

PANOLA COUNTY AUDITOR'S

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED DECEMBER 31, 2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PANOLA COUNTY, TEXAS

FOR THE YEAR ENDED DECEMBER 31, 2020

Prepared by:

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

**PANOLA COUNTY, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2020**

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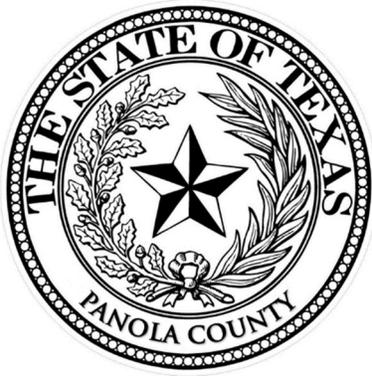
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INTRODUCTORY SECTION





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

June 16, 2021

Honorable District Judge LeAnn Rafferty
Honorable County Judge Lee Ann Jones,
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, 2020. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board, and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

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

The financial statements of Panola County have been audited by Gollob Morgan Peddy PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on Panola County's financial statements for the year ended December 31, 2020, 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 23,796.

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

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

Budgets and Budgetary Controls

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

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

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

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

Financial Administration

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

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

The County Auditor is appointed for a two-year term by the State District Judge having jurisdiction within the County. The County Auditor is responsible for the accounting practices and audit control functions of county finances. The County Auditor’s responsibilities include those for accounting, auditing, accounting

systems design, assisting with financial planning and operations, financial reporting, insurance, budget preparation as instructed by the Commissioners' Court, preparation of claims for approval by Commissioners' Court and various other financial related activities. The County Auditor also serves as fiscal officer for the Community Supervision Corrections Department and the Juvenile Probation Department.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

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

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

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

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

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

Long-term Financial Planning

The Commissioners' Court continues to be very active in budgeting financial resources to rehabilitate all County maintained infrastructure over a number of years in the most economical way. Various capital outlays for road and bridge equipment have been made and are planned to ensure that the department stays updated to meet future repair needs. In addition, the Commissioners' Court continued to fund the Other Post-Employment Benefits (OPEB) Trust Fund in compliance with Government Accounting Standards Board Statement 75 (GASB 75). Compliance with this accounting standard and funding in 2020 will minimize the cost to future taxpayers.

Various costs associated with fringe benefit expenses for active and retired employees had a significant effect on the financial statements in 2020. The County continues to participate in the health insurance program provided through the Texas Association of Counties. This insurance pool allows the County to limit increases in premiums at an amount less than the national average.

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

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

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to Panola County, Texas, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019.

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.

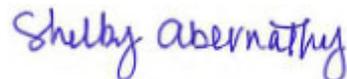
Acknowledgements

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,



Jennifer Stacy
County Auditor



Shelby Abernathy
Assistant Auditor



Christina Chatman
Assistant Auditor



Government Finance Officers Association

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, 2019

Christopher P. Morill

Executive Director/CEO

**PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2020**

DISTRICT COURT: 123rd Judicial District

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

COMMISSIONERS COURT:

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

COUNTY COURT AT LAW:

The Honorable Terry Bailey, Judge
Rebecca Kise, Court Reporter

COUNTY AUDITOR:

Jennifer Stacy

ASSISTANT COUNTY AUDITORS:

Shelby Abernathy
Christina Chatman

COUNTY CLERK:

Bobbie Davis

COUNTY SHERIFF:

Kevin Lake

COUNTY SURVEYOR:

Don Austin

COUNTY TAX ASSESSOR-COLLECTOR:

Holly Gibbs

COUNTY TREASURER:

Joni Reed

**PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2020**

COUNTY VETERAN SERVICE OFFICER:

William Morris

JUSTICES OF THE PEACE:

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

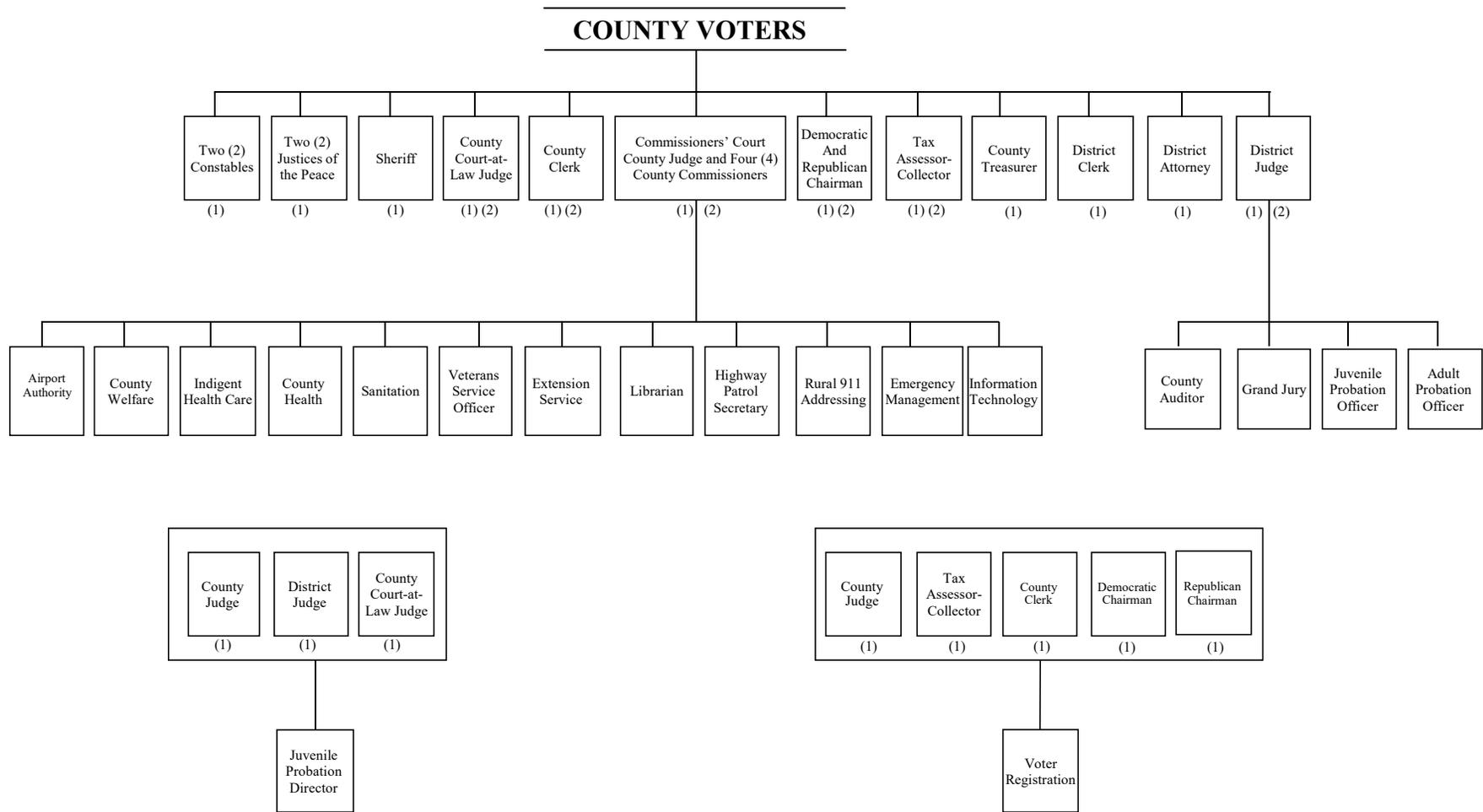
CONSTABLES:

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

ELECTIONS ADMINISTRATOR:

Loretta Mason

PANOLA COUNTY, TEXAS ORGANIZATIONAL CHART

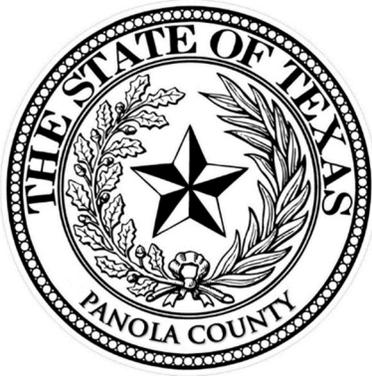


III.A

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



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Panola County, Texas as of December 31, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Panola County, Texas' basic financial statements. The introductory section, additional supplementary information, statistical section and the Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Emphasis of Matter

As discussed in Note Q to the financial statements, there were two prior period adjustments to correct the deferred outflows and net position related to the pension and supplemental death benefit in the government wide financial statements. Our opinions are not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2021, on our consideration of Panola County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Panola County, Texas' internal control over financial reporting and compliance.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
June 16, 2021

**PANOLA COUNTY, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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, 2020. The intent of this discussion and analysis is to look at the County’s financial performance as a whole. Readers of this discussion and analysis should consider the information presented here in conjunction with additional information that we have furnished in our accompanying letter of transmittal, and in the basic financial statements and notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Panola County, Texas exceeded its liabilities and deferred inflows of resources at December 31, 2020 by \$45,393,617 (net position). Of this amount, \$9,378,770 (unrestricted net position) may be used to meet the County’s ongoing obligations to citizens and creditors.
- The County’s change in net position was an increase of \$787,814.
- At December 31, 2020, the County’s governmental funds reported combined ending fund balances of \$34,072,706, an increase of \$2,235,664 over the prior year. Of this amount, \$21,054 is nonspendable, \$15,988,313 is restricted, \$532,677 is committed, and \$17,530,662 is unassigned. Unassigned fund balance is available for spending at the County’s discretion.
- At December 31, 2020, unassigned fund balance for the general fund was \$17,530,662, or 109.49% of total general fund expenditures.
- The County issued no new debt during the year ended December 31, 2020.

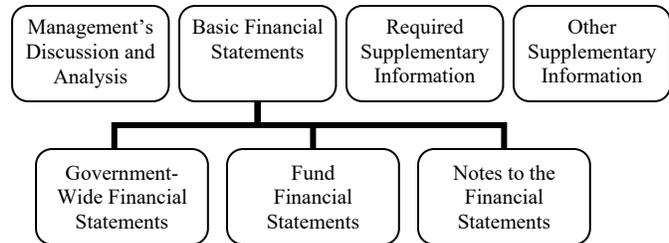
OVERVIEW OF THE FINANCIAL STATEMENTS

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, 2020

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

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

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

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

The government-wide financial statements can be found on pages 15 - 16 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 38 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 36 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, 2020

The County adopts an annual appropriated budget for 21 of its governmental funds. The Required Supplementary Information contains budget comparisons for the General Fund and the Road and Bridge special revenue fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget, as both originally adopted and as finally amended.

The basic governmental fund financial statements can be found on pages 17 - 20 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County's fiduciary funds consist of agency funds and the Retiree Health Benefits Trust Fund (RHBT). Agency funds are used as clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the parties, organizations, or other government agencies to which they belong. The RHBT Fund was created in November 2007 for the purpose of funding for the County's obligation under GASB 75 regarding other post-employment benefits (OPEB) for eligible retired employees. The RHBT will be used to provide for the future payment of health care insurance premiums for eligible retired employees.

The basic fiduciary fund financial statement can be found on pages 21 - 22 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 23 – 49 of this report.

Other Information

In addition to the Basic Financial Statements and accompanying Notes, this report also presents Combining and Individual Fund Financial Statements and Schedules. These statements and schedules provide greater detail in connection with Governmental Funds, and Fiduciary Funds. The Combining and Individual Fund Financial Statements and Schedules may be found on pages 70-103 of this report.

Single Audit

The County expended \$813,343 of Federal funds, primarily Coronavirus Relief funds, exceeding the \$750,000 threshold required for a single audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The County did not expend in excess of \$750,000 in state financial assistance during the year ended December 31, 2020. As a result, a single audit in accordance with the State of Texas *Single Audit Circular* was not required. The Overall Compliance and Internal Controls section of this report, including the federal single audit begins on page 129.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Net position of the County as of December 31, 2020 and December 31, 2019 are summarized and analyzed on the following page.

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,393,617 as of December 31, 2020, and by \$45,291,808 as of December 31, 2019, an overall increase of \$101,808, which consists of the change in net position of \$787,814, and a prior period correction for OPEB related deferred outflows of \$(686,005). The increase in net position was primarily the result of Federal Coronavirus Relief revenue received in the current year. As of December 31, 2020, the County's total assets were \$78,071,667. Capital assets, which

**PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

include land, buildings and improvements, machinery, equipment, furniture, and infrastructure less any related debt used to acquire those assets that is still outstanding, represent 25.65% of total net position.

An amount of \$9,378,770 of the County's net position is unrestricted net position. This amount may be used to meet the County's ongoing obligations.

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

	2020	2019
Current and Other Assets	\$ 58,045,133	\$ 53,721,038
Capital Assets	20,026,534	20,411,374
Total Assets	<u>78,071,667</u>	<u>74,132,412</u>
Total Deferred Outflows of Resources	<u>9,893,851</u>	<u>9,246,216</u>
Net Pension Liability	2,796,129	9,120,867
Net OPEB Liabilities	6,586,259	3,630,809
Long-Term Liabilities Outstanding	247,510	277,315
Other Liabilities	267,487	516,315
Total Liabilities	<u>9,897,385</u>	<u>13,545,306</u>
Total Deferred Inflows of Resources	<u>32,674,516</u>	<u>24,541,515</u>
Net Position:		
Net Position, Investment in Capital Assets	20,026,534	20,411,374
Restricted	15,988,313	15,998,539
Unrestricted	9,378,770	8,881,895
Total Net Position	<u>\$ 45,393,617</u>	<u>\$ 45,291,808</u>

The change in net position for the County's activities for the year was an increase of \$787,814. Total revenues for Panola County were \$27,782,695 and \$26,434,757 in 2020 and 2019, respectively. Total expenses were \$26,994,881 and \$25,323,172 in 2020 and 2019, 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 38.92% or \$1,253,816, due primarily to Coronavirus Relief Funds, and donations of road materials. Charges for services decreased by \$241,713. Operating grants and contributions increased by \$1,498,352. Capital grants and contributions decreased \$2,823.
- General revenues consist of taxes and interest not allocable to specific programs, as well as miscellaneous transactions that are not attributable to a specific program. The largest of these, property taxes, increased by \$748,384, primarily due to increasing valuation, and new construction. Other revenues decreased by \$654,262, principally due to a decrease in interest income.

PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

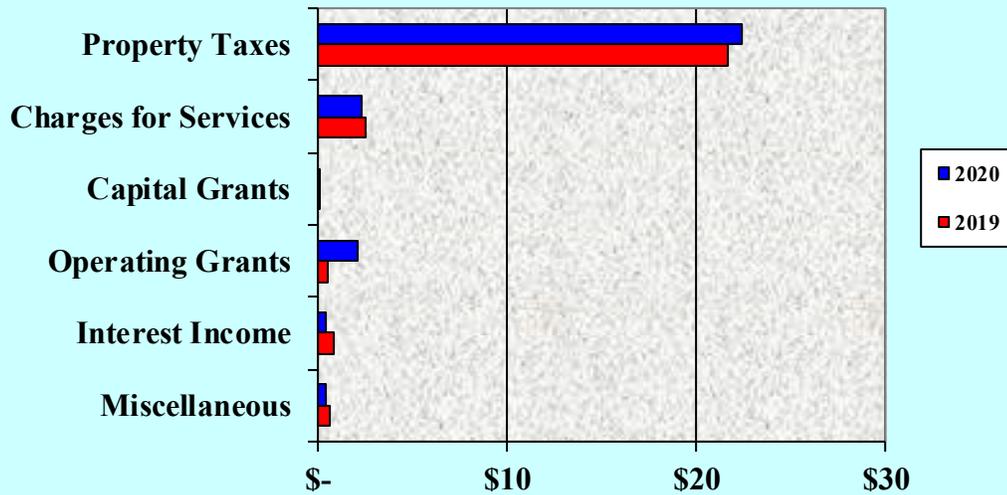
- Public safety, public transportation, and general administration are the three largest programs, in terms of expenses. These three activities accounted for 73.92% of total expenses.
- Public safety expenses increased \$1,624,603, due to the County's change in OPEB liability and other miscellaneous expenses.

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

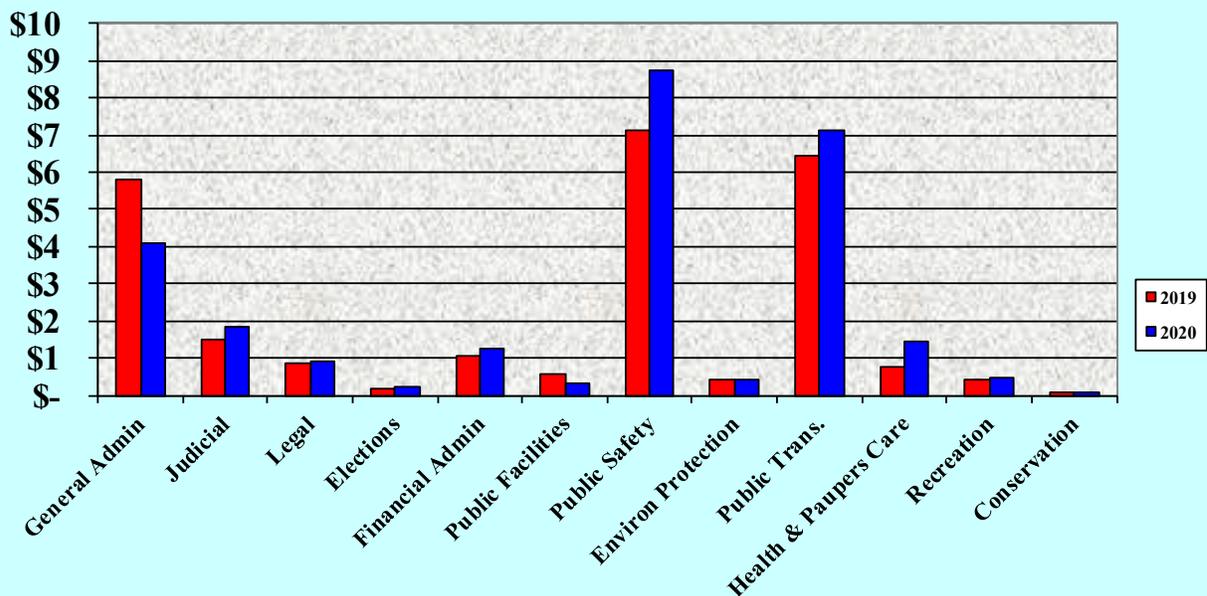
	2020	2019
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,328,091	\$ 2,569,804
Operating Grants and Contributions	2,084,507	586,155
Capital Grants and Contributions	62,485	65,308
General Revenues:		
Property Taxes	22,389,484	21,641,100
Other	918,128	1,572,390
Total Revenues	<u>27,782,695</u>	<u>26,434,757</u>
Expenses:		
General administration	\$ 4,091,292	\$ 5,813,060
Judicial	1,824,413	1,501,830
Legal	919,988	844,493
Elections	234,316	190,348
Financial administration	1,255,840	1,076,875
Public facilities	330,773	559,976
Public safety	8,743,377	7,118,774
Environmental protection	424,727	424,322
Public transportation	7,120,378	6,464,256
Health & paupers care	1,465,366	794,101
Recreation	481,366	435,797
Conservation	103,044	99,340
	<u>26,994,881</u>	<u>25,323,172</u>
Increase in Net Position	787,814	1,111,585
Net Position - Beginning	<u>45,291,808</u>	<u>44,180,222</u>
Restatement - OPEB	(686,005)	-
Net Position - Beginning, as restated	<u>44,605,803</u>	<u>44,180,222</u>
Net Position - Ending	<u>\$ 45,393,617</u>	<u>\$ 45,291,808</u>

PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

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, 2020**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

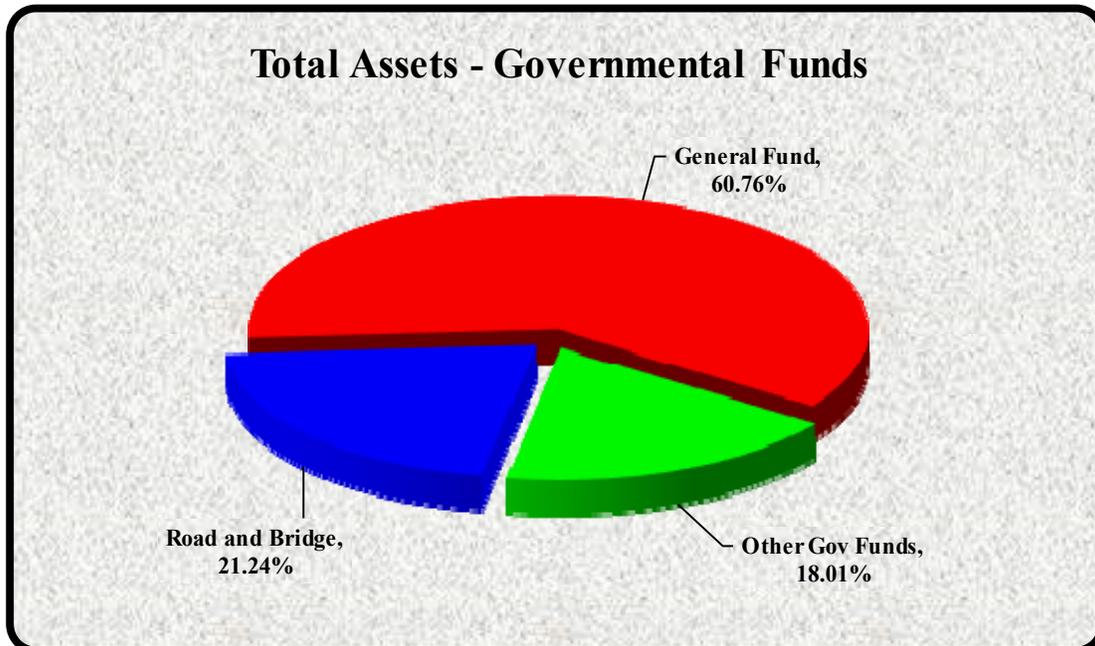
As of December 31, 2020, the County's governmental funds reported combined ending fund balances of \$34,072,706, an increase of \$2,235,664 over the prior year. Approximately 51.45% of this amount, \$17,530,662 constitutes unassigned fund balance, which is available for spending at the County's discretion.

The General Fund is the chief operating fund of the County. At December 31, 2020, 100% of the General Fund's total fund balance, or \$17,530,662 is unassigned. Total fund balance for the General Fund increased by \$2,225,948, or 14.54% from the prior year due to an increase in total assets in the amount of \$3,668,269 and an increase in deferred inflows in the amount of \$1,602,753. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance, which equals total fund balance, represents 109.49% of total General Fund expenditures.

General Fund revenues exceeded budgeted amounts by approximately \$637,467, and actual expenditures were \$1,971,552 below budgeted expenditures.

Fund balance in the Road and Bridge Fund decreased by \$206,662, due to higher expenditures increase compared to revenue increase.

As shown below, as of December 31, 2020 total assets in the General Fund amounted to \$35,577,955, accounting for 60.76% of total governmental fund assets. The Road and Bridge special revenue fund, the County's other major fund's total asset amount is \$12,436,654. Together, these major funds account for 82.00%, of total governmental fund assets.



PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to a net increase in appropriations of \$469,847. Significant among the amendments were:

- Legal – Increased appropriations of \$351,896 as a result of increased required professional services.
- Public Safety – Increased appropriations of \$459,488 as a result of additional personnel and equipment.
- Capital Outlay– Increased appropriations for additional capital outlay of \$368,402.

General Fund revenues exceeded the final budget by \$637,467. The majority of this increase was attributable to property taxes exceeding the final budget by \$526,684.

General Fund expenditures were \$1,971,552 less than final budgeted expenditures. Major contributors to lower than budgeted expenditures are as follows:

- Expenditures for General Administration were \$377,703 less than final budgeted amounts due to lower than expected demand for services.
- Expenditures for public safety activities were \$493,870 less than final budgeted amounts due to lower than expected expenditures in the Sheriff's Office and Corrections.
- Expenditures for Health and Paupers Care were \$174,798 below budgeted amounts due to lower expenditures needed for indigent health care.
- Expenditures for judicial expenditures were \$137,264 less than final budgeted amounts due to lower than expected expenditures for professional services, jurors, and bailiffs.
- Expenditures for legal expenditures were \$297,086 less than final budget amounts due to lower than expected required professional services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$20,026,534 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, furniture, and infrastructure. The net decrease in the County's investment in capital assets, after depreciation expense of \$1,510,776, for the current year was \$384,840.

This year's additions totaled \$1,280,195. Included in the additions were various purchases of buildings, construction, infrastructure, machinery and equipment.

Capital assets as of December 31, 2020 and 2019 are summarized on the following page.

Additional information on the County's capital assets can be found in Note III, E on page 32 of this report.

**PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

**Capital Assets
As of December 31**

	<u>2020</u>	<u>2019</u>
Land	\$ 1,722,016	\$ 1,722,016
Construction in Progress	-	34,291
Buildings	21,098,412	21,000,601
Improvements other than buildings	285,103	275,603
Machinery and equipment	13,539,725	12,696,798
Infrastructure	<u>10,874,785</u>	<u>10,874,785</u>
Total Capital Assets	47,520,041	46,604,094
Less: Accumulated Depreciation	<u>(27,493,507)</u>	<u>(26,192,720)</u>
Total Capital Assets	<u>\$ 20,026,534</u>	<u>\$ 20,411,374</u>

Long-Term Debt

As of December 31, 2020, the County has no outstanding bonded debt. The only debt outstanding is in the form of accrued compensated absences and the net pension and OPEB liability.

Additional information on the County's long-term debt can be found in Note III, K on page 45 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered in preparing the County's budget for 2021.

- FY2020 total property assessed value decreased 11.33% from the prior year. FY2019 had an increase in assessed value of 20.56%.
- Property tax receipts for FY2020 increased to \$21.63 million compared to \$20.79 million for FY2019.
- The County has consistently maintained an ad valorem tax collection rate over 94% for the last several years. In the current year the collection rate was 94.91%.
- The percentage increase in medical insurance premiums for employees was .98% for FY 2020 (FY 2019 increase was 1.79%).
- Fluctuating energy costs have affected the price of fuel and road surfacing materials.
- Property and liability insurance costs increased 4.56% for FY 2020 compared to an increase of 1.44% for FY 2019.

PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Original budgeted revenues for FY 2020 are \$17.77 million, an increase of 10.20% over original budgeted revenues of \$16.12 million for FY 2019. Property taxes account for the bulk of the revenues, as approximately 89.79% 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 \$0.6135/\$100. The continued natural gas production value allows the County to maintain a relatively low tax rate for the maintenance and operations budget.

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

- Decreased taxable value due to the lower price of natural gas will have an impact on the budget for the next year.
- Continued pressure from rising health insurance costs, demand for services, increased fuel costs and road maintenance costs will cause the County to adjust the tax rate in years to come.
- In spite of the demand for County services, the County enjoys a healthy tax base relying primarily on the natural gas field for a substantial amount of tax revenues. The County conservatively manages its resources and is in a sound financial position to meet the needs of citizens for years to come.
- The economic factor of COVID-19 remains to be seen. The rate of rising unemployment may have a negative effect on the percentage of collections of ad valorem taxes.

