338,846	32,999
Court Ordered Trust Funds	1,973,936	2,077,717	1,815,305	2,236,348
Due to Other Agency Funds	10,990	10,515	21,505	-
Restitution Payable	19,357	223,251	232,494	10,114
Other Payables	738	-	43	695
Total Liabilities	<u><u>\$ 5,138,100</u></u>	<u><u>\$ 83,295,828</u></u>	<u><u>\$ 82,908,376</u></u>	<u><u>\$ 5,525,552</u></u>

THIS PAGE LEFT BLANK INTENTIONALLY

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

THIS PAGE LEFT BLANK INTENTIONALLY

PANOLA COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
DECEMBER 31, 2010

CAPITAL ASSETS:

Land	\$ 1,289,889
Buildings	18,537,168
Improvements Other Than Buildings	259,303
Machinery and Equipment	9,034,878
Infrastructure	10,371,442
Construction in Progress	333,402
	<hr/>
Total Capital Assets	\$ 39,826,082
	<hr/> <hr/>

INVESTMENTS IN CAPITAL ASSETS:

Current Revenues - Current Year	\$ 1,393,847
Current Revenues - Prior Years	27,997,529
Capital Assets of Former Panola General Hospital	3,879,706
General Obligation Debt - Prior Years	5,555,000
Certificates of Obligation - Prior Years	1,000,000
	<hr/>
	\$ 39,826,082
	<hr/> <hr/>

THIS PAGE LEFT BLANK INTENTIONALLY

PANOLA COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2010

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>
GENERAL ADMINISTRATION							
County Clerk	\$ 15,169	\$ -	\$ -	\$ -	\$ 15,169	\$ -	\$ -
Total General Administration	<u>15,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,169</u>	<u>-</u>	<u>-</u>
JUDICIAL							
District Court	892,484	-	892,484	-	-	-	-
County Court at Law	892,487	-	892,487	-	-	-	-
District Clerk	16,623	-	-	-	16,623	-	-
Peace Justices	7,585	-	-	-	7,585	-	-
Total Judicial	<u>1,809,179</u>	<u>-</u>	<u>1,784,971</u>	<u>-</u>	<u>24,208</u>	<u>-</u>	<u>-</u>
LEGAL							
District Attorney	356,995	-	356,995	-	-	-	-
Total Legal	<u>356,995</u>	<u>-</u>	<u>356,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ELECTIONS							
Voter Registration	264,800	-	-	-	264,800	-	-
Total Elections	<u>264,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,800</u>	<u>-</u>	<u>-</u>
PUBLIC TRANSPORTATION							
Road and Bridge	17,540,590	139,656	11,778	-	7,017,714	10,371,442	-
Airport	578,977	188,639	315,909	-	74,429	-	-
Total Public Transportation	<u>18,119,567</u>	<u>328,295</u>	<u>327,687</u>	<u>-</u>	<u>7,092,143</u>	<u>10,371,442</u>	<u>-</u>
PUBLIC FACILITIES							
Courthouse	1,499,122	815,452	635,109	-	17,859	-	30,702
Miscellaneous & Non-Departmental	308,933	-	-	169,270	139,663	-	-
Total Public Facilities	<u>1,808,055</u>	<u>815,452</u>	<u>635,109</u>	<u>169,270</u>	<u>157,522</u>	<u>-</u>	<u>30,702</u>

PANOLA COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY, continued
DECEMBER 31, 2010

	Total	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress
PUBLIC SAFETY							
Sheriff	\$ 1,191,627	\$ -	\$ -	\$ -	\$ 888,927	\$ -	\$ 302,700
Constables	132,353	-	-	-	132,353	-	-
Corrections and Jail	11,344,574	60,754	11,211,314	-	72,506	-	-
Emergency Management	123,418	-	-	-	123,418	-	-
911 Rural Addressing	47,681	-	-	-	47,681	-	-
Probation Services - Adult	182,809	-	-	-	182,809	-	-
Probation Services - Juvenile	33,342	-	-	-	33,342	-	-
Total Public Safety	13,055,804	60,754	11,211,314	-	1,481,036	-	302,700
HEALTH AND WELFARE							
Hospital	3,879,706	32,138	3,757,535	90,033	-	-	-
Transfer Station	401,782	53,250	348,532	-	-	-	-
Total Health and Welfare	4,281,488	85,388	4,106,067	90,033	-	-	-
CULTURE AND RECREATION							
Exposition Center	115,025	-	115,025	-	-	-	-
Total Culture and Recreation	115,025	-	115,025	-	-	-	-
TOTAL CAPITAL ASSETS	\$ 39,826,082	\$ 1,289,889	\$ 18,537,168	\$ 259,303	\$ 9,034,878	\$ 10,371,442	\$ 333,402

PANOLA COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	General Capital Assets January 1, 2010	Additions	Deductions	Transfers	General Capital Assets December 31, 2010
GENERAL ADMINISTRATION					
County Clerk	\$ 15,169	\$ -	\$ -	\$ -	\$ 15,169
Total General Administration	15,169	-	-	-	15,169
JUDICIAL					
District Court	892,484	-	-	-	892,484
County Court at Law	892,487	-	-	-	892,487
District Clerk	16,623	-	-	-	16,623
Peace Justices	7,585	-	-	-	7,585
Total Judicial	1,809,179	-	-	-	1,809,179
LEGAL					
District Attorney	356,995	-	-	-	356,995
Total Legal	356,995	-	-	-	356,995
ELECTIONS					
Voter Registration	264,800	-	-	-	264,800
Total Elections	264,800	-	-	-	264,800
PUBLIC TRANSPORTATION					
Road and Bridge-Equipment	6,863,178	851,340	546,870	14,500	7,182,148
Road and Bridge-Infrastructure	10,371,442	-	-	-	10,371,442
Airport	580,477	-	-	(14,500)	565,977
Total Public Transportation	17,815,097	851,340	546,870	-	18,119,567
PUBLIC FACILITIES					
Courthouse	1,468,420	30,702	-	-	1,499,122
Miscellaneous and Non- Departmental	308,933	-	-	-	308,933
Total Public Facilities	1,777,353	30,702	-	-	1,808,055

PANOLA COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY, continued
FOR THE YEAR ENDED DECEMBER 31, 2010