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

EXHIBIT 1

**PANOLA COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	<u>PRIMARY GOVERNMENT</u> <u>GOVERNMENTAL</u> <u>ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 2,390,929
Investments	42,546,687
Receivables (net of allowance for doubtful accounts)	
Property taxes	8,339,167
Due from Other Governments	3,983,592
Miscellaneous	753,804
Inventory	21,054
Other Assets	9,900
Capital assets (net of accumulated depreciation):	
Land	1,722,016
Buildings	13,564,370
Improvements	200,581
Machinery and equipment	3,950,885
Infrastructure	588,682
Total Assets	<u>78,071,667</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	5,791,266
Deferred charge on OPEB Health Plan	3,932,730
Deferred charge on OPEB Supplemental Death Benefit	169,855
Total Deferred Outflows of Resources	<u>9,893,851</u>
LIABILITIES	
Accounts Payable	173,027
Unearned revenue - grants	78,661
Long-term debt:	
Portion due or payable within one year:	
Compensated absences	15,799
Portion due or payable after one year:	
Compensated absences	247,510
Net pension liability	2,796,129
Other post employment benefit liability	6,586,259
Total Liabilities	<u>9,897,385</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue - Advance Tax	22,154,984
Deferred charge on TCDRS pension	8,619,560
Deferred charge on OPEB Health Plan	1,856,277
Deferred charge on OPEB Supplemental Death Benefit	43,695
Total Deferred Inflows of Resources	<u>32,674,516</u>
NET POSITION	
Net investment in capital assets	20,026,534
Restricted	15,988,313
Unrestricted	9,378,770
Total Net Position	<u>\$ 45,393,617</u>

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

**PANOLA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

EXHIBIT 2

Functions/Programs	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
PROGRAM REVENUES					PRIMARY GOVERNMENT
PRIMARY GOVERNMENT					GOVERNMENTAL ACTIVITIES
Primary Government:					
Governmental activities:					
General administration	\$ 4,091,292	\$ 430,163	\$ 776,087	\$ -	\$ (2,885,042)
Judicial	1,824,413	472,783	84,000	-	(1,267,630)
Legal	919,988	15,658	30,498	32,485	(841,347)
Elections	234,316	9,100	41,339	-	(183,877)
Financial administration	1,255,840	908,753	-	-	(347,087)
Public facilities	330,773	-	-	-	(330,773)
Public safety	8,743,377	228,049	364,381	30,000	(8,120,947)
Environmental protection	424,727	-	-	-	(424,727)
Public transportation	7,120,378	91,880	731,108	-	(6,297,390)
Health & paupers care	1,465,366	80	57,094	-	(1,408,192)
Recreation	481,366	171,625	-	-	(309,741)
Conservation	103,044	-	-	-	(103,044)
Total primary government	\$ 26,994,881	\$ 2,328,091	\$ 2,084,507	\$ 62,485	\$ (22,519,798)
General revenues:					
Property taxes					\$ 22,389,484
Miscellaneous					460,628
Interest earned					457,500
Total general revenues					23,307,612
Change in net position					787,814
Net position - beginning of year					45,291,808
Prior period adjustment - See Note Q					(686,005)
Net position beginning of year, as restated					44,605,803
Net position - end of year					\$ 45,393,617

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

**PANOLA COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 303,226	\$ 180,803	\$ 1,906,900	\$ 2,390,929
Investments	25,764,012	9,300,219	7,482,456	42,546,687
Receivables :				-
Current Taxes	5,416,798	1,619,151	188,121	7,224,070
Delinquent Taxes	1,271,374	350,974	47,582	1,669,930
Allowance for uncollectible taxes	(422,816)	(15,295)	(116,722)	(554,833)
Due from Other Governments	2,987,250	892,928	103,414	3,983,592
Miscellaneous	104,639	13,721	635,444	753,804
Inventory	-	-	21,054	21,054
Other Assets	9,900	-	-	9,900
Due From Other Funds	143,572	94,153	275,951	513,676
Total Assets	<u>\$ 35,577,955</u>	<u>\$ 12,436,654</u>	<u>\$ 10,544,200</u>	<u>\$ 58,558,809</u>
LIABILITIES				
Accounts Payable-Trade	146,633	10,681	15,713	173,027
Due To Other Funds	-	-	513,676	513,676
Total Liabilities	<u>\$ 146,633</u>	<u>\$ 10,681</u>	<u>\$ 529,389</u>	<u>\$ 686,703</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue	9,603,748	2,855,090	323,647	12,782,485
Deferred Revenue - Advanced Taxes	8,218,251	2,436,541	283,462	10,938,254
Deferred Revenue - Grants	78,661	-	-	78,661
Total Deferred Inflows of Resources	<u>17,900,660</u>	<u>5,291,631</u>	<u>607,109</u>	<u>23,799,400</u>
FUND BALANCES				
Nonspendable	-	-	21,054	21,054
Restricted	-	7,134,342	8,853,971	15,988,313
Committed	-	-	532,677	532,677
Unassigned	17,530,662	-	-	17,530,662
Total Fund Balances	<u>17,530,662</u>	<u>7,134,342</u>	<u>9,407,702</u>	<u>34,072,706</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 35,577,955</u>	<u>\$ 12,436,654</u>	<u>\$ 10,544,200</u>	<u>\$ 58,558,809</u>

EXHIBIT 4

**PANOLA COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (EXHIBIT 1)
DECEMBER 31, 2020**

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

Total fund balances governmental funds (Exhibit 3)	\$ 34,072,706
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,026,534
Net OPEB Liability created by contributions made by the County to its health plan and its related deferred inflows of resources are not reported in the funds.	(3,881,176)
Net OPEB Liability - Supplemental death benefits and related deferred out flows and inflows of resources are not reported in the funds.	(521,646)
Net Delinquent Property Taxes Receivable is a "long-term asset" and not available to pay for current period expenditures and therefore is deferred in the funds.	1,565,755
The Net Pension Liability and related deferred outflows and deferred inflows of resources are not reported in the funds.	(4,919,242)
Long-term liabilities (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds.	(263,309)
Prior period adjustment	<u>(686,005)</u>
Net position of governmental activities	<u><u>45,393,617</u></u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Property Taxes	\$ 16,481,739	\$ 4,640,579	\$ 505,842	\$ 21,628,160
Licenses	-	270,300	-	270,300
Intergovernmental Receipts	514,660	83,854	1,224,325	1,822,839
Fees of Office	868,852	-	391,553	1,260,405
Fines	-	320,343	1,604	321,947
Miscellaneous	721,493	974,435	176,050	1,871,978
Total revenues	<u>18,586,744</u>	<u>6,289,511</u>	<u>2,299,374</u>	<u>27,175,629</u>
EXPENDITURES				
Current:				
General Administration	3,753,290	-	137,659	3,890,949
Judicial	1,472,552	-	-	1,472,552
Legal	880,161	-	35,388	915,549
Elections	205,440	-	1,218	206,658
Financial Administration	1,103,635	-	-	1,103,635
Public Facilities	283,356	-	-	283,356
Public Safety	6,368,553	-	773,425	7,141,978
Environmental Protection	417,254	-	-	417,254
Public Transportation	-	3,863,023	559,462	4,422,485
Health and Paupers Care	530,902	-	866,828	1,397,730
Recreation	396,690	-	-	396,690
Conservation	96,014	-	-	96,014
Capital Outlay	502,886	2,629,090	63,139	3,195,115
Total expenditures	<u>16,010,733</u>	<u>6,492,113</u>	<u>2,437,119</u>	<u>24,939,965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,576,011</u>	<u>(202,602)</u>	<u>(137,745)</u>	<u>2,235,664</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	355,050	355,050
Transfers (out)	(350,065)	(4,060)	(925)	(355,050)
Total other financing sources (uses)	<u>(350,065)</u>	<u>(4,060)</u>	<u>354,125</u>	<u>-</u>
Net change in fund balances	2,225,946	(206,662)	216,380	2,235,664
Fund balances - beginning of year	<u>15,304,716</u>	<u>7,341,004</u>	<u>9,191,322</u>	<u>31,837,042</u>
Fund balances - end of year	<u>\$ 17,530,662</u>	<u>\$ 7,134,342</u>	<u>\$ 9,407,702</u>	<u>\$ 34,072,706</u>

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

EXHIBIT 6

**PANOLA COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (EXHIBIT 2)
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Net change in fund balances - total governmental funds	\$	2,235,664
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)		(384,841)
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. (Increase) Decrease in compensated absences		14,006
Delinquent property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.		761,324
OPEB expense relating to GASB 75 is recorded in the statement of activities but not in the funds.		(2,266,691)
Pension expense relating to GASB 68 is recorded in the statement of activities but not in the funds.		<u>428,352</u>
Change in net position of governmental activities		<u><u>787,814</u></u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Panola County Retiree Health Benefits Trust Fund
ADDITIONS	
Contributions:	
Reimbursements- Medicare and insurance	330,845
Employer Contributions	1,835,797
Total Employer Contributions	2,166,642
Total Contributions	2,166,642
Investment Income:	
Interest earnings	336,382
Total Investment Income	336,382
TOTAL ADDITIONS	2,503,024
DEDUCTIONS	
Benefit Payments	1,490,655
TOTAL DEDUCTIONS	1,490,655
CHANGE IN NET POSITION	1,012,369
NET POSITION - BEGINNING OF YEAR	33,392,784
NET POSITION - END OF YEAR	34,405,153

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Panola County, Texas have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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, and postemployment benefits are recorded only when payments are due. General capital asset acquisitions are reported as expenditures in governmental funds.

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -continued

Property taxes, licenses, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

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

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

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.

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

1. Deposits and Investments

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

Panola County is legally authorized to invest in certificates of deposit, obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies, and other obligations, the principal and interest of which are guaranteed by the State of Texas or the United States.

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.

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Investments for the County are reported at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end. All investment income is recognized as revenue in the appropriate fund's statement of activity and/or statement of revenues, expenditures and changes in fund balance.

2. Excess of expenditures over appropriations

For the year ended December 31, 2020, expenditures exceeded appropriation in the Road and Bridge fund by \$71,773. This was due to the recognition of donated road materials not budgeted by the County. The overage is offset by an overage in revenues from the donation.

3. Receivables and Payables

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

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

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

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

4. Inventories

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

The inventory amount of \$21,054 in the Airport Special Revenue Fund consists of jet fuel held for consumption stated at cost on a first-in, first-out basis. Reported inventories are offset by non-spendable fund balance, which indicates that they are "not in spendable form" even though they are a component of net current assets. The costs of jet fuel inventories is reported as expenditures/expenses when consumed rather than when purchased.

5. Capital Assets

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than 1 year. Infrastructure assets include County-owned roads and bridges. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

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

6. Deferred Outflows/Inflows of Resources

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

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

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

7. Net Position

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

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

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

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

8. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year incurred.

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

As of December 31, 2020, long-term debt outstanding consists of compensatory time payable, net pension liability, and net OPEB liability.

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

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

9. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

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

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

10. Estimates

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

E. Revenues and Expenditures/Expenses

1. Program Revenues

Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

2. Property Taxes

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

3. Compensated Absences

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

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

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

F. Implementation of New Standards

The County did not implement any new standards in the current year.

G. Future Implementation of New Standards

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities, which will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. This statement is effective for reporting periods beginning after December 15, 2019. The County is evaluating the impact of this statement on its financial statements.

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

In June 2018 GASB issued Statement No. 89 Accounting for Interest Cost Incurred before the End of a Construction Period which will (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period by requiring that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the cost of a capital asset reported in a business-type activity or enterprise fund. This statement is effective for reporting periods beginning after December 15, 2020. The County is evaluating the impact of this statement on its financial statements.

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

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

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$384,841 difference are as follows:

Capital outlay	\$ 1,280,194
Depreciation expense	(1,510,776)
Net Book Value of capital assets disposed of during the year	(154,259)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (384,841)

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Authorized Investments

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

B. Deposits and Investments

During the 2020 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, 2020, 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.

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

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, 2020 for the County’s individual major funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible, are as follows:

	General Fund	Road Fund	Governmental Funds	Total
Current Property Taxes	\$ 5,416,798	\$ 1,619,151	\$ 188,121	\$ 7,224,070
Delinquent Property Taxes	1,271,374	350,974	47,582	1,669,930
Due from Other Governments	2,987,250	892,928	103,414	3,983,592
Miscellaneous	<u>104,639</u>	<u>13,721</u>	<u>635,444</u>	<u>753,804</u>
Total Gross Receivables	\$ 9,780,061	\$ 2,876,774	\$ 974,561	\$ 13,631,396
Less: Allowance for Uncollectible Taxes	<u>(422,816)</u>	<u>(15,295)</u>	<u>(116,722)</u>	<u>(554,833)</u>
Net Total Receivables	<u>\$ 9,357,245</u>	<u>\$ 2,861,479</u>	<u>\$ 857,839</u>	<u>\$ 13,076,563</u>

D. Unearned Revenue

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

	General Fund	Road Fund	Nonmajor Funds	Total
Net Current Property Taxes Receivable	\$ 4,993,982	\$ 1,603,856	\$ 71,399	\$ 6,669,237
Advanced Tax Collections	<u>8,218,251</u>	<u>2,436,541</u>	<u>283,462</u>	<u>10,938,254</u>
Total Deferred Revenue	<u>\$ 13,212,233</u>	<u>\$ 4,040,397</u>	<u>\$ 354,861</u>	<u>\$ 17,607,492</u>

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

E. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 1,722,016	\$ -	\$ -	\$ 1,722,016
Construction in Progress	34,291	53,781	88,072	-
Total Capital Assets Not Being Depreciated	\$ 1,756,307	\$ 53,781	\$ 88,072	\$ 1,722,016
Capital Assets Being Depreciated:				
Buildings	\$ 21,000,601	\$ 97,811	\$ -	\$ 21,098,412
Improvements other than Buildings	275,603	9,500	-	285,103
Machinery & Equipment	12,696,798	1,207,175	364,248	13,539,725
Infrastructure	10,874,785	-	-	10,874,785
Total Capital Assets Being Depreciated	\$ 44,847,787	\$ 1,314,486	\$ 364,248	\$ 45,798,025
Less Accumulated Depreciation for:				
Buildings	\$ 7,123,361	\$ 410,681	\$ -	\$ 7,534,042
Improvements other than Buildings	79,883	4,639	-	84,522
Machinery & Equipment	8,853,550	945,279	209,989	9,588,840
Infrastructure	10,135,926	150,177	-	10,286,103
Total Accumulated Depreciation	\$ 26,192,720	\$ 1,510,776	\$ 209,989	\$ 27,493,507
Total Capital Assets Being Depreciated, Net	\$ 18,655,067	\$ (196,290)	\$ 154,259	\$ 18,304,518
Governmental Activities Capital Assets, Net	\$ 20,411,374	\$ (142,509)	\$ 242,331	\$ 20,026,534

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

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

General Administration	\$ 47,417
Judicial	64,841
Public Facilities	3,538
Public Safety	414,644
Environmental Protection	7,473
Public Transportation	864,723
Health & Paupers Care	67,636
Elections	179
Recreation	40,325
Total Depreciation Expense	\$ 1,510,776

F. Pension Plan

PLAN DESCRIPTION

Panola County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide, agent multiple-employer, Texas County and District Retirement System (TCDRS). Each employer has its own defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer’s plan assets may be used only for the payment of benefits to the members of that employer’s plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in the plan. The TCDRS issues 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 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.

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

PLAN MEMBERSHIP

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2019
Inactive employees or beneficiaries currently receiving benefits	170
Inactive employees entitled to but not yet receiving benefits	92
Active employees	173
	435

FUNDING POLICY

The County has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. It was 23.50% for calendar year 2019 and 2020. 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.

ACTUARIAL ASSUMPTIONS

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75%
Overall payroll growth	3.25%
Investment rate of return	8.00%, net of pension plan investment expenses, including inflation

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

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.60% per year for a career employee.

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 68.

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

LONG TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS’ investment consultant, Cliffwater LLC. The numbers shown are based on April 2020 information for a 10 year time horizon.

The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. The following target asset allocation was adopted by the TCDRS board in June 2020. The geometric real rate of return is net of inflation, assumed at 2.0%.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities - Developed	MSCI World Ex USA (net)	7.00%	5.20%
International Equities - Emerging	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leverage Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%
		<u>100.00%</u>	

⁽¹⁾ Target asset allocation adopted at the June 2020 TCDRS Board meeting

⁽²⁾ Geometric real rates of return equal the expected return minus the assume inflation rate of 1.8% per Cliffwater's 2020 capital market assumptions

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

DISCOUNT RATE

The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

The long-term rate of return on pension plan investments is 8.0%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on January 2020 information for a 10-year time horizon.

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

CHANGES IN THE NET PENSION LIABILITY

At December 31, 2019, the County reported a net pension liability of \$2,796,129. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/18	\$ 67,216,987	\$ 58,096,120	\$ 9,120,867
Changes for the year:			
Service cost	1,337,017		1,337,017
Interest	5,423,679		5,423,679
Change in benefit terms	-		-
Diff between expected/actual experience	(684,650)		(684,650)
Changes of assumptions	-		-
Contributions - employer		2,406,602	(2,406,602)
Contributions - employee		506,809	(506,809)
Net investment income		9,540,886	(9,540,886)
Benefit payments, including refunds of employee contributions	(3,253,335)	(3,253,335)	-
Administrative expenses		(51,242)	51,242
Other charges		(2,271)	2,271
Net changes	2,822,711	9,147,449	(6,324,738)
Balance at 12/31/19	<u>\$ 70,039,698</u>	<u>\$ 67,243,569</u>	<u>\$ 2,796,129</u>

The net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and for the year then ended.

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

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

DISCOUNT RATE SENSITIVITY ANALYSIS

The following shows the net pension liability calculated using the discount rate of 8.10%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Net pension liability/(asset)	<u>\$ 12,264,256</u>	<u>\$ 2,796,129</u>	<u>\$ 5,078,569</u>

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

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

For the year ended December 31, 2020 the County recognized pension expense of \$1,400,704.

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,254,602
Changes in actuarial assumptions	-	399,790
Difference between projected and actual investment earnings	-	1,603,343
Contributions made subsequent to measurement date	1,839,799	-
Total	\$ 1,839,799	\$ 3,257,735

\$1,839,799 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31	
2020	\$ (1,127,172)
2021	(1,199,445)
2022	39,026
2023	(970,144)
2024	-
Thereafter	-
	\$ (3,257,735)

G. Other Post-Employment Benefits Plan – Health Plan

PLAN DESCRIPTION

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

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

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

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

The County does not issue a separate financial report that includes financial statements and required supplementary information for the RHBT. However, the financial statements and the required supplementary information is included in the County’s comprehensive annual financial report at pages 15 - 16 (financial statements) and page 49 (required supplementary information).

BENEFITS PROVIDED

The County funds the entire cost of retiree health insurance premiums. Medical benefits are provided through the Texas Association of Counties Insurance Pool (TAC). Retiree dependents and surviving spouses are eligible for coverage and may remain in the plan, but the retiree is responsible for the entire cost. There is no direct RHBT subsidy. Dependent premiums are collected from the participants and remitted to the insurance provider on a monthly basis.

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

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

EMPLOYEES COVERED

At December 31, 2020 the following employees were covered by the benefit terms:

	<u>12/31/2020</u>
Inactive employees currently receiving benefits	109
Active employees	173
	<u>282</u>

ACTUARIAL METHODS AND ASSUMPTIONS

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

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

The following actuarial assumptions were used to determine the Total OPEB Liability in the December 31, 2020 actuarial valuation:

Valuation Date	December 31, 2020
Measurement Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal
Inflation	2.30%
Salary Increases Including Inflation	3.00%
Discount rate	2.12%
Discount Rate Basis	Bond Buyer 20-Bond GO Index
Healthcare cost trend rates	6.00% – 8.50%*

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

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

The actuarial valuation of RHBT assets was set at fair market value of the cash and certificates of deposit comprising the investment account at the measurement date.

CHANGES IN THE NET OPEB LIABILITY

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a)-(b)
Balance at 12/31/19	\$ 36,533,548	\$ 33,392,784	\$ 3,140,764
Changes for the year:			
Service cost	1,980,177	-	1,980,177
Interest	1,055,276	618,018	437,258
Change in benefit terms	-	-	-
Diff between expected/actual experience	-	-	-
Changes of assumptions	793,780	-	793,780
Contributions - employer	-	1,835,796	(1,835,796)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	(1,441,446)	1,441,446
Administrative expenses	-	-	-
Other charges	-	-	-
Net changes	3,829,233	1,012,368	2,816,865
Balance at 12/31/20	\$ 40,362,781	\$ 34,405,152	\$ 5,957,629

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

SENSITIVITY ANALYSIS

The following presents the net OPEB liability of the County, calculated using the discount rate of 2.74%, as well as what the RHBT net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.74) or 1 percentage point higher (3.74) than the current rate.

	1% Decrease in Discount Rate (1.12%)	Discount Rate (2.21%)	1% Increase in Discount Rate (3.21%)
Net OPEB Liability	\$ 12,824,943	\$ 5,957,629	\$ 414,230

HEALTHCARE COST TREND RATES SENSITIVITY ANALYSIS

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ (367,442)	\$ 5,957,629	\$ 14,169,266

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

The County's Net OPEB Liability reported for the year ended December 31, 2020 was measured as of December 31, 2020, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that same date.

The components of the Net OPEB Liability of the County at December 31, 2020 were as follows:

Total OPEB Liability	\$ 40,362,782
Plan Fiduciary Net Position	34,405,153
Net OPEB Liability (Asset)	\$ 5,957,629

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	3,932,734	1,856,277
Difference between projected and actual investment earnings	-	-
Total	\$ 3,932,734	\$ 1,856,277

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

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

	Year Ended September 30	
2021	\$	219,163
2022		219,160
2023		219,160
2024		219,160
2025		219,160
Thereafter		980,654
	\$	2,076,457

H. Other Post-Employment Benefit (OPEB) Plan – Supplemental Death Benefits Plan

PLAN DESCRIPTION.

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

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

CONTRIBUTIONS.

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

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

<u>Contribution Rates</u>		
	2019	2020
Employee	0.00%	0.00%
Employer	.50%	.50%
Fiscal year 2019 employer contributions		\$ 33,338
Fiscal year 2019 employee contributions		\$ 33,335

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

The County’s contributions to TCDRS for the year ended December 31, 2019 were equal to the required contributions.

ACTUARIAL ASSUMPTIONS

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

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

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

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

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over expected working life.
Remaining Amortization Period	N/A
Asset Valuation Method	N/A
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	2.74%
Retirement Age	N/A
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the MP-2014 Healthy Annuitant Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Plan Provisions	None

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

DISCOUNT RATE.

The OPEB plan has been determined to be an unfunded OPEB plan. Therefore, the discount rate used to measure the total OPEB liability was the municipal bond rate of 2.74%. The current discount rate is a decrease from the previous year's discount rate of 4.10%.

CHANGES IN THE TOTAL OPEB LIABILITY:

At December 31, 2019, the County reported a total OPEB liability of \$628,630, the changes in the total OPEB liability were as follows:

	Increase/(Decrease)
	Total OPEB Liability
Balance at 12/31/2018	\$ 490,046
Changes for the year:	
Service cost	11,174
Interest	20,183
Change of benefit terms	-
Difference between expected and actual experience	4,690
Changes of assumptions or other inputs	120,637
Benefit payments	(18,100)
Net changes	138,584
Balance at 12/31/2019	\$ 628,630

The total OPEB liability was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date and for the year then ended.

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

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

DISCOUNT RATE SENSITIVITY ANALYSIS.

The following shows the total OPEB liability calculated using the discount rate of 2.74%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.74%) or 1 percentage point higher (3.74%) than the current rate.

	1% Decrease in		1% Increase in	
	Discount Rate (1.74%)	Discount Rate (2.74%)	Discount Rate (2.74%)	Discount Rate (3.74%)
Total OPEB Liability	\$ 746,948	\$ 628,630	\$ 628,630	\$ 536,237

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended December 31, 2020, the County recognized OPEB expense of \$45,582.

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 3,752	\$ 12,224
Changes in actuarial assumptions	107,688	31,471
Contributions made subsequent to the measurement date	<u>21,140</u>	<u>-</u>
Total	<u>\$ 132,580</u>	<u>\$ 43,695</u>

\$21,140 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31</u>	
2020	\$ 14,225
2021	14,225
2022	14,228
2023	25,067
2024	-
Thereafter	-
	<u>\$ 67,745</u>

I. 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.

J. Operating Leases

The County is obligated under certain leases for equipment accounted for as operating leases. General revenues of the General Fund will be used to pay these leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one (1) year as of December 31, 2020.

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

Year Ending December 31	Governmental Activities
2021	16,200
2022	12,122
2023	9,488
2024	3,454
2025	499
Total minimum lease payments	\$ 41,763

Total cost for these leases for the year ended December 31, 2020 was \$24,295.

K. Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	January 1, 2020	Additions	Reductions	December 31, 2020	Due Within One Year
Compensated Absences	\$ 277,315	\$ 163,212	\$ 177,218	\$ 263,309	\$ 15,799
Net OPEB Liability - Death	490,046	138,584	-	628,630	-
Net Pension Liability	9,120,867	-	6,324,738	2,796,129	-
Net OPEB Liability - Health	3,140,763	2,816,866	-	5,957,629	-
Total Governmental Activity Long-Term Liabilities	\$ 13,028,991	\$ 3,118,662	\$ 6,501,956	\$ 9,645,697	\$ 15,799

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

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

L. Governmental Fund Balances

Components of non-spendable fund balance and specific purposes for restricted and committed fund balances as of December 31, 2020 are as follows:

	General Fund	Major Special Revenue Fund Road & Bridge Fund	Other Funds	Total
Nonspendable:				
Inventory	\$ -	\$ -	21,054	\$ 21,054
Restricted:				
Road & Bridge maintenance	-	7,134,342	2,129,388	9,263,730
Law Library	-	-	87,252	87,252
Juvenile Delinquency Prevention	-	-	163	163
Courthouse Security	-	-	239,122	239,122
Records Management & Preservation	-	-	914,764	914,764
Court Technology	-	-	128,437	128,437
VIT Interest	-	-	2,117	2,117
Elections	-	-	22,940	22,940
Adult Probation	-	-	110,799	110,799
Juvenile Probation	-	-	454,428	454,428
Law Enforcement	-	-	104,809	104,809
District Attorney	-	-	148,963	148,963
Coronavirus Relief	-	-	98,092	98,092
Child Protective Services	-	-	169,129	169,129
Health	-	-	3,804,659	3,804,659
Airport	-	-	438,909	438,909
Committed:				
Right-of-Way Purchases	-	-	298,025	298,025
Airport Improvements	-	-	234,185	234,185
Jail Improvement	-	-	467	467
Unassigned	17,530,662	-	-	17,530,662
Total Fund Balances	\$ 17,530,662	\$ 7,134,342	\$ 9,407,702	\$ 34,072,706

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

M. Interfund Balances and Transfers

The composition of interfund balances as of December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Coronavirus Relief Fund	\$ 143,572	Supplement fund sources
Road and Bridge	Coronavirus Relief Fund	94,153	Supplement fund sources
Farm to Market and Lateral Road	Coronavirus Relief Fund	46,219	Supplement fund sources
Health	Coronavirus Relief Fund	123,603	Supplement fund sources
Airport	Coronavirus Relief Fund	106,129	Supplement fund sources
	Total	<u>\$ 513,676</u>	

Interfund transfers for the year ended December 31, 2020 were as follows:

Transfers Out	Transfers In			Totals
	Nonmajor Governmental Funds			
	Juvenile Services Fund	Coronavirus Relief Fund	Child Protective Services Fund	
General Fund	\$ 198,959	\$ 93,106	\$ 58,000	\$ 350,065
County and District Court Technology Fund	-	90	-	90
Justice Court Technology Fund	-	73	-	73
Farm to Market and Lateral Road Fund	-	762	-	762
Road and Bridge Fund	-	4,060	-	4,060
Total	<u>\$ 198,959</u>	<u>\$ 98,091</u>	<u>\$ 58,000</u>	<u>\$ 355,050</u>

The purpose of these transfers was to supplement revenue.

N. 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, 2020 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.

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

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.

O. 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.

P. Tax Abatements

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

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

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

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

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

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

Q. Prior Period Adjustment

In connection with GASB Statement No. 68, a restatement to beginning net position has been made for the removal of Supplemental Death Benefits included in deferred pension expense during the year of implementation (2015) for \$705,181.

In connection with GASB Statement No. 75, a restatement to beginning net position has been made for the removal of Supplemental Death Benefits related to current employees included in Net position during 2019 for \$(19,176).

R. Subsequent Events

The impact of COVID-19 pandemic still has some impact on the economy in Panola County but County officials have put in place new policies and procedures to help mitigate against the overall impact. Revenues still are solid and the County is no longer limited on services it will provide for its citizens. The County has evaluated the impact on COVID-10 and all other subsequent events through June 16, 2021, the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020**

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, 2020, the following funds had legally adopted budgets:

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



PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
PROPERTY TAXES				
Current	\$ 15,697,065	\$ 15,697,065	\$ 16,089,619	\$ 392,554
Delinquent	257,990	257,990	392,120	134,130
Total Property Taxes	15,955,055	15,955,055	16,481,739	526,684
INTERGOVERNMENTAL RECEIPTS				
Total Intergovernmental Receipts	451,937	492,234	514,660	22,426
FEES OF OFFICE				
County Judge	6,000	6,000	8,532	2,532
Sheriff	20,000	20,000	17,632	(2,368)
District Attorney	1,000	1,000	667	(333)
County Clerk	174,000	186,635	210,998	24,363
Tax Assessor-Collector	379,000	379,000	481,483	102,483
District Clerk	35,000	35,000	43,600	8,600
County Treasurer	18,000	18,000	14,897	(3,103)
Justices of the Peace	133,100	133,100	91,043	(42,057)
Total Fees of Office	766,100	778,735	868,852	90,117
MISCELLANEOUS				
Interest Earned	438,101	438,101	273,584	(164,517)
Hospital Collections	-	-	80	80
Time Payment EFTIC	-	-	958	958
Vital Archive - County Clerk	-	-	969	969
Judiciary Support Fee	-	-	369	369
Miscellaneous	122,204	249,152	391,731	142,579
Tax Abatement Revenue	-	-	-	-
County Clerk Civil	-	-	2,020	2,020
Family Protection Fee	2,000	2,000	1,605	(395)
Child Safety Fee	34,000	34,000	32,429	(1,571)
Child Abuse Prevention	-	-	35	35
CLC Justice of the Peace Fees	-	-	16,282	16,282
Miscellaneous Unclaimed Funds	-	-	1,404	1,404
Panola County Acution Interest Earnings	-	-	27	27
Total Miscellaneous	596,305	723,253	721,493	(1,760)
Total Revenues	\$ 17,769,397	\$ 17,949,277	\$ 18,586,744	\$ 637,467