	General Capital Assets January 1, 2010	Additions	Deductions	Transfers	General Capital Assets December 31, 2010
PUBLIC SAFETY					
Sheriff	\$ 787,914	\$ 500,670	\$ 96,957	\$ -	\$ 1,191,627
Constables	132,353	-	-	-	132,353
Corrections and Jail	11,344,574	-	-	-	11,344,574
Emergency Management	118,418	5,000	-	-	123,418
911 Rural Addressing	41,546	6,135	-	-	47,681
Probation Services - Adult	182,809	-	-	-	182,809
Probation Services - Juvenile	33,342	-	-	-	33,342
Criminal Investigations	-	-	-	-	-
Total Public Safety	<u>12,640,956</u>	<u>511,805</u>	<u>96,957</u>	<u>-</u>	<u>13,055,804</u>
HEALTH AND WELFARE					
Hospital	3,879,706	-	-	-	3,879,706
Incinerator	401,782	-	-	-	401,782
Total Health and Welfare	<u>4,281,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,281,488</u>
CULTURE AND RECREATION					
Exposition Center	115,025	-	-	-	115,025
Total Culture and Recreation	<u>115,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,025</u>
TOTAL GENERAL CAPITAL ASSETS	<u><u>\$ 39,076,062</u></u>	<u><u>\$ 1,393,847</u></u>	<u><u>\$ 643,827</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,826,082</u></u>

**STATISTICAL DATA SECTION
(UNAUDITED)**

THIS PAGE LEFT BLANK INTENTIONALLY

Panola County, Texas Statistical Section Overview

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

Financial Trends:

These schedules compile information reported in the comprehensive annual financial report over the past ten years. Information for government-wide statements is only available for the fiscal periods 2003 – 2010. The County implemented the new reporting model in fiscal year 2003. These schedules report how the County's financial position and well-being have changed over time.

TABLE 1 – Net Assets by Component

TABLE 2 – Changes in Net Assets

TABLE 3 – Fund Balances, Governmental Funds

TABLE 4 – Net Changes in Fund Balance, Governmental Funds

Revenue Capacity Information:

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

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

TABLE 6 – Direct and Overlapping Property Tax Rates

TABLE 7 – Principal Property Taxpayers

TABLE 8 – Property Tax Levies and Collections

Debt Capacity Information:

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

TABLE 9 – Ratio of Outstanding Debt by Type

TABLE 10 – Direct and Overlapping Governmental Debt

TABLE 11 – Legal Debt Margin Information

Demographic and Economic Information:

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

TABLE 12 – Demographic and Economic Statistics

TABLE 13 – Principle Employers

Operating Information:

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

TABLE 14 – Full-Time Equivalent County Government Employees

TABLE 15 – Capital Assets by Function/Program

TABLE 16 – Operating Indicators by Function/Program

TABLE 17 – Schedule of Insurance Policies in Force

THIS PAGE LEFT BLANK INTENTIONALLY

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

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:								
Invested in Capital Assets, Net of Related Debt	\$ 22,812,862	\$ 21,868,287	\$ 18,861,947	\$ 16,661,147	\$ 16,881,438	\$ 17,299,813	\$ 17,438,024	\$ 17,777,789
Restricted for Debt Service	224,103	161,924	93,036	2,610	-	-	-	-
Restricted for Capital Projects	-	491,596	3,212,248	4,750,323	-	-	-	-
Restricted for Other Purposes	-	15,994	-	-	-	-	-	-
Unrestricted	33,209,420	29,525,131	26,134,625	13,814,903	25,740,509	23,081,440	21,556,174	19,994,783
Total governmental activities net assets	<u>\$ 56,246,385</u>	<u>\$ 52,062,932</u>	<u>\$ 48,301,856</u>	<u>\$ 35,228,983</u>	<u>\$ 42,621,947</u>	<u>\$ 40,381,253</u>	<u>\$ 38,994,198</u>	<u>\$ 37,772,572</u>

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

THIS PAGE LEFT BLANK INTENTIONALLY

TABLE 2

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

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:								
Governmental Activities:								
General administration	\$ 3,267,777	\$ 2,814,331	\$ 3,358,623	\$ 3,096,305	\$ 2,524,507	\$ 2,261,577	\$ 1,950,152	\$ 1,701,656
Judicial	1,120,449	1,134,624	953,205	931,862	922,265	839,466	818,993	743,435
Legal	490,452	350,538	377,261	346,592	400,559	369,369	294,366	313,788
Elections	163,105	167,952	137,636	139,319	128,458	121,455	120,751	93,132
Financial administration	766,574	755,563	630,297	648,448	617,867	582,235	539,091	508,942
Public facilities	297,677	258,652	238,315	225,256	272,874	245,345	266,789	217,472
Public safety	5,572,574	5,364,448	4,175,436	4,183,927	4,232,178	4,055,915	3,523,072	3,374,098
Environmental protection	361,383	363,925	339,837	307,438	382,184	354,714	301,933	289,887
Public transportation	6,333,001	5,642,668	5,825,025	5,604,489	4,963,793	4,884,111	4,391,725	4,176,987
Health and Paupers care	2,402,045	734,454	618,051	581,604	564,173	557,335	576,106	543,899
Recreation	320,529	305,744	278,591	263,934	247,134	257,177	287,491	215,439
Conservation	92,987	90,679	73,981	76,901	77,840	73,242	70,072	68,738
Debt Service - Interest	69,800	119,877	167,161	138,052	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	6,279
Total Governmental Activities Expenses	\$ 21,258,353	\$ 18,103,455	\$ 17,173,419	\$ 16,544,127	\$ 15,333,832	\$ 14,601,941	\$ 13,140,541	\$ 12,253,752
Program Revenues:								
Governmental Activities:								
Charges for Services								
General administration	\$ 348,974	\$ 383,448	\$ 421,277	\$ 380,871	\$ 396,728	\$ 302,054	\$ 314,748	\$ 287,103
Judicial	453,019	116,763	136,563	139,673	156,932	131,831	137,484	54,738
Legal	45,235	77,514	134,391	61,487	269,754	257,946	87,766	54,547
Elections	5,061	2,400	22,203	200	11,712	-	-	-
Financial administration	758,081	338,835	291,567	266,226	245,162	218,408	204,701	146,608
Public facilities	-	8,658	1,053	-	3,158	-	-	19,087
Public safety	520,674	531,439	501,528	428,739	842,383	739,526	442,640	420,850
Environmental protection	-	-	871	14,425	15,082	13,667	9,695	-
Public transportation	176,809	748,835	795,779	808,936	849,388	786,067	886,405	814,972
Health and Paupers care	1,400	5,351	19,966	114,372	121,428	109,346	100,729	153,968
Recreation	136,592	136,024	121,372	114,718	105,137	98,065	121,989	1,800
Conservation	4,132	-	-	-	-	-	-	-
Total Charges for Services	\$ 2,449,977	\$ 2,349,267	\$ 2,446,570	\$ 2,329,647	\$ 3,016,864	\$ 2,656,910	\$ 2,306,157	\$ 1,953,673

TABLE 2 (cont.)