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
GENERAL ADMINISTRATION				
County Judge	\$ 211,360	\$ 211,361	\$ 205,340	\$ 6,021
Commissioners	407,061	407,061	402,666	4,395
County Clerk	461,865	474,542	458,800	15,742
Vet. Service Officer	145,449	145,449	124,142	21,307
Airport	106,996	107,034	101,869	5,165
Miscellaneous and Non-Depart.	3,602,887	2,785,546	2,460,473	325,073
Total General Administration	4,935,618	4,130,993	3,753,290	377,703
JUDICIAL				
District Court	172,426	172,106	160,571	11,535
County Court at Law	432,903	444,585	423,524	21,061
District Clerk	418,915	418,565	383,361	35,204
Justices of the Peace Pct. 1 and 4	237,758	237,758	217,858	19,900
Justices of the Peace Pct. 2 and 3	240,808	240,808	214,606	26,202
Bailiffs, Jurors and Law Books	96,714	95,994	72,632	23,362
Total Judicial	1,599,524	1,609,816	1,472,552	137,264
LEGAL				
District Attorney	814,351	1,166,247	879,864	286,383
Lawsuits	11,000	11,000	297	10,703
Total Legal	825,351	1,177,247	880,161	297,086
ELECTIONS				
Total Election Judges, Clerks, and Supplies	60,740	77,115	58,662	18,453
Total Voter Registration	149,868	152,318	146,778	5,540
Total Elections	210,608	229,433	205,440	23,993
FINANCIAL ADMINISTRATION				
Auditor	317,729	317,729	283,061	34,668
Treasurer	244,610	244,611	237,673	6,938
Tax Assessor-Collector	582,243	647,296	582,901	64,395
Total Financial Administration	1,144,582	1,209,636	1,103,635	106,001
PUBLIC FACILITIES				
Building Maintenance	378,564	376,565	283,356	93,209
Total Public Facilities	378,564	376,565	283,356	93,209

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
PUBLIC SAFETY				
Sheriff	3,307,990	3,791,168	3,591,447	199,721
Constable Pct. 1 & 4	175,155	160,441	106,546	53,895
Constable Pct. 2 & 3	216,477	215,727	201,975	13,752
Corrections	2,466,822	2,459,280	2,248,426	210,854
Rural Addressing	166,438	166,554	153,773	12,781
Highway Patrol	68,553	67,753	66,386	1,367
Fire Safety	1,500	1,500	-	1,500
Total Public Safety	6,402,935	6,862,423	6,368,553	493,870
ENVIRONMENTAL PROTECTION				
Trash Disposal	450,000	450,000	417,254	32,746
Total Environmental Protection	450,000	450,000	417,254	32,746
HEALTH AND PAUPERS CARE				
Medical Indigent	7,000	7,000	-	7,000
Aging Match	200	200	-	200
Indigent Health Care	163,000	163,000	88,377	74,623
Mental Health/Mental Retardation	28,000	28,000	28,000	-
Statements of Facts	10,000	10,000	8,038	1,962
Autopsies & Inquests	80,000	80,000	66,200	13,800
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
Cities Child Safety Fee Distribution	12,000	12,000	11,180	820
Child Advocacy	22,000	22,000	21,247	753
Attorney Fees -Juveniles	55,000	55,000	40,884	14,116
Attorney Fees	300,000	300,000	248,476	51,524
Open Door/Juvenile Care	5,000	5,000	5,000	-
Miscellaneous	2,000	2,000	1,000	1,000
Health Officer	6,000	6,000	6,000	-
Total Health and Paupers Care	705,700	705,700	530,902	174,798
RECREATION				
Library	397,681	397,681	384,690	12,991
Youth Programs	17,000	17,000	12,000	5,000
Total Recreation	414,681	414,681	396,690	17,991
CONSERVATION				
Extension Service	126,124	128,638	96,014	32,624
Total Conservation	126,124	128,638	96,014	32,624

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES (cont'd.)				
CAPITAL OUTLAY				
Total Capital Outlay	318,751	687,153	502,886	184,267
Total Expenditures	17,512,438	17,982,285	16,010,733	1,971,552
Excess (Deficiency) of Revenues Over (Under) Expenditures	256,959	(33,008)	2,576,011	2,609,019
OTHER FINANCING SOURCES (USES):				
Transfers Out	(256,959)	(256,959)	(350,065)	(93,106)
Total Other Financing Sources (Uses)	(256,959)	(256,959)	(350,065)	(93,106)
Net Change in Fund Balance	-	(289,967)	2,225,946	2,515,913
FUND BALANCE, BEGINNING	15,304,716	15,304,716	15,304,716	-
FUND BALANCE, ENDING	<u>\$ 15,304,716</u>	<u>\$ 15,014,749</u>	<u>\$ 17,530,662</u>	<u>\$ 2,515,913</u>

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - ROAD AND BRIDGE
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes:				
Taxes - current	4,333,316	4,333,316	4,543,112	\$ 209,796
Taxes - delinquent	71,221	71,221	97,467	26,246
Total Property Taxes	<u>4,404,537</u>	<u>4,404,537</u>	<u>4,640,579</u>	<u>236,042</u>
Licenses				
Motor Vehicle Registration	350,000	350,000	270,300	(79,700)
Total Licenses	<u>350,000</u>	<u>350,000</u>	<u>270,300</u>	<u>(79,700)</u>
Intergovernmental Receipts				
State Lateral Road Fund	29,000	29,000	29,468	468
Weight and Axle Fees	45,000	45,000	54,386	9,386
Total Intergovernmental Receipts	<u>74,000</u>	<u>74,000</u>	<u>83,854</u>	<u>9,854</u>
Fines:				
County and District Court Fees	354,000	354,000	320,343	(33,657)
Total Fines	<u>354,000</u>	<u>354,000</u>	<u>320,343</u>	<u>(33,657)</u>
Other Revenues and Fees:				
Interest	232,387	232,387	94,808	(137,579)
Miscellaneous	-	173,122	879,627	706,505
Tax Abatement	155,044	-	-	-
Total Other Revenues and Fees	<u>387,431</u>	<u>405,509</u>	<u>974,435</u>	<u>568,926</u>
Total Revenues	<u>5,569,968</u>	<u>5,588,046</u>	<u>6,289,511</u>	<u>701,465</u>

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - ROAD AND BRIDGE
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES				
PUBLIC TRANSPORTATION				
MAINTENANCE-ROADS AND BRIDGES				
Total Precinct 1	1,084,580	1,047,363	964,047	83,316
Total Precinct 2	1,209,091	981,141	850,196	130,945
Total Precinct 3	1,086,344	1,027,294	954,749	72,545
Total Precinct 4	<u>1,258,616</u>	<u>1,196,366</u>	<u>1,094,031</u>	<u>102,335</u>
Total Maintenance-Roads and Bridges	<u>4,638,631</u>	<u>4,252,164</u>	<u>3,863,023</u>	<u>389,141</u>
CAPITAL OUTLAY-ROAD AND BRIDGES				
Total Precinct 1	333,000	515,767	499,158	16,609
Total Precinct 2	337,743	590,865	457,558	133,307
Total Precinct 3	396,635	471,735	1,140,450	(668,715)
Total Precinct 4	<u>483,009</u>	<u>589,809</u>	<u>531,924</u>	<u>57,885</u>
Total Capital Outlay	<u>1,550,387</u>	<u>2,168,176</u>	<u>2,629,090</u>	<u>(460,914)</u>
Total Expenditures	<u>6,189,018</u>	<u>6,420,340</u>	<u>6,492,113</u>	<u>(71,773)</u>
Excess of Revenues Over (Under) Expenditures	(619,050)	(832,294)	(202,602)	629,692
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	(4,060)	(4,060)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(4,060)</u>	<u>(4,060)</u>
Net Change in Fund Balance	(619,050)	(832,294)	(206,662)	625,632
FUND BALANCE, BEGINNING	<u>7,341,004</u>	<u>7,341,004</u>	<u>7,341,004</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 6,721,954</u>	<u>\$ 6,508,710</u>	<u>\$ 7,134,342</u>	<u>\$ 625,632</u>

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Notes to the Schedule:

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

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	1,784,406	1,784,406	-	7,593,216	23.50%
2016	1,826,399	1,826,399	-	7,771,911	23.50%
2017	1,733,759	1,733,759	-	7,377,699	23.50%
2018	1,666,759	1,666,774	(15)	7,092,592	23.50%
2019	1,701,430	1,701,421	9	7,240,126	23.50%
2020	1,829,057	1,839,799	(10,742)	7,783,222	23.64%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Valuation Timing Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial Cost Method Entry Age

Amortization Method Level percentage of payroll, closed

Remaining Amortization Period 0.0 years (based on contribution rate calculated in 12/31/2019 valuation)

Asset Valuation Method 5-year smoothed market

Inflation 2.75%

Salary Increases Varies by age and service. 4.90% average over career, including inflation

Investment Rate of Return 8.00%, net of administrative and investment expenses, including inflation

Retirement Age Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

Mortality 130% of the RP-2014 Healthy Annuitant Mortality Tables for males and 110% of the RP-2014 Healthy Annuitant Mortality Tables for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Notes to the Schedule:

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

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH PLAN
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.12%
Healthcare cost trend rates	Medical/Rx Post-65: 6.00% Medical/Rx Pre-65: 8.5% initial, decreasing to an ultimate rate of 5.00%
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality - Active Participants	RP-2000 Combined Mortality Table set forward 2 years for males, set back 4 years for females, projected to 2014 with Scale AA and projected with 110% of Scale MP-2014 thereafter.
Mortality - Inactive Participants	RP-2000 Combined Mortality Table set forward 1 year for males, projected to 2014 with Scale AA and projected with 110% of Scale MP-2014 thereafter.
Mortality - Disabled Participants	RP-2000 Disabled Mortality Table set forward 2 years for females, projected to 2014 with Scale AA and projected with 110% of Scale MP-2016 thereafter.

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFITS PLAN
FOR THE YEAR ENDED DECEMBER 31, 2020

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

NOTES TO SCHEDULE

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

Valuation Date:

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

Methods and Assumptions Used to Determine Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	2.74% 20 Year Bond GO Index published by bondbuyer.com as of December 26, 2019.
Disability	Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a customer table based on TCDRS experience.
Mortality - Depositing Members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - Service Retirees, Beneficiaries, and Non-Depositing Members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - Disables Retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Other Information:

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



ADDITIONAL SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PANOLA COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS

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

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

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

**PANOLA COUNTY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
AGENCY FUNDS**

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	SPECIAL REVENUE FUNDS							
	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION
ASSETS:								
Cash and Cash Equivalents	33,127	163	51,899	21,635	6,775	12,427	19,993	7,826
Investments	54,000	-	187,000	6,000	-	-	-	-
Current Taxes	-	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Miscellaneous	125	-	223	15	-	20	20	10
Inventory	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 87,252</u>	<u>\$ 163</u>	<u>\$ 239,122</u>	<u>\$ 27,650</u>	<u>\$ 6,775</u>	<u>\$ 12,447</u>	<u>\$ 20,013</u>	<u>\$ 7,836</u>
LIABILITIES:								
Accounts Payable-Trade	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	87,252	163	239,122	27,650	6,775	12,447	20,013	7,836
Total Fund Balances	<u>87,252</u>	<u>163</u>	<u>239,122</u>	<u>27,650</u>	<u>6,775</u>	<u>12,447</u>	<u>20,013</u>	<u>7,836</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 87,252</u>	<u>\$ 163</u>	<u>\$ 239,122</u>	<u>\$ 27,650</u>	<u>\$ 6,775</u>	<u>\$ 12,447</u>	<u>\$ 20,013</u>	<u>\$ 7,836</u>

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

SPECIAL REVENUE FUNDS								
	RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT
ASSETS:								
Cash and Cash Equivalents	180,830	230,216	37,584	1,781	22,940	88,755	71,602	27,390
Investments	403,000	53,000	64,000	-	-	2,385,456	-	-
Current Taxes	-	-	-	-	-	188,121	-	-
Delinquent Taxes	-	-	-	-	-	47,582	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	(116,722)	-	-
Due from Other Governments	-	-	-	-	-	103,414	-	-
Due from Other Funds	-	-	-	-	-	46,219	-	-
Miscellaneous	705	380	65	336	-	2,373	12,366	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 584,535</u>	<u>\$ 283,596</u>	<u>\$ 101,649</u>	<u>\$ 2,117</u>	<u>\$ 22,940</u>	<u>\$ 2,745,198</u>	<u>\$ 83,968</u>	<u>\$ 27,390</u>
LIABILITIES:								
Accounts Payable-Trade	1,300	-	-	-	-	8,701	559	-
Due to Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,701</u>	<u>559</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue	-	-	-	-	-	323,647	-	-
Deferred Revenue	-	-	-	-	-	283,462	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607,109</u>	<u>-</u>	<u>-</u>
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	583,235	283,596	101,649	2,117	22,940	2,129,388	83,409	27,390
Total Fund Balances	<u>583,235</u>	<u>283,596</u>	<u>101,649</u>	<u>2,117</u>	<u>22,940</u>	<u>2,129,388</u>	<u>83,409</u>	<u>27,390</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 584,535</u>	<u>\$ 283,596</u>	<u>\$ 101,649</u>	<u>\$ 2,117</u>	<u>\$ 22,940</u>	<u>\$ 2,745,198</u>	<u>\$ 83,968</u>	<u>\$ 27,390</u>

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

SPECIAL REVENUE FUNDS

	JUVENILE PROBATION	HOT CHECK FEE	PRE-TRIAL INTERVENTION PROGRAM	SHERIFF'S STATE FORFEITURE	JAIL COMM	CORONAVIRUS RELIEF	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE	STATE APPORTION- MENT - DA
ASSETS:									
Cash and Cash Equivalents	276,996	17,937	9,594	47,286	26,079	-	326	35,748	832
Investments	180,000	21,000	-	23,000	-	-	-	4,000	-
Current Taxes	-	-	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Miscellaneous	82	-	-	22	504	611,768	-	2	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 457,078</u>	<u>\$ 38,937</u>	<u>\$ 9,594</u>	<u>\$ 70,308</u>	<u>\$ 26,583</u>	<u>\$ 611,768</u>	<u>\$ 326</u>	<u>\$ 39,750</u>	<u>\$ 832</u>
LIABILITIES:									
Accounts Payable-Trade	2,650	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	513,676	-	-	-
Total Liabilities	<u>2,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>513,676</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	454,428	38,937	9,594	70,308	26,583	98,092	326	39,750	832
Total Fund Balances	<u>454,428</u>	<u>38,937</u>	<u>9,594</u>	<u>70,308</u>	<u>26,583</u>	<u>98,092</u>	<u>326</u>	<u>39,750</u>	<u>832</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 457,078</u>	<u>\$ 38,937</u>	<u>\$ 9,594</u>	<u>\$ 70,308</u>	<u>\$ 26,583</u>	<u>\$ 611,768</u>	<u>\$ 326</u>	<u>\$ 39,750</u>	<u>\$ 832</u>

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

SPECIAL REVENUE FUNDS									NON-MAJOR SPECIAL REVENUE FUNDS TOTAL
CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	CHILD PROTECTIVE SERVICES	HEALTH FUND	AIRPORT	TOTAL	
ASSETS:									
Cash and Cash Equivalents	197	1,053	6,346	59,524	322	66,291	237,359	203,803	1,804,636
Investments	-	-	-	-	-	101,000	3,443,000	128,000	7,052,456
Current Taxes	-	-	-	-	-	-	-	-	188,121
Delinquent Taxes	-	-	-	-	-	-	-	-	47,582
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-	-	(116,722)
Due from Other Governments	-	-	-	-	-	-	-	-	103,414
Due from Other Funds	-	-	-	-	-	123,603	106,129	-	275,951
Miscellaneous	-	-	-	-	1,838	3,200	977	-	635,031
Inventory	-	-	-	-	-	-	21,054	-	21,054
Total Assets	<u>\$ 197</u>	<u>\$ 1,053</u>	<u>\$ 6,346</u>	<u>\$ 59,524</u>	<u>\$ 322</u>	<u>\$ 169,129</u>	<u>\$ 3,807,162</u>	<u>\$ 459,963</u>	<u>\$ 10,011,523</u>
LIABILITIES:									
Accounts Payable-Trade	-	-	-	-	-	-	2,503	-	15,713
Due to Other Funds	-	-	-	-	-	-	-	-	513,676
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,503</u>	<u>-</u>	<u>529,389</u>
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue	-	-	-	-	-	-	-	-	323,647
Deferred Revenue	-	-	-	-	-	-	-	-	283,462
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607,109</u>
FUND BALANCES:									
Nonspendable	-	-	-	-	-	-	-	21,054	21,054
Restricted	197	1,053	6,346	59,524	322	169,129	3,804,659	438,909	8,853,971
Total Fund Balances	<u>197</u>	<u>1,053</u>	<u>6,346</u>	<u>59,524</u>	<u>322</u>	<u>169,129</u>	<u>3,804,659</u>	<u>459,963</u>	<u>8,875,025</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 197</u>	<u>\$ 1,053</u>	<u>\$ 6,346</u>	<u>\$ 59,524</u>	<u>\$ 322</u>	<u>\$ 169,129</u>	<u>\$ 3,807,162</u>	<u>\$ 459,963</u>	<u>\$ 10,011,523</u>

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	CAPITAL PROJECT FUNDS			NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT		
ASSETS:					
Cash and Cash Equivalents	59,796	42,001	467	102,264	1,906,900
Investments	238,000	192,000	-	430,000	7,482,456
Current Taxes	-	-	-	-	188,121
Delinquent Taxes	-	-	-	-	47,582
Allowance for Uncollectible Taxes	-	-	-	-	(116,722)
Due from Other Governments	-	-	-	-	103,414
Due from Other Funds	-	-	-	-	275,951
Miscellaneous	229	184	-	413	635,444
Inventory	-	-	-	-	21,054
Total Assets	<u>\$ 298,025</u>	<u>\$ 234,185</u>	<u>\$ 467</u>	<u>\$ 532,677</u>	<u>\$ 10,544,200</u>
LIABILITIES:					
Accounts Payable-Trade	-	-	-	-	15,713
Due to Other Funds	-	-	-	-	513,676
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>529,389</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue	-	-	-	-	323,647
Deferred Revenue	-	-	-	-	283,462
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607,109</u>
FUND BALANCES:					
Nonspendable					21,054
Restricted	298,025	234,185	467	532,677	9,386,648
Total Fund Balances	<u>298,025</u>	<u>234,185</u>	<u>467</u>	<u>532,677</u>	<u>9,407,702</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 298,025</u>	<u>\$ 234,185</u>	<u>\$ 467</u>	<u>\$ 532,677</u>	<u>\$ 10,544,200</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	SPECIAL REVENUE FUNDS							
	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION
REVENUES								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-	-	-	-	-
Fees of Office	14,455	-	13,297	4,199	337	2,790	3,000	1,696
Fines and Forfeits	-	-	-	-	-	-	-	-
Miscellaneous	745	1	2,257	205	49	81	136	52
TOTAL REVENUES	15,200	1	15,554	4,404	386	2,871	3,136	1,748
EXPENDITURES								
General Administration	-	-	19,628	-	-	-	-	-
Legal	5,187	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	5,187	-	19,628	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,013	1	(4,074)	4,404	386	2,871	3,136	1,748
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(90)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(90)	-	-	-
NET CHANGE IN FUND BALANCES	10,013	1	(4,074)	4,404	296	2,871	3,136	1,748
FUND BALANCE-BEGINNING OF YEAR	77,239	162	243,196	23,246	6,479	9,576	16,877	6,088
FUND BALANCE-END OF YEAR	\$ 87,252	\$ 163	\$ 239,122	\$ 27,650	\$ 6,775	\$ 12,447	\$ 20,013	\$ 7,836

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	SPECIAL REVENUE FUNDS							
	RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT
REVENUES								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 505,842	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-	-	-	149,450	-
Fees of Office	94,431	84,281	2,196	-	9,100	-	161,057	-
Fines and Forfeits	-	-	-	-	-	-	-	1,604
Miscellaneous	5,505	1,906	913	352	122	26,588	16,389	174
TOTAL REVENUES	99,936	86,187	3,109	352	9,222	532,430	326,896	1,778
EXPENDITURES								
General Administration	115,563	-	1,450	1,018	-	-	-	-
Legal	-	-	-	-	-	-	-	-
Elections	-	-	-	-	1,218	-	-	-
Public Safety	-	-	-	-	-	-	402,775	-
Public Transportation	-	-	-	-	-	517,022	-	-
Health & Paupers Care	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	34,927	-	-
TOTAL EXPENDITURES	115,563	-	1,450	1,018	1,218	551,949	402,775	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,627)	86,187	1,659	(666)	8,004	(19,519)	(75,879)	1,778
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(73)	-	-	(762)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(73)	-	-	(762)	-	-
NET CHANGE IN FUND BALANCES	(15,627)	86,187	1,586	(666)	8,004	(20,281)	(75,879)	1,778
FUND BALANCE-BEGINNING OF YEAR	598,862	197,409	100,063	2,783	14,936	2,149,669	159,288	25,612
FUND BALANCE-END OF YEAR	\$ 583,235	\$ 283,596	\$ 101,649	\$ 2,117	\$ 22,940	\$ 2,129,388	\$ 83,409	\$ 27,390

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SPECIAL REVENUE FUNDS

	JUVENILE PROBATION	HOT CHECK FEE	PRETRIAL INTERVENTION PROGRAM	SHERIFF'S STATE FORFEITURE	JAIL COMM	CORONAVIRUS RELIEF	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE	STATE APPORTION- MENT - DA
REVENUES									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	208,214	-	3,000	-	-	776,086	-	-	27,498
Fees of Office	178	536	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-	-	-
Miscellaneous	3,703	-	62	911	4,070	-	2	5,912	21
TOTAL REVENUES	212,095	536	3,062	911	4,070	776,086	2	5,912	27,519
EXPENDITURES									
General Administration	-	-	-	-	-	-	-	-	-
Legal	-	1,905	-	-	-	-	-	812	27,484
Elections	-	-	-	-	-	-	-	-	-
Public Safety	355,657	-	-	14,993	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	776,086	-	-	-
Public Safety	28,212	-	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	383,869	1,905	-	14,993	-	776,086	-	812	27,484
Excess (Deficiency) of Revenues Over (Under) Expenditures	(171,774)	(1,369)	3,062	(14,082)	4,070	-	2	5,100	35
OTHER FINANCING SOURCES (USES)									
Transfers in	198,958	-	-	-	-	98,092	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	198,958	-	-	-	-	98,092	-	-	-
NET CHANGE IN FUND BALANCES	27,184	(1,369)	3,062	(14,082)	4,070	98,092	2	5,100	35
FUND BALANCE-BEGINNING OF YEAR	427,244	40,306	6,532	84,390	22,513	-	324	34,650	797
FUND BALANCE-END OF YEAR	\$ 454,428	\$ 38,937	\$ 9,594	\$ 70,308	\$ 26,583	\$ 98,092	\$ 326	\$ 39,750	\$ 832

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SPECIAL REVENUE FUNDS									
	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	CHILD PROTECTIVE SERVICES	HEALTH FUND	AIRPORT	SPECIAL REVENUE FUNDS TOTAL
REVENUES									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 505,842
Intergovernmental Receipts	-	-	-	-	-	7,741	49,354	2,983	1,224,326
Fees of Office	-	-	-	-	-	-	-	-	391,553
Fines and Forfeits	-	-	-	-	-	-	-	-	1,604
Miscellaneous	2	8	6,081	431	2	3,230	36,696	54,433	171,039
TOTAL REVENUES	2	8	6,081	431	2	10,971	86,050	57,416	2,294,364
EXPENDITURES									
General Administration	-	-	-	-	-	-	-	-	137,659
Legal	-	-	-	-	-	-	-	-	35,388
Elections	-	-	-	-	-	-	-	-	1,218
Public Safety	-	-	-	-	-	-	-	-	773,425
Public Transportation	-	-	-	-	-	-	-	42,440	559,462
Health & Paupers Care	-	-	-	-	-	57,834	32,908	-	866,828
Public Safety	-	-	-	-	-	-	-	-	28,212
Public Transportation	-	-	-	-	-	-	-	-	34,927
TOTAL EXPENDITURES	-	-	-	-	-	57,834	32,908	42,440	2,437,119
Excess (Deficiency) of Revenues Over (Under) Expenditures	2	8	6,081	431	2	(46,863)	53,142	14,976	(142,755)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	58,000	-	-	355,050
Transfers out	-	-	-	-	-	-	-	-	(925)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	58,000	-	-	354,125
NET CHANGE IN FUND BALANCES	2	8	6,081	431	2	11,137	53,142	14,976	211,370
FUND BALANCE-BEGINNING OF YEAR	195	1,045	265	59,093	320	157,992	3,751,517	444,987	8,663,655
FUND BALANCE-END OF YEAR	\$ 197	\$ 1,053	\$ 6,346	\$ 59,524	\$ 322	\$ 169,129	\$ 3,804,659	\$ 459,963	\$ 8,875,025

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

CAPITAL
PROJECT FUNDS

	NON-MAJOR			NON-MAJOR	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT	CAPITAL PROJECTS FUNDS TOTAL	
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 505,842
Intergovernmental Receipts	-	-	-	-	1,224,326
Fees of Office	-	-	-	-	391,553
Fines and Forfeits	-	-	-	-	1,604
Miscellaneous	2,792	2,215	3	5,010	176,049
TOTAL REVENUES	2,792	2,215	3	5,010	2,299,374
EXPENDITURES					
General Administration	-	-	-	-	137,659
Legal	-	-	-	-	35,388
Elections	-	-	-	-	1,218
Public Safety	-	-	-	-	773,425
Public Transportation	-	-	-	-	559,462
Health & Paupers Care	-	-	-	-	866,828
Public Safety	-	-	-	-	28,212
Public Transportation	-	-	-	-	34,927
TOTAL EXPENDITURES	-	-	-	-	2,437,119
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,792	2,215	3	5,010	(137,745)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	355,050
Transfers out	-	-	-	-	(925)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	354,125
NET CHANGE IN FUND BALANCES	2,792	2,215	3	5,010	216,380
FUND BALANCE-BEGINNING OF YEAR	295,233	231,970	464	527,667	9,191,322
FUND BALANCE-END OF YEAR	\$ 298,025	\$ 234,185	\$ 467	\$ 532,677	\$ 9,407,702