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

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Operating Grants and Contributions								
Judicial	\$ 85,889	\$ 74,192	\$ 67,116	\$ 33,766	\$ 38,304	\$ 39,008	\$ 36,914	\$ 37,085
Legal	63,391	4,320	4,080	3,840	3,600	3,360	-	-
Elections	47,669	12,337	-	10,561	6,250	-	-	-
Financial administration	-	-	-	-	-	-	-	51,250
Public facilities	-	-	-	103,960	86,642	29,180	-	-
Public safety	662,193	963,272	904,822	806,355	978,516	949,305	1,072,061	691,565
Environmental protection	-	-	-	-	-	-	1,664	10,073
Public transportation	30,222	30,279	30,284	30,276	30,905	35,720	30,504	77,430
Health and Paupers care	1,980,960	69,548	101,349	72,308	58,249	87,591	43,574	39,707
Recreation	-	-	-	-	-	-	-	85,686
Total Operating Grants and Contributions	\$ 2,870,324	\$ 1,153,948	\$ 1,107,651	\$ 1,061,066	\$ 1,202,466	\$ 1,144,164	\$ 1,184,717	\$ 992,796
Program Revenues, Continued:								
Capital Grants and Contributions								
Elections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,872	\$ -	\$ -
Public Facilities	31,650	-	-	-	-	-	-	-
Public Safety	200,468	-	-	-	-	-	-	-
Total Capital Grants and Contrib	\$ 232,118	\$ -	\$ -	\$ -	\$ -	\$ 250,872	\$ -	\$ -
Total Governmental Activities								
Program Revenues	\$ 5,552,419	\$ 3,503,215	\$ 3,554,221	\$ 3,390,713	\$ 4,219,330	\$ 4,051,946	\$ 3,490,874	\$ 2,946,469
Net (Expense) Revenue								
Governmental Activities:	\$ (15,705,934)	\$ (14,600,240)	\$ (13,619,198)	\$ (13,153,414)	\$ (11,114,502)	\$ (10,549,995)	\$ (9,649,667)	\$ (9,307,283)

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

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Property Taxes	\$ 18,542,362	\$ 16,744,039	\$ 15,328,340	\$ 12,714,869	\$ 11,324,789	\$ 10,636,866	\$ 10,179,315	\$ 9,371,021
Interest Income	470,991	826,889	962,442	1,572,387	1,343,345	767,685	485,990	724,151
Gain on Sale of Capital Assets	-	90,507	-	-	-	-	-	-
Miscellaneous	729,736	699,881	1,232,637	641,846	687,062	532,499	205,988	174,500
Total Governmental Activities	\$ 19,743,089	\$ 18,361,316	\$ 17,523,419	\$ 14,929,102	\$ 13,355,196	\$ 11,937,050	\$ 10,871,293	\$ 10,269,672
Increase in Net Assets Before Transfers	4,037,155	3,761,076	3,904,221	1,775,688	2,240,694	1,387,055	1,221,626	962,389
Transfers	-	-	-	(9,168,652)	-	-	-	-
Change in Net Assets	4,037,155	3,761,076	3,904,221	(7,392,964)	2,240,694	1,387,055	1,221,626	962,389
Governmental Activities	\$ 4,037,155	\$ 3,761,076	\$ 3,904,221	\$ (7,392,964)	\$ 2,240,694	\$ 1,387,055	\$ 1,221,626	\$ 962,389
Total Primary Government	\$ 4,037,155	\$ 3,761,076	\$ 3,904,221	\$ (7,392,964)	\$ 2,240,694	\$ 1,387,055	\$ 1,221,626	\$ 962,389
% Change from Prior Year	7.34%	(3.67%)	152.81%	(429.94%)	61.54%	13.54%	26.94%	N/A (1)

Notes:

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

THIS PAGE LEFT BLANK INTENTIONALLY

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	11,572,586	9,427,291	6,918,110	5,354,493	13,021,195	11,693,223	10,704,447	9,612,242	8,676,002	10,535,365
Total General Fund	11,572,586	9,427,291	6,918,110	5,354,493	13,021,195	11,693,223	10,704,447	9,612,242	8,676,002	10,535,365
All Other Governmental Funds:										
Reserved	\$ 225,936	177,918	141,034	37,632	27,068	30,668	10,996	7,266	6,157	5,563
Designated, Reported in:										
Special Revenue Funds	3,591,363	3,592,568	3,582,790	3,508,797	3,291,687	3,132,534	3,019,871	3,007,568	3,811,813	3,543,501
Capital Project funds	647,974	491,596	3,212,248	9,305,887	441,702	422,175	410,687	811,609	2,257,767	385,810
Unreserved, Reported in:										
Special Revenue Funds	6,991,063	6,388,060	5,732,569	4,987,629	7,144,158	6,091,398	5,543,627	4,821,115	3,832,939	3,780,775
Total All Other Governmental Funds	11,456,336	10,650,142	12,668,641	17,839,945	10,904,615	9,676,775	8,985,181	8,647,558	9,908,676	7,715,649
Total Governmental Funds	\$ 23,028,922	\$ 20,077,433	\$ 19,586,751	\$ 23,194,438	\$ 23,925,810	\$ 21,369,998	\$ 19,689,628	\$ 18,259,800	\$ 18,584,678	\$ 18,251,014
% Change from Prior Year	14.70%	2.51%	(15.55%)	(3.06%)	11.96%	8.53%	7.83%	(1.75%)	1.83%	N/A