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

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - LAW LIBRARY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Fees of Office:				
Law library fees	\$ 12,000	\$ 12,000	\$ 14,455	\$ 2,455
Total Fees of Office	<u>12,000</u>	<u>12,000</u>	<u>14,455</u>	<u>2,455</u>
Other Revenues and Fees:				
Interest	125	125	745	620
Total Other Revenues and Fees	<u>125</u>	<u>125</u>	<u>745</u>	<u>620</u>
Total Revenues	<u>12,125</u>	<u>12,125</u>	<u>15,200</u>	<u>3,075</u>
EXPENDITURES				
Legal:				
Miscellaneous - Law books	12,125	12,125	5,187	6,938
Total Legal	<u>12,125</u>	<u>12,125</u>	<u>5,187</u>	<u>6,938</u>
Total Expenditures	<u>12,125</u>	<u>12,125</u>	<u>5,187</u>	<u>(6,938)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	10,013	<u>\$ 10,013</u>
FUND BALANCE DECEMBER 31, 2019			<u>77,239</u>	
FUND BALANCE DECEMBER 31, 2020			<u>\$ 87,252</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY JUVENILE DELINQUENCY PREVENTION
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Miscellaneous:				
Interest Earnings	\$ 1	\$ 1	\$ 1	\$ -
Total Fees of Office	1	1	1	-
Total Revenues	1	1	1	-
EXPENDITURES				
Legal				
Contract Agreements	1	1	-	1
Total Legal	1	1	-	1
Total Expenditures	1	1	-	1
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
FUND BALANCE DECEMBER 31, 2019			<u>162</u>	
FUND BALANCE DECEMBER 31, 2020			<u>\$ 163</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COURTHOUSE SECURITY
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk Fees	\$ 1,200	\$ 1,200	\$ 1,663	\$ 463
County Clerk Fees	6,663	6,663	9,438	2,775
JP Offices	10,600	10,600	2,196	(8,404)
Total Fees of Office	<u>18,463</u>	<u>18,463</u>	<u>13,297</u>	<u>(5,166)</u>
Other Revenues and Fees:				
Interest Earnings	<u>1,598</u>	<u>1,598</u>	<u>2,257</u>	<u>659</u>
Total Other Revenues and Fees	<u>1,598</u>	<u>1,598</u>	<u>2,257</u>	<u>659</u>
Total Revenues	<u>20,061</u>	<u>20,061</u>	<u>15,554</u>	<u>(4,507)</u>
EXPENDITURES				
General Administration:				
Bailiff and Security	13,016	13,016	12,989	27
Social Security Taxes	996	996	787	209
Retirement and Death Benefits	3,126	3,126	3,119	7
Workers Compensation	317	317	187	130
Unemployment Insurance	80	80	26	54
Other Post Employment Benefits	<u>2,526</u>	<u>2,526</u>	<u>2,520</u>	<u>6</u>
Total General Government	<u>20,061</u>	<u>20,061</u>	<u>19,628</u>	<u>433</u>
Total Expenditures	<u>20,061</u>	<u>20,061</u>	<u>19,628</u>	<u>433</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(4,074)	<u>\$ (4,074)</u>
FUND BALANCE DECEMBER 31, 2019			<u>243,196</u>	
FUND BALANCE DECEMBER 31, 2020			<u>\$ 239,122</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - RECORDS MANAGEMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk Fees	\$ 2,000	\$ 2,000	\$ 2,743	\$ 743
County Clerk Fees	2,800	2,800	1,456	(1,344)
Total Fees of Office	<u>4,800</u>	<u>4,800</u>	<u>4,199</u>	<u>(601)</u>
Miscellaneous				
Interest	60	60	205	145
Total Miscellaneous	<u>60</u>	<u>60</u>	<u>205</u>	<u>145</u>
Total Revenues	<u>4,860</u>	<u>4,860</u>	<u>4,404</u>	<u>(456)</u>
EXPENDITURES				
General Administration:				
Preservation and Restoration	4,860	4,860	-	\$ (4,860)
Total Expenditures	<u>4,860</u>	<u>4,860</u>	<u>-</u>	<u>4,860</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	4,404	<u>\$ 4,404</u>
FUND BALANCE DECEMBER 31, 2019			<u>23,246</u>	
FUND BALANCE DECEMBER 31, 2020			<u>\$ 27,650</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY AND DISTRICT COURT TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk	\$ 50	\$ 50	\$ 186	\$ 136
County Clerk	100	100	151	51
Total Fees of Office	<u>150</u>	<u>150</u>	<u>337</u>	<u>187</u>
Other Revenues and Fees:				
Interest	1	1	49	48
Total Other Revenues and Fees	<u>1</u>	<u>1</u>	<u>49</u>	<u>48</u>
Total Revenues	<u>151</u>	<u>151</u>	<u>386</u>	<u>235</u>
EXPENDITURES				
Capital Outlay:				
Equipment and software	151	151	-	151
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	151	151	386	235
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(90)	(90)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(90)</u>	<u>(90)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 151</u>	<u>\$ 151</u>	296	<u>\$ 145</u>
FUND BALANCE DECEMBER 31, 2019			<u>6,479</u>	
FUND BALANCE DECEMBER 31, 2020			<u>\$ 6,775</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COURT RECORD PRESERVATION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Fees of Office:				
District Clerk Fees	\$ 1,790	\$ 1,790	\$ 2,790	\$ 1,000
Total Fees of Office	<u>1,790</u>	<u>1,790</u>	<u>2,790</u>	<u>1,000</u>
Other Revenues and Fees:				
Interest	10	10	81	71
Total Other Revenues and Fees	<u>10</u>	<u>10</u>	<u>81</u>	<u>71</u>
Total Revenues	<u>1,800</u>	<u>1,800</u>	<u>2,871</u>	<u>1,071</u>
EXPENDITURES				
Justice System:				
Digitizing	1,800	1,800	-	1,800
Total Justice System	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Total Expenditures	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	2,871	<u>\$ 2,871</u>
FUND BALANCE DECEMBER 31, 2019			<u>9,576</u>	
FUND BALANCE DECEMBER 31, 2020			<u>\$ 12,447</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND -DISTRICT CLERK RECORDS TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Fees of Office				
District Clerk Fees	\$ 600	\$ 600	\$ 3,000	\$ 2,400
Total Fees of Office	<u>600</u>	<u>600</u>	<u>3,000</u>	<u>2,400</u>
Other Revenues and Fees				
Interest Earnings	-	-	136	136
Total Other Revenues and Fees	<u>-</u>	<u>-</u>	<u>136</u>	<u>136</u>
Total Revenues	<u>600</u>	<u>600</u>	<u>3,136</u>	<u>2,536</u>
EXPENDITURES				
Capital Outlay:				
Furniture and equipment	600	600	-	600
Total Capital Outlay	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Total Expenditures	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	3,136	<u>\$ 3,136</u>
FUND BALANCE DECEMBER 31, 2019			<u>16,877</u>	
FUND BALANCE DECEMBER 31, 2020			<u>\$ 20,013</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Fees of Office				
District Clerk Fees	\$ 600	\$ 600	\$ 1,696	\$ 1,096
Total Fees of Office	600	600	1,696	1,096
Other Revenues and Fees				
Interest Earnings	-	-	52	52
Total Other Revenues and Fees	-	-	52	52
Total Revenues	600	600	1,748	1,148
EXPENDITURES				
General Government				
Preservation and restoration	600	600	-	600
Total General Government	600	600	-	600
Total Expenditures	600	600	-	600
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	1,748	\$ 1,748
FUND BALANCE DECEMBER 31, 2019			6,088	
FUND BALANCE DECEMBER 31, 2020			\$ 7,836	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - RECORDS PRESERVATION
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Fees of Office:				
County clerks fees	\$ 90,000	\$ 90,000	\$ 94,431	\$ 4,431
Total Fees of Office	90,000	90,000	94,431	4,431
Other Revenues and Fees:				
Interest earnings	1,323	1,323	5,505	4,182
Total Other Revenues and Fees	1,323	1,323	5,505	4,182
Total Revenues	91,323	91,323	99,936	8,613
EXPENDITURES				
General Administration:				
Digitizing real property instruments	12,247	12,247	-	12,247
Rentals microfilming and indexing	24,400	24,400	15,600	8,800
Records management and preservation	100,000	100,000	99,963	37
Total General Government	136,647	136,647	115,563	21,084
Total Expenditures	136,647	136,647	115,563	21,084
Excess of Revenues Over (Under) Expenditures	<u>\$ (45,324)</u>	<u>\$ (45,324)</u>	(15,627)	<u>\$ 29,697</u>
FUND BALANCE DECEMBER 31, 2019			598,862	
FUND BALANCE DECEMBER 31, 2020			<u>\$ 583,235</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - RECORDS ARCHIVE FEES
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Fees of Office:				
County Clerks Fees	\$ 35,000	\$ 35,000	\$ 84,281	\$ 49,281
Total Fees of Office	35,000	35,000	84,281	49,281
Other Revenues and Fees:				
Interest Earnings	100	100	1,906	1,806
Total Other Revenues and Fees	100	100	1,906	1,806
Total Revenues	35,100	35,100	86,187	51,087
EXPENDITURES				
General Administration:				
Preservation and Restoration	21,050	21,050	-	21,050
Digitizing	14,050	14,050	-	14,050
Total General Government	35,100	35,100	-	35,100
Total Expenditures	35,100	35,100	-	35,100
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	86,187	\$ 86,187
FUND BALANCE DECEMBER 31, 2019			197,409	
FUND BALANCE DECEMBER 31, 2020			\$ 283,596	

**PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - JUSTICE COURT TECHNOLOGY
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Fees of Office:				
JP Offices	\$ 8,708	\$ 8,708	\$ 2,196	\$ (6,512)
Total Fees of Office	8,708	8,708	2,196	(6,512)
Other Revenues and Fees:				
Interest Earnings	292	292	913	621
Total Other Revenues and Fees	292	292	913	621
Total Revenues	9,000	9,000	3,109	(5,891)
EXPENDITURES				
General Administration:				
Professional Services	4,000	4,000	-	4,000
Total General Government	4,000	4,000	-	4,000
Capital Outlay:				
Furniture and Equipment	5,000	5,000	1,450	3,550
Total Capital Outlay	5,000	5,000	1,450	3,550
Total Expenditures	9,000	9,000	1,450	7,550
Excess of Revenues Over (Under) Expenditures	-	-	1,659	1,659
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(73)	(73)
Total Other Financing Sources (Uses)	-	-	(73)	(73)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	1,586	\$ 1,586
FUND BALANCE DECEMBER 31, 2019			100,063	
FUND BALANCE DECEMBER 31, 2020			\$ 101,649	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - FARM TO MARKET AND LATERAL ROAD
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property Taxes:				
Taxes - current	566,378	566,378	478,709	\$ (87,669)
Taxes - delinquent	9,309	9,309	27,133	17,824
Total Property Taxes	<u>575,687</u>	<u>575,687</u>	<u>505,842</u>	<u>-</u>
Other Revenues and Fees:				
Interest	38,978	38,978	23,311	(15,667)
Miscellaneous	-	1,725	3,277	1,552
Total Other Revenues and Fees	<u>38,978</u>	<u>40,703</u>	<u>26,588</u>	<u>(14,115)</u>
Total Revenues	<u>614,665</u>	<u>616,390</u>	<u>532,430</u>	<u>(14,115)</u>
EXPENDITURES				
Public Transportation:				
Salaries - Road and Bridge Department	81,845	81,845	80,047	1,798
Benefits Termination	1,600	3,759	3,758	1
Social Security Taxes	7,372	7,372	6,120	1,252
Group Insurance	29,000	29,000	26,834	2,166
Retirement and Death Benefits	19,327	20,274	20,273	1
Other Post Employment	15,616	16,381	16,381	-
Retiree Medical Insurance Trust	14,604	14,604	14,604	-
Workers Compensation	3,021	3,021	1,406	1,615
Optional Retirement	29,961	29,961	29,961	-
Unemployment Insurance	3,392	3,392	169	3,223
Repair and Maintenance	31,627	33,352	27,833	5,519
Parts and Repairs	20,000	20,000	11,980	8,020
Contingency	208,624	168,888	7,135	161,753
Utilities	22,000	30,000	29,197	803
Contractor Service	6,000	6,000	1,314	4,686
Physicals and Drug	3,500	3,500	2,291	1,209
Rentals and Leases	5,000	5,000	4,117	883
Beaver Control	38,400	38,400	38,400	-
Liability and Other Insurance	204,145	204,145	194,085	10,060
Miscellaneous	1,250	1,250	1,117	133
Total Justice System	<u>746,284</u>	<u>720,144</u>	<u>517,022</u>	<u>203,122</u>
Capital Outlay:				
Furniture and Equipment	1,000	36,000	34,927	1,073
Road Oil	66,005	66,005	-	66,005
Bridge Construction	10,000	10,000	-	10,000
Total Capital Outlay	<u>77,005</u>	<u>112,005</u>	<u>34,927</u>	<u>77,078</u>
Total Expenditures	<u>823,289</u>	<u>832,149</u>	<u>551,949</u>	<u>280,200</u>
Excess of Revenues Over (Under) Expenditures	(208,624)	(215,759)	(19,519)	196,240
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(762)	(762)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(762)</u>	<u>(762)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (208,624)</u>	<u>\$ (215,759)</u>	(20,281)	<u>\$ 195,478</u>
FUND BALANCE DECEMBER 31, 2019			<u>2,149,669</u>	
FUND BALANCE DECEMBER 31, 2020			<u>\$ 2,129,388</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - CHILD PROTECTIVE SERVICES
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Federal Receipts	\$ -	\$ -	\$ 7,741	\$ 7,741
Total Intergovernmental Receipts	-	-	7,741	7,741
Other Revenues and Fees:				
Donations	-	-	1,636	1,636
Interest	-	-	1,594	1,594
Total Other Revenues and Fees	-	-	3,230	3,230
Total Revenues	-	-	10,971	10,971
EXPENDITURES				
Health and Paupers Care				
Miscellaneous	58,000	58,000	57,834	166
Total General Government	58,000	58,000	57,834	166
Total Expenditures	58,000	58,000	57,834	166
Excess of Revenues Over (Under) Expenditures	(58,000)	(58,000)	(46,863)	11,137
OTHER FINANCING SOURCES (USES)				
Transfers in	58,000	58,000	58,000	-
Total Other Financing Sources (Uses)	58,000	58,000	58,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	11,137	\$ 11,137
FUND BALANCE DECEMBER 31, 2019			157,992	
FUND BALANCE DECEMBER 31, 2020			\$ 169,129	

**PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - HEALTH CARE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Tobacco Settlement	\$ 25,000	\$ 25,000	\$ 49,353	\$ 24,353
Total Intergovernmental Receipts	<u>25,000</u>	<u>25,000</u>	<u>49,353</u>	<u>24,353</u>
Miscellaneous				
Interest	25,000	25,000	36,696	11,696
Total Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>36,696</u>	<u>11,696</u>
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>86,049</u>	<u>36,049</u>
EXPENDITURES				
Health & Paupers Care				
Indigent Health Care	50,000	50,000	32,908	(17,092)
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>32,908</u>	<u>17,092</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	53,141	<u>\$ 53,141</u>
FUND BALANCE DECEMBER 31, 2019			<u>3,751,518</u>	
FUND BALANCE DECEMBER 31, 2020			<u>\$ 3,804,659</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - AIRPORT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Federal Receipts	\$ -	\$ -	\$ 2,983	\$ 2,983
Total Intergovernmental Receipts	-	-	2,983	2,983
Miscellaneous				
Miscellaneous Revenue	80,000	80,000	37,494	(42,506)
Hangar Rental & Ground Lease Agreements	14,310	14,310	13,420	(890)
Interest	900	900	3,519	2,619
Total Miscellaneous	95,210	95,210	54,433	(40,777)
Total Revenues	95,210	95,210	57,416	(37,794)
EXPENDITURES				
Public Transportation				
Professional Services	-	6,000	5,966	(34)
Fuel and Repairs	95,160	89,160	36,474	(52,686)
Total Public Transportation	95,160	95,160	42,440	(52,720)
Capital Outlay:				
Furniture and Equipment	50	50	-	(50)
Total Capital Outlay	50	50	-	50
Total Expenditures	95,210	95,210	42,440	52,770
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	14,976	\$ 14,976
FUND BALANCE DECEMBER 31, 2019			444,987	
FUND BALANCE DECEMBER 31, 2020			\$ 459,963	

**PANOLA COUNTY, TEXAS
 CAPITAL PROJECTS FUND - 1971 ROAD BOND
 DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	\$ 1,250	\$ 1,250	\$ 2,792	\$ 1,542
Total Other Revenues and Fees	1,250	1,250	2,792	1,542
Total Revenues	1,250	1,250	2,792	1,542
EXPENDITURES				
Public Transportation				
Miscellaneous	1,250	1,250	-	1,250
Total Public Transportation	1,250	1,250	-	1,250
Total Expenditures	1,250	1,250	-	1,250
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	2,792	\$ 2,792
FUND BALANCE DECEMBER 31, 2019			295,233	
FUND BALANCE DECEMBER 31, 2020			\$ 298,025	