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
REVENUES										
Property Taxes	\$ 18,316,629	\$ 16,745,188	\$ 15,320,932	\$ 12,723,922	\$ 11,325,188	\$ 10,652,164	\$ 10,073,746	\$ 9,413,140	\$ 8,636,759	\$ 7,813,304
Licenses	413,439	449,020	448,726	455,247	455,632	459,902	461,437	453,226	459,997	451,772
Inter-Governmental	1,367,929	1,297,019	1,317,459	1,274,782	1,526,620	1,578,406	1,366,830	992,796	1,017,538	930,987
Fees of Office	1,333,598	1,316,252	1,351,374	1,218,383	1,248,867	1,078,243	1,082,685	912,535	912,568	933,313
Fines	295,442	267,732	316,701	325,430	369,783	326,165	326,263	285,416	296,613	328,726
Miscellaneous	3,423,614	1,783,828	2,373,096	2,257,336	2,611,688	1,936,574	928,512	1,142,414	1,375,957	1,426,441
Total Revenues	25,150,651	21,859,039	21,128,288	18,255,100	17,537,778	16,031,454	14,239,473	13,238,527	12,699,432	11,884,543
EXPENDITURES										
General Administration										
Judicial	3,231,245	2,831,669	3,581,289	3,067,307	2,487,117	2,204,858	1,939,667	1,738,705	1,669,636	1,592,482
Legal	1,072,245	1,111,988	940,346	879,692	864,318	791,433	776,783	726,208	719,553	727,519
Elections	488,344	358,200	392,174	345,467	398,169	364,125	294,651	314,042	197,945	197,141
Financial Administration										
Public Facilities	139,068	146,889	118,052	114,875	100,937	117,570	120,832	93,203	96,224	93,673
Public Safety	762,011	763,587	661,127	643,287	615,465	581,258	539,639	509,416	479,226	452,430
Environmental Protection	295,300	257,823	231,189	489,745	270,839	243,352	264,801	215,507	188,653	185,020
Conservation	5,138,215	7,262,290	3,019,226	4,482,400	4,060,125	3,940,628	3,613,004	3,426,371	3,326,239	3,062,711
Public Transportation	355,109	357,651	333,563	301,164	375,910	348,440	295,659	283,613	280,200	412,895
Health & Paupers Care	92,668	91,964	76,540	76,719	77,868	73,284	70,116	68,776	64,130	61,097
Culture & Recreation	3,784,509	4,603,800	4,374,680	4,565,117	4,033,234	4,079,484	3,868,038	4,108,066	3,988,152	3,879,370
Debt Service - Principal	2,334,409	666,818	291,280	513,968	496,537	189,699	508,470	484,263	526,845	418,531
Debt Service - Interest	318,498	308,098	76,540	263,064	247,265	257,394	287,713	215,636	218,215	209,367
Capital Outlay	1,285,000	1,240,000	1,190,000	72,920	-	-	-	-	-	-
	78,308	128,041	174,995	104,773	-	-	-	-	-	-
Total Expenditures	2,824,234	1,239,539	810,738	831,170	954,181	1,352,016	230,211	1,484,172	664,073	4,232
	22,199,163	21,368,357	16,271,739	16,751,668	14,981,965	14,543,541	12,809,584	13,667,978	12,419,091	11,296,468
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,951,488	490,682	4,856,549	1,503,432	2,555,813	1,487,913	1,429,889	(429,451)	280,341	588,075
OTHER FINANCING SOURCES (USES)										
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	-	-
Financing Agreement	-	-	-	-	-	-	-	321,823	-	-
Proceeds from Sale of Bonds	-	-	-	5,055,000	-	-	-	-	-	-
Transfers In	567,482	523,977	-	4,174,944	-	-	-	-	-	-
Transfers Out	(567,482)	(523,977)	-	(11,464,748)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(2,234,804)	-	-	-	321,823	-	-
NET CHANGE IN FUND BALANCES	\$ 2,951,488	\$ 490,682	\$ 4,856,549	\$ (731,372)	\$ 2,555,813	\$ 1,487,913	\$ 1,429,889	\$ (107,628)	\$ 280,341	\$ 588,075
Debt Service as a percentage of Noncapital Expenditures	6.55%	6.80%	8.83%	1.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

TABLE 5

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

Fiscal Year	Estimated Market Value			Total Taxable Assesed Value	Total Direct Tax Rate
	Real Property	Personal Property	Less: Tax-Exempt Property		
2010	\$ 3,906,344,700	\$ 1,022,545,130	\$ 162,767,220	\$ 4,766,122,610	0.3776
2009	3,989,087,500	1,143,264,835	151,231,090	4,981,121,245	0.3632
2008	4,443,456,210	995,452,149	129,631,210	5,309,277,149	0.3096
2007	3,845,247,267	634,948,073	123,038,850	4,357,156,490	0.3441
2006	3,894,896,147	479,011,483	118,394,230	4,255,513,400	0.2869
2005	2,981,872,892	418,440,315	114,613,060	3,285,700,147	0.3330
2004	2,511,868,481	387,538,653	111,254,590	2,788,152,544	0.3811
2003	2,128,641,879	323,531,404	105,682,080	2,346,491,203	0.4382
2002	2,312,729,313	369,464,920	97,874,390	2,584,319,843	0.3677
2001	2,568,521,833	210,819,321	94,882,780	2,684,458,374	0.3249

Source: Panola County Appraisal District

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Panola County Direct Rates</u>					
GENERAL	0.24926	0.23612	0.19374	0.21039	0.19350
SPECIAL REVENUE	0.10000	0.09938	0.08962	0.10140	0.09340
DEBT SERVICE	<u>0.02832</u>	<u>0.02770</u>	<u>0.02624</u>	<u>0.03231</u>	<u>-</u>
TOTAL DIRECT RATE	0.37758	0.36320	0.30960	0.34410	0.28690
 <u>Overlapping Rates</u>					
City and Town Rates:					
CARTHAGE	0.46000	0.41000	0.41000	0.39000	0.45940
BECKVILLE	0.31239	0.26044	0.22289	0.26684	0.26000
 School Districts Rates:					
CARTHAGE ISD	1.14000	1.14000	1.14000	1.14000	1.50000
GARY ISD	1.18251	1.20459	1.13855	1.12310	1.24560
BECKVILLE ISD	1.06320	1.04000	1.05586	1.10865	1.36860
ELYSIAN FIELDS ISD	1.20000	1.20000	1.22110	1.26990	1.40800
TATUM ISD	1.04000	1.04000	1.04000	1.04000	1.37000
TENAHHA ISD	1.21930	1.20438	1.41210	1.39762	1.37000
JOAQUIN ISD	1.55800	1.34110	1.12050	1.11010	1.28130
 Other Special District Rates:					
PANOLA JR. COLLEGE	0.11813	0.10579	0.09593	0.10477	0.09430
PANOLA COUNTY ESD	0.01844	0.01605	0.01393	0.01515	0.01360
PANOLA GWCD	0.00612	0.00637	0.00637		

Source: Various taxing entities

TABLE 6

2005	2004	2003	2002	2001
0.22450	0.25690	0.29210	0.24660	0.21690
0.10850	0.12420	0.14610	0.12110	0.10800
-	-	-	-	-
0.33300	0.38110	0.43820	0.36770	0.32490
0.45940	0.55000	0.56000	0.53500	0.54474
0.27415	0.27260	0.26642	0.24637	0.27593
1.53000	1.53000	1.56000	1.56000	1.50000
1.36930	1.21480	1.51980	1.48000	1.09670
1.51314	1.46450	1.65545	1.64550	1.62550
1.53600	1.24500	1.57000	1.44610	1.10364
1.56840	1.56800	1.47000	1.47000	1.47000
1.50000	1.50000	1.50000	1.50000	1.41000
1.47620	1.51480	1.61030	1.60060	1.43920
0.10850	0.11717	0.13483	0.11647	0.10828
0.01571	0.01700	0.02000	0.01750	0.02000

THIS PAGE LEFT BLANK INTENTIONALLY

TABLE 7

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

Name of Taxpayer	Fiscal Year 2010		Fiscal Year 2001	
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Devon Energy Production Co LP	\$ 669,158	14.04 %	\$ -	-
Anadarko E&P Company LP	400,767	8.41 %	-	-
Chevron USA Inc	193,937	4.07 %	-	-
XTO Energy Corp	150,927	3.17 %	-	-
Markwest Eastern TX Gas Co LP	134,437	2.82 %	-	-
Exxon Corporation	127,262	2.67 %	-	-
Lacy Operations LTD	124,910	2.62 %	-	-
DCP Midstream LP	117,968	2.48 %	-	-
EOG Resources Inc	99,707	2.09 %	-	-
BP America	86,788	1.82 %	-	-
RME Petroleum Co.	-	-	325,153	12.11 %
Devon Energy	-	-	221,035	8.23 %
Texaco Producing Inc.	-	-	218,405	8.14 %
Exxon Mobile Corp.	-	-	86,896	3.24 %
EOG Resources Inc	-	-	78,274	2.92 %
R. Lacy, Inc.	-	-	76,874	2.86 %
Louisiana-Pacific	-	-	74,790	2.79 %
B.P. Amoco Corp	-	-	66,803	2.49 %
Duke Energy	-	-	59,932	2.23 %
Ocean Energy	-	-	59,744	2.23 %
Total	\$ 2,105,861		\$ 1,267,906	
Total Assessed Value and Percentage of Total	\$ 4,766,122	44.18 %	\$ 2,684,458	47.23 %

Source: Panola County Appraisal District

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

Fiscal Year	Tax Levy (1)	Current Tax Collection (2)	Percent Of Levy Collected	Delinquent Collections & Adjustments (3)	Collections & Adjustments
2010	\$ 18,747,490	\$ 18,284,461	97.53%	249,045	18,533,506
2009	17,125,293	16,760,071	97.87%	284,341	17,044,412
2008	15,591,091	15,348,762	98.44%	199,374	15,548,136
2007	12,929,930	12,724,856	98.41%	177,419	12,902,275
2006	11,508,292	11,330,572	98.46%	156,755	11,487,327
2005	10,825,727	10,617,597	98.08%	189,726	10,807,323
2004	10,279,634	10,007,852	97.36%	251,288	10,259,140
2003	9,608,967	9,370,791	97.52%	223,232	9,594,023
2002	8,728,788	8,532,642	97.75%	184,371	8,717,013
2001	7,964,420	7,756,713	97.39%	194,557	7,951,270

Source: Tax Rolls

Notes:

- (1) Represents adjusted levy for property tax levy from the prior year. For example, the 2009 property tax year levy is to fund the 2010 fiscal year for the County.
- (2) Represents current tax collections from October of the prior year through June of the current fiscal year.
- (3) Represents delinquent tax collections for the property tax levy from the prior year. For example, the 2009 property tax year levy is to fund the 2010 fiscal year for the County.
- (4) Represents outstanding delinquent taxes receivable for the property tax levy from the prior year. For example, the 2009 property tax year levy is to fund the 2010 fiscal year for the County.

TABLE 8

Percent Of Total Collections and Adjustments To Tax Levy	Outstanding Delinquent Taxes (4)	Percent of Delinquent Taxes to Tax Levy
98.86%	213,984	1.14%
99.53%	80,881	0.47%
99.72%	42,955	0.28%
99.79%	27,655	0.21%
99.82%	20,965	0.18%
99.83%	18,404	0.17%
99.80%	20,494	0.20%
99.84%	14,944	0.16%
99.87%	11,775	0.13%
99.83%	13,150	0.17%

TABLE 9

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Other Obligations				
2010	\$ 1,340,000	\$ 201,590	\$ -	\$ 1,138,410	0.02%	0.12%	49.30
2009	2,625,000	161,924	-	2,463,076	0.05%	0.29%	108.96
2008	3,865,000	93,036	-	3,771,964	0.07%	0.52%	163.40
2007	5,055,000	2,610	-	5,052,390	0.12%	0.74%	219.65
2006	-	-	72,920	72,920	0.00%	0.01%	3.14
2005	-	-	145,840	145,840	0.00%	0.02%	6.24
2004	-	-	287,171	287,171	0.01%	0.05%	12.63
2003	-	-	427,567	427,567	0.02%	0.08%	18.71
2002	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-

Notes:

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

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 169.

(2) See the schedule of Demographic Statistics found on page 179 for personal income and population data.

TABLE 10

**PANOLA COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
AS OF DECEMBER 31, 2010
(UNAUDITED)**

Jurisdiction	Net Debt Outstanding Amount (1)	Applicable to Panola County Percent (2)	Amount Applicable to Panola County
Cities:			
Carthage	\$ 17,240,000	100.00%	\$ 17,240,000
Total Cities	<u>17,240,000</u>		<u>17,240,000</u>
School Districts:			
Carthage ISD	11,423,000	100.00%	11,423,000
Gary ISD	6,560,000	100.00%	6,560,000
Beckville ISD	9,281,800	100.00%	9,281,800
Elysian Fields ISD	12,395,000	52.55%	6,513,573
Tatum ISD	8,146,464	2.27%	184,925
Tenaha ISD	3,239,687	4.75%	153,885
Joaquin ISD	15,375,000	5.05%	776,438
Total School Districts	<u>66,420,951</u>		<u>34,893,620</u>
 Panola Junior College	 <u>7,844,425</u>	 100.00%	 <u>7,844,425</u>
 Subtotal, Overlapping Debt	 91,505,376		 59,978,045
 Panola County (Direct Debt)	 <u>1,340,000</u>		 <u>1,340,000</u>
 Total Direct and Overlapping Debt	 <u>\$ 92,845,376</u>		 <u>\$ 61,318,045</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.
- (2) Texas Municipal Reports

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt Limit	\$ 1,017,277,980	\$ 1,035,079,648	\$ 1,143,271,855	\$ 988,691,307	\$ 963,182,428	\$ 716,822,523	\$ 697,045,701	\$ 586,615,235	\$ 646,157,558	\$ 671,114,594
Total net debt applicable to limit	1,340,000	2,625,000	3,865,000	5,055,000	-	-	-	-	-	-
Legal debt margin	<u>\$ 1,015,937,980</u>	<u>\$ 1,032,454,648</u>	<u>\$ 1,139,406,855</u>	<u>\$ 983,636,307</u>	<u>\$ 963,182,428</u>	<u>\$ 716,822,523</u>	<u>\$ 697,045,701</u>	<u>\$ 586,615,235</u>	<u>\$ 646,157,558</u>	<u>\$ 671,114,594</u>
Total net debt applicable to the limit as a percentage of debt limit	0.13%	0.25%	0.34%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2010										
Assessed value				\$ 3,906,344,700						
Add back: exempt real property				162,767,220						
Total assessed value				<u>\$ 4,069,111,920</u>						
Debt limit 25% of assessed value of real property (Article 3, Section 52, Constitution of the State of Texas)				\$ 1,017,277,980						
Amount of Debt applicable to debt limit				1,340,000						
Legal Debt Margin				<u>\$ 1,015,937,980</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)**

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate	College & School Enrollment
2010	23,093	\$ 952,145	\$ 21,609	6.40%	6,181
2009	22,606	838,756	19,723	6.40%	5,806
2008	23,084	731,314	31,882	4.60%	5,732
2007	23,002	682,930	29,572	3.90%	5,342
2006	23,206	654,853	26,904	4.40%	5,613
2005	23,374	613,158	25,674	4.90%	5,630
2004	22,734	581,815	21,585	5.70%	5,683
2003	22,855	535,363	21,213	6.90%	5,367
2002	22,606	505,997	20,909	6.80%	5,385
2001	22,689	502,986	20,894	5.50%	5,152

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

THIS PAGE LEFT BLANK INTENTIONALLY

TABLE 13

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

EMPLOYER	Fiscal Year 2010		Fiscal Year 2009	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Tyson Poultry Inc.	800	8.97 %		
Carthage Independent School District	508	5.69 %		
ETMC - Carthage	220	2.46 %		
Panola County	190	2.15 %		
WNA	160	1.80 %		
Louisiana Pacific	130	1.45 %		
Union Pacific Resources	115	1.28 %		
Panola College	105	1.18 %		
Wal-Mart	105	1.18 %		
Brookshire Brothers	80	0.90 %		
Tyson Poultry Inc.			524	6.40 %
Carthage Independent School District			484	5.90 %
Smith Equipment Rental & Services			396	4.80 %
D Courtney Construction Inc			255	3.12 %
Pinnergy Inc.			250	3.42 %
East Texas Medical Center - Carthage			220	2.69 %
Panola County			190	2.34 %
WNA			160	1.95 %
Pierce Construction			148	1.81 %
Louisiana Pacific			130	1.59 %
Total	<u>2,413</u>	<u>27.06 %</u>	<u>2,757</u>	<u>34.02 %</u>

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

Note: GASB Statement 44 was implemented in fiscal year 2006; in future years, data from the period nine years prior to the report, rather than the prior fiscal year, will be presented.

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

Function/Program	Fiscal Year				
	2010	2009	2008	2007	2006
General Administration	17	17	17	17	17
Judicial	16	16	16	16	16
Elections	2	2	2	2	2
Financial Administration	13	13	13	13	13
Legal	6	6	6	6	6
Public Facilities	1	1	1	1	1
Public Safety	79	79	66	65	61
Public Transportation	47	47	47	46	45
Culture and Recreation	6	6	6	6	6
Conservation-Agriculture	3	3	3	3	3
Totals	190	190	177	175	170

Source: Panola County Payroll History Report

TABLE 14

2005	2004	2003	2002	2001
17	17	17	17	17
16	16	16	16	16
2	2	2	2	2
13	12	12	12	12
6	6	6	6	6
2	2	2	3	4
65	63	63	61	56
48	48	48	47	50
6	6	6	6	6
3	3	3	3	3
178	175	175	173	172

TABLE 15

**PANOLA COUNTY, TEXAS
CAPITAL ASSETS BY FUNCTION/PROGRAM
DECEMBER 31, 2010
(UNAUDITED)**

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

Source: Panola County Capital Asset Inventory Listing

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

PANOLA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
DECEMBER 31, 2010
(UNAUDITED)

Function/Program	Fiscal Year				
	2010	2009	2008	2007	2006
General Administration					
Official Public Records Filed	9,245	9564	10,804	10,325	9,780
Vital Statistics Filed	382	247	233	324	288
Judicial					
Number of Civil Cases	719	679	742	696	754
Number of Criminal Cases	854	1669	1,031	431	1,347
Legal					
Number of Convictions - Misdemeanors	379	432	N/A	N/A	N/A
Number of Convictions - Felony	276	381	95	94	353
Elections					
Number of Registered Voters	15,779	15,648	15,658	16,197	15,924
Number of Elections	3	3	3	2	3
Financial Administration					
Number of mineral tax items	2,566,302	2,546,560	2,443,147	1,849,374	1,705,536
Number of real estate tax items	171,175	170,678	168,619	136,656	137,864
Number of registered vehicles	31,404	30,880	28,813	28,345	27,052
Public Facilities					
Number of repair jobs	51	54	30	31	87
Public Safety					
Number of emergency responses	4,924	4852	3,526	5,054	5,145
Number of book-ins	1,328	1522	1,706	1,756	1,593
Environmental Protection					
Number of solid waste transfers(tons)	12,457	12588	12,557	12,606	17,482
Number of Diversions (tons)	650	510	512	711	867
Public Transportation					
Miles of road resurfaced	13	14	11	17	53
Number of repairs	401	387	361	338	117
Health and Paupers Care					
Number of autopsies performed	27	28	23	37	29
Number of indigent admissions	671	771	503	666	878
Recreation					
Number of patrons to Library	10,617	9,329	8,294	10,635	9,537
Number of books in library	53,485	53,201	49,907	51,083	41,117
Number of programs	51	60	77	48	80
Conservation					
Number of programs	171	30	42	51	26
Number of radio programs	135	130	67	-	-
County Extension mailouts & emails	10,234	5,102	4,152	5,955	5,754

Source: Individual County Departments

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

**PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2010
(Unaudited)**

Insurer or Name of Company	Number	Policy Period	
		From	To
The St. Paul Ins. Co.	GP09313692	01/01/10	12/31/10
The St. Paul Ins. Co.	GP09313692	01/01/10	12/31/10
The St. Paul Ins. Co.	GP09313692	01/01/10	12/31/10
The St. Paul Ins. Co.	GP09313692	01/01/10	12/31/10
The St. Paul Ins. Co.	GP09313692	01/01/10	12/31/10
The St. Paul Ins. Co.	GP09313692	01/01/10	12/31/10
The St. Paul Ins. Co.	GP09313692	01/01/10	12/31/10
EBCO	UA00134783-09	12/31/10	12/31/11
Texas Association of Counties	#1830	01/01/09	12/31/09
Texas Association of Counties	#1830	01/01/09	12/31/09
Texas Association of Counties - BCBS	62946	12/01/09	11/30/10
The CIMA Companies, Inc.	SPS900305	07/01/09	07/31/10

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

TABLE 17

Building and/or Department & Description	Amount of Coverage	Premiums & Funding
Physical Damage-Comp. Limit PD; 500 Deduct; Bodily Injury - Limit; Comp. Auto liab. Ins. 1,000	\$ 2,000,000	\$ 88,754
General Liability; 2,000,000	2,000,000	59,414
Commercial Property and Equipment	3,055,498	33,339
Commercial Umbrella Liability- 1,000,000 each occurrence Aggregate 1,000,000; Retention 10,000	2,000,000	18,352
Law Enforcement Professional Liability; Each Person 1,000,000 Aggregate 3,000,000; Each occurrence 1,000,000	2,000,000	68,439
2,000,000 Limit Each 2,000,000 Aggregate 25,000 retention; Public Officials and Employees Legal Liability	2,000,000	54,116
Crime - Employee Theft, Forgery	2,000,000	1,734
Property Damage 1,000,000; General Liability- Airport 1,000,000 each occurrence, 2,000,000 aggregate	2,000,000	2,650
Workers Compensation Self-Funded Insurance through Texas Association of Counties	(2)	117,427
Unemployment Insurance Self-Funded through Texas Association of Counties	(3)	10,804
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)	1,761,440
Volunteers Insurance Service Association (VIS) Work Release Volunteer Accident Insurance	25,000	1,053

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2010
(Unaudited)

Insurer or Name of Company	Number	Policy Period	
		From	To
Safeco Ins.	6195460	01/01/07	01/01/11
Safeco Ins.	952904	01/01/09	01/01/13
	6510934	12/31/10	12/31/13
Safeco Ins.	6001534	01/01/07	01/01/11
	6510939	07/18/07	12/31/10
Safeco Ins.	5978951	01/01/09	01/01/13
	6510936	12/31/10	12/31/13
Safeco Ins.	6194986	01/01/07	01/01/11
	6510940	07/18/07	12/31/10
Safeco Ins.	6604896	10/01/08	01/01/11
Safeco Ins.	EX916865	12/31/10	12/31/14
RISC	MGM826411-M	01/14/10	01/14/11
Safeco Ins.	6001533	01/01/07	01/01/11
Safeco Ins.	6464731	01/01/10	01/01/11
Safeco Ins.	E855300	12/31/10	12/31/14
RISC	EO-835434	01/14/10	01/14/11
Travelers	6608010A867TCT	08/27/10	08/27/11
Safeco Ins.	6609553	11/12/10	12/31/12
Safeco Ins.	E879393	01/01/07	01/01/11
Safeco Ins.	E879390	01/01/07	01/01/11
Safeco Ins.	6575455	06/01/10	06/01/11
Safeco Ins.	850592	02/02/09	02/28/11
	6224019	06/01/10	06/01/11
	6603669	09/26/10	09/26/11
Safeco Ins.	EX879011	12/31/10	12/31/14
Safeco Ins.	6745617	12/31/10	12/31/11
	6735631	11/01/10	11/01/11
Safeco Ins.	6487992	08/31/08	01/01/12

TABLE 17 (cont.)

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

**PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2010
(Unaudited)**

Insurer or Name of Company	Number	Policy Period	
		From	To
Safeco Ins.	6483966	12/31/07	01/01/12
Safeco Ins.	01FI0122504	01/01/09	01/01/13
Safeco Ins.	01EX850744	01/01/09	01/01/13
Safeco Ins.		12/31/10	12/31/11
Safeco Ins.	01EX952902	01/01/09	01/01/13
Safeco Ins.	6321576	12/31/08	12/31/12
The Travelers	1-660-287X6078-TCT-10	12/30/10	12/30/11
The Travelers	1-660-226X9543-TCT-10	12/30/10	12/30/11
Safeco Ins.	EX850916	01/01/07	01/01/11
Safeco Ins.	EX981374	09/02/10	09/02/11
Safeco Ins.	6273850	03/24/10	03/24/11
Safeco Ins.	6182632	09/01/10	09/01/11
Safeco Ins.	E885283	08/29/10	08/29/11
Safeco Ins.	6190678	10/18/10	10/18/11
Safeco Ins.	6326182	01/10/10	01/10/11
	6325834	01/10/10	01/10/11
Safeco Ins.	6576907	05/22/10	05/22/11
	6572659	04/28/10	04/28/11

TABLE 17 (cont.)

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

THIS PAGE LEFT BLANK INTENTIONALLY

OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION

THIS PAGE LEFT BLANK INTENTIONALLY



Richard P Loughlin
Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
P O Box 1716
Henderson TX 75654

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

June 22, 2011

Panola County Commissioners' Court
Panola County, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas, as of and for the year ended December 31, 2010, which collectively comprise Panola County, Texas' basic financial statements and have issued our report thereon dated June 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

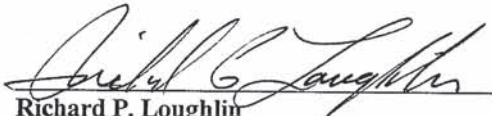
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

Compliance and Other Matters

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

MEMBER

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



Richard P. Loughlin
Certified Public Accountant



Richard P Loughlin
Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
P O Box 1716
Henderson TX 75654

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

June 22, 2011

Panola County Commissioners' Court
Panola County, Texas

Compliance

We have audited the compliance of Panola County, Texas with the types of compliance requirements described in the State of Texas Single Audit Circular that are applicable to its major state program for the year ended December 31, 2010. Panola County, Texas' major state program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Panola County, Texas' management. Our responsibility is to express an opinion on Panola County, Texas' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State of Texas Single Audit Circular. Those standards and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Panola County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Panola County, Texas' compliance with those requirements.

In our opinion, Panola County, Texas complied, in all material respects, with the requirements referred to above that are applicable to its major state program for the year ended December 31, 2010.

Internal Control Over Compliance

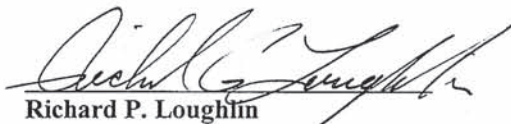
Management of Panola County, Texas is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Panola County, Texas' internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Panola County, Texas' internal control over compliance.

MEMBER

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

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

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



Richard P. Loughlin
Certified Public Accountant

Panola County, Texas
Summary of Auditor's Results and
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted?

 Yes X No

2. State Awards

Internal control over major programs:

Material weaknesses identified? Yes X No

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

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

Unqualified

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

 Yes X No

Identification of major programs:

Name of State Program or Cluster

Community Supervision & Correction Department CJAD Contracts.

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

\$300,000

Auditee qualified as low-risk auditee?

 Yes X No

B. Financial Statement Findings

NONE

C. State Award Findings and Questioned Costs

NONE

THIS PAGE LEFT BLANK INTENTIONALLY

**FEDERAL AND STATE
AWARD SECTION**

THIS PAGE LEFT BLANK INTENTIONALLY

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

THIS PAGE LEFT BLANK INTENTIONALLY

PANOLA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2010

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA (1) Number	Expenditures
<u>FEDERAL GRANTS</u>		
United States Department of Justice Passed Through Office of the Governor, Criminal Justice Division / Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 91,821
United States Election Assistance Commission Passed Through Texas Secretary of State/Title II, Section 251 Voting System Accessibility and General HAVA Compliance Program - General HAVA Title III Compliance Grant	90.401	41,450
Title IV - E Federal Foster Care Reimbursement Program Passed Through Texas Juvenile Probation Commission	93.658	7,390
United States Department of Homeland Security Passed Through Texas Department of Public Safety's Division of Emergency Management	97.036	155,485
U.S. Department of Housing and Urban Development Passed Through Texas Department of Rural Affairs / Community Development Block Grant	14.228	28,150
TOTAL FEDERAL GRANTS		\$ 324,296

(1) Catalog of Federal Domestic Assistance number.

See notes to Schedule of Federal and State Financial Assistance.

**PANOLA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2010**

<u>Grantor/Program Title</u>	<u>Expenditures</u>
<u>STATE GRANTS AND ASSISTANCE</u>	
Texas Task Force on Indigent Defense/ Indigent Defense Grant	\$ 24,381
Community Justice Assistance Division/ Community Supervision & Correction Department - CJAD Contracts	400,681
Texas Juvenile Probation Commission - TJPC Contracts	199,527
Texas Commission on State Emergency Communications Passed Through East Texas Council of Governments/ Rural Addressing Maintenance Reimbursement Program	44,983
Texas Department of Health Services/ Tobacco Settlement Funds	<u>21,009</u>
TOTAL STATE ASSISTANCE	<u>\$ 690,581</u>

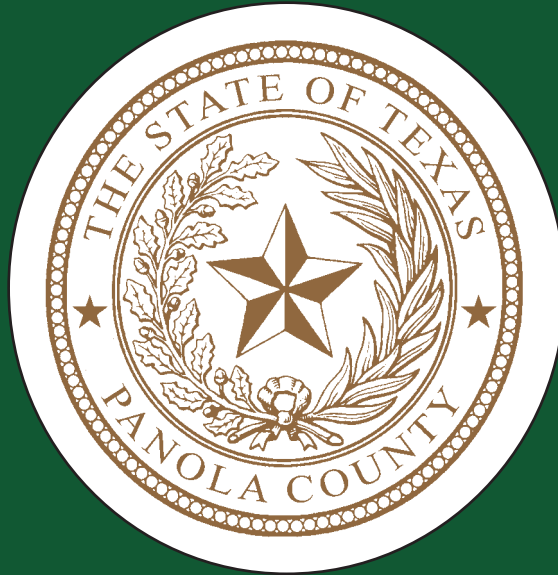
See notes to Schedule of Federal and State Financial Assistance.

**PANOLA COUNTY, TEXAS
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2010**

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

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

During the year ended December 31, 2010, Panola County did not expend any Federal awards in the form of non-cash assistance, loans or loan guarantees.



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