PANOLA COUNTY, TEXAS
CAPITAL PROJECTS FUND - PERMANENT IMPROVEMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	\$ 1,000	\$ 1,000	\$ 2,215	\$ 1,215
Total Other Revenues and Fees	1,000	1,000	2,215	1,215
Total Revenues	1,000	1,000	2,215	1,215
EXPENDITURES				
Capital Outlay:				
Furniture and equipment	1,000	1,000	-	1,000
Total Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	1,000	1,000	-	1,000
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	2,215	\$ 2,215
FUND BALANCE DECEMBER 31, 2019			231,970	
FUND BALANCE DECEMBER 31, 2020			\$ 234,185	

PANOLA COUNTY, TEXAS
CAPITAL PROJECTS FUND - JAIL IMPROVEMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	\$ 900	\$ 900	\$ 3	(897)
Total Other Revenues and Fees	900	900	3	(897)
Total Revenues	900	900	3	(897)
EXPENDITURES				
Capital Outlay				
Public Transportation	900	900	-	900
Total Capital Outlay	900	900	-	900
Total Expenditures	900	900	-	900
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	3	\$ 3
FUND BALANCE DECEMBER 31, 2019			464	
FUND BALANCE DECEMBER 31, 2020			\$ 467	

FIDUCIARY FUNDS

**PANOLA COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
 AGENCY FUNDS
 DECEMBER 31, 2020**

	<u>Automobile Registration Fund</u>	<u>Tax Assessor- Collector Ad Valorem Tax Fund</u>	<u>County Clerk Fund</u>	<u>District Clerk Funds</u>	<u>Community Supervision and Corrections Department Fund</u>	<u>Juvenile Probation Fund</u>
Assets						
Cash	\$ 196,795	\$ 14,013,489	\$ 122,559	\$ 1,366,031	\$ 2,059	\$ 2,344
Investments	-	-	-	320,795	-	-
Total assets	<u>\$ 196,795</u>	<u>\$ 14,013,489</u>	<u>\$ 122,559</u>	<u>\$ 1,686,826</u>	<u>\$ 2,059</u>	<u>\$ 2,344</u>
Liabilities						
Due to other governments	196,795	\$ 14,013,489	\$ -	\$ -	\$ -	\$ -
Court ordered deposits	-	-	31,547	523,197	-	-
Court ordered trust funds	-	-	91,012	1,163,629	-	2,344
Restitution payable	-	-	-	-	2,059	-
Other payable	-	-	-	-	-	-
Total liabilities	<u>\$ 196,795</u>	<u>\$ 14,013,489</u>	<u>\$ 122,559</u>	<u>\$ 1,686,826</u>	<u>\$ 2,059</u>	<u>\$ 2,344</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
DECEMBER 31, 2020

	<u>Criminal District Attorney Restitution Funds</u>	<u>Criminal District Attorney Forfeiture Funds</u>	<u>Sheriff Collections Fund</u>	<u>Jail Inmate Fund</u>	<u>Agency Funds</u>
Assets					
Cash	\$ -	\$ 95,490	\$ 534	\$ 11,297	\$ 15,810,598
Investments	-	-	-	-	320,795
Total assets	<u>\$ -</u>	<u>\$ 95,490</u>	<u>\$ 534</u>	<u>\$ 11,297</u>	<u>\$ 16,131,393</u>
Liabilities					
Due to other governments	\$ -	\$ -	\$ 534	\$ -	\$ 14,210,818
Court ordered deposits	-	-	-	-	554,744
Court ordered trust funds	-	95,490	-	-	1,352,475
Restitution payable	-	-	-	-	2,059
Other payable	-	-	-	11,297	11,297
Total liabilities	<u>\$ -</u>	<u>\$ 95,490</u>	<u>\$ 534</u>	<u>\$ 11,297</u>	<u>\$ 16,131,393</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	January 01, 2020	Additions	Deductions	December 31, 2020
Automobile Registration Fund				
Assets				
Cash	\$ 325,444	\$ 4,937,531	\$ 5,066,180	\$ 196,795
Total assets	\$ 325,444	\$ 4,937,531	\$ 5,066,180	\$ 196,795
Liabilities				
Due to other governments	\$ 325,444	\$ 4,937,531	\$ 5,066,180	\$ 196,795
Total liabilities	\$ 325,444	\$ 4,937,531	\$ 5,066,180	\$ 196,795
Tax Assessor-Collector Ad Valorem Tax Fund				
Assets				
Cash	\$ 5,357,808	\$ 87,326,823	\$ 78,671,142	\$ 14,013,489
Total assets	\$ 5,357,808	\$ 87,326,823	\$ 78,671,142	\$ 14,013,489
Liabilities				
Due to other governments	\$ 5,357,808	\$ 87,326,823	\$ 78,671,142	\$ 14,013,489
Total liabilities	\$ 5,357,808	\$ 87,326,823	\$ 78,671,142	\$ 14,013,489
County Clerk Fund				
Assets				
Cash	\$ 117,345	\$ 79,715	\$ 74,501	\$ 122,559
Total assets	\$ 117,345	\$ 79,715	\$ 74,501	\$ 122,559
Liabilities				
Court Ordered Deposits	\$ 26,447	\$ 79,600	\$ 74,500	\$ 31,547
Court Ordered Trust Funds	90,898	115	1	91,012
Total liabilities	\$ 117,345	\$ 79,715	\$ 74,501	\$ 122,559
District Clerk Funds				
Assets				
Cash	\$ 1,379,814	\$ 663,487	\$ 677,270	\$ 1,366,031
Investments	365,889	5,089	50,183	320,795
Total assets	\$ 1,745,703	\$ 668,576	\$ 727,453	\$ 1,686,826
Liabilities				
Court Ordered Deposits	\$ 589,330	\$ 119,428	\$ 185,562	\$ 523,197
Court Ordered Trust Funds	1,156,373	549,148	541,891	1,163,629
Total liabilities	\$ 1,745,703	\$ 668,576	\$ 727,453	\$ 1,686,826
Community Supervision and Corrections Department Fund				
Assets				
Cash	2,047	259,876	259,864	2,059
Total assets	\$ 2,047	\$ 259,876	\$ 259,864	\$ 2,059
Liabilities				
Court Ordered Trust Funds	\$ 2,047	\$ 259,876	\$ 259,864	\$ 2,059
Total liabilities	\$ 2,047	\$ 259,876	\$ 259,864	\$ 2,059
Juvenile Probation Fund				
Assets				
Cash	606	2,366	628	2,344
Total assets	\$ 606	\$ 2,366	\$ 628	\$ 2,344
Liabilities				
Court Ordered Trust Funds	\$ 606	\$ 2,366	\$ 628	\$ 2,344
Total liabilities	\$ 606	\$ 2,366	\$ 628	\$ 2,344

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	January 01, 2020	Additions	Deductions	December 31, 2020
Criminal District Attorney Forfeiture Funds				
Assets				
Cash	\$ 106,768	\$ 6,151	\$ 17,429	\$ 95,490
Total assets	<u>\$ 106,768</u>	<u>\$ 6,151</u>	<u>\$ 17,429</u>	<u>\$ 95,490</u>
Liabilities				
Court Ordered Trust Funds	\$ 106,768	\$ 6,151	\$ 17,429	\$ 95,490
Total liabilities	<u>\$ 106,768</u>	<u>\$ 6,151</u>	<u>\$ 17,429</u>	<u>\$ 95,490</u>
Criminal District Attorney Restitution Funds				
Assets				
Cash	\$ 4,279	\$ 5,593	\$ 9,872	\$ -
Total assets	<u>\$ 4,279</u>	<u>\$ 5,593</u>	<u>\$ 9,872</u>	<u>\$ -</u>
Liabilities				
Restitution Payable	\$ 4,279	\$ 5,593	\$ 9,872	\$ -
Total liabilities	<u>\$ 4,279</u>	<u>\$ 5,593</u>	<u>\$ 9,872</u>	<u>\$ -</u>
Sheriff Collections Fund				
Assets				
Cash	534	\$ 1,973	\$ 1,973	\$ 534
Total assets	<u>\$ 534</u>	<u>\$ 1,973</u>	<u>\$ 1,973</u>	<u>\$ 534</u>
Liabilities				
Due to other governments	\$ 534	\$ 1,973	\$ 1,973	\$ 534
Total liabilities	<u>\$ 534</u>	<u>\$ 1,973</u>	<u>\$ 1,973</u>	<u>\$ 534</u>
Jail Inmate Fund				
Assets				
Cash	\$ 11,487	\$ 116,836	\$ 117,026	\$ 11,297
Total assets	<u>\$ 11,487</u>	<u>\$ 116,836</u>	<u>\$ 117,026</u>	<u>\$ 11,297</u>
Liabilities				
Other payables	\$ 11,487	\$ 116,836	\$ 117,026	\$ 11,297
Total liabilities	<u>\$ 11,487</u>	<u>\$ 116,836</u>	<u>\$ 117,026</u>	<u>\$ 11,297</u>
Total - All Agency Funds				
Assets				
Cash	\$ 7,306,132	\$ 93,400,351	\$ 84,895,885	\$ 15,810,598
Investments	\$ 365,889	\$ 5,089	\$ 50,183	\$ 320,795
Total assets	<u>\$ 7,672,021</u>	<u>\$ 93,405,440</u>	<u>\$ 84,946,068</u>	<u>\$ 16,131,393</u>
Liabilities				
Due to other governments	\$ 5,683,786	\$ 92,266,327	\$ 83,739,295	\$ 14,210,818
Court ordered deposits	615,777	199,028	260,062	554,744
Court ordered trust funds	1,356,692	817,656	819,813	1,354,534
Restitution payable	4,279	5,593	9,872	-
Other payable	11,487	116,836	117,026	11,297
Total liabilities	<u>\$ 7,672,021</u>	<u>\$ 93,405,440</u>	<u>\$ 84,946,068</u>	<u>\$ 16,131,393</u>



STATISTICAL SECTION

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. These schedules report how the County's financial position and well-being have changed over time.

- TABLE 1 – Net Position by Component
- TABLE 2 – Changes in Net Position
- TABLE 3 – Fund Balances, Governmental Funds
- TABLE 4 – Net Changes in Fund Balance, Governmental Funds

Revenue Capacity Information:

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

- TABLE 5 – Assessed Value and Estimated Actual Value of Taxable Property
- TABLE 6 – Direct and Overlapping Property Tax Rates
- TABLE 7 – Principal Property Taxpayers
- TABLE 8 – Property Tax Levies and Collections

Debt Capacity Information:

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

- TABLE 9 – Ratio of Outstanding Debt by Type
- TABLE 10 – Direct and Overlapping Governmental Debt
- TABLE 11 – Legal Debt Margin Information

Demographic and Economic Information:

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

- TABLE 12 – Demographic and Economic Statistics
- TABLE 13 – Principle Employers by Industry

Operating Information:

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

- TABLE 14 – Full-Time Equivalent County Government Employees
- TABLE 15 – Capital Assets by Function/Program
- TABLE 16 – Operating Indicators by Function/Program
- TABLE 17 – Schedule of Insurance Policies in Force

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

Governmental activities:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Investment in Capital Assets	\$ 20,026,533	\$ 20,411,373	\$ 20,983,396	\$ 21,809,860	\$ 22,458,568	\$ 23,279,430	\$ 23,542,376	\$ 24,340,108	\$ 24,022,953	\$ 23,802,873
Restricted for Debt Service	-	-	-	-	-	-	-	-	-	207,556
Restricted for Capital Projects	-	-	-	-	-	-	-	-	-	-
Restricted for Other Purposes	15,988,312	15,998,539	15,385,545	14,801,460	14,260,464	13,524,120	12,896,767	11,505,906	10,942,194	10,575,529
Unrestricted	9,378,770	8,881,895	7,810,741	30,382,804	29,411,453	27,389,878	29,680,316	27,536,266	26,942,384	24,730,148
Total governmental activities net position	\$ 45,393,615	\$ 45,291,807	\$ 44,179,682	\$ 66,994,124	\$ 66,130,485	\$ 64,193,428	\$ 66,119,459	\$ 63,382,280	\$ 61,907,531	\$ 59,316,106

TABLE 2

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental Activities:										
General administration	\$ 4,091,292	\$ 5,813,060	\$ 5,342,138	\$ 4,998,429	\$ 3,628,899	\$ 3,188,949	\$ 4,219,943	\$ 3,654,495	\$ 3,447,218	\$ 3,727,822
Judicial	1,824,413	1,501,830	1,463,707	1,504,247	1,440,455	1,313,677	1,288,251	1,226,565	1,136,940	1,091,066
Legal	919,988	844,493	621,159	614,417	646,121	618,330	589,841	507,415	467,497	483,307
Elections	234,316	190,348	192,420	189,184	216,421	213,282	206,776	189,931	186,869	153,511
Financial administration	1,255,840	1,076,875	1,084,669	1,071,598	1,003,659	900,619	913,259	852,036	794,223	786,036
Public facilities	330,773	559,976	881,056	469,972	420,136	493,979	695,814	582,996	435,721	417,517
Public safety	8,743,780	7,118,774	7,035,569	7,040,400	6,866,996	6,892,775	6,724,721	6,351,980	5,889,883	5,713,426
Environmental protection	424,727	424,322	449,386	405,004	405,004	417,769	397,717	426,905	392,801	363,458
Public transportation	7,120,378	6,464,256	6,444,767	6,800,101	6,523,876	6,450,555	6,713,665	6,918,240	6,378,730	6,279,662
Health and Paupers care	1,465,366	794,101	710,734	1,729,386	1,995,250	2,640,645	1,519,237	1,568,289	1,233,431	931,689
Recreation	481,366	435,797	423,521	464,777	445,229	428,808	409,735	381,777	363,850	384,378
Conservation	103,044	99,340	118,746	119,229	112,210	108,927	102,973	94,640	87,261	93,050
Debt Service - Interest	-	-	-	-	-	-	-	-	-	17,694
Total Governmental Activities Expenses	\$ 26,995,284	\$ 25,323,172	\$ 24,767,871	\$ 25,406,744	\$ 23,704,257	\$ 23,668,315	\$ 23,781,932	\$ 22,755,269	\$ 20,814,424	\$ 20,442,616
Program Revenues:										
Governmental Activities:										
Charges for Services										
General administration	\$ 430,163	\$ 404,371	\$ 393,927	\$ 332,744	\$ 325,813	\$ 358,984	\$ 378,308	\$ 355,323	\$ 320,353	\$ 339,152
Judicial	472,783	623,356	637,963	607,479	487,141	435,198	396,268	453,591	464,969	460,165
Legal	18,658	19,764	19,174	19,039	19,934	28,229	29,702	32,428	37,505	37,671
Elections	9,100	5,714	3,006	-	5,435	-	7,050	1,150	4,450	-
Financial administration	908,753	904,371	908,990	823,788	832,349	854,162	854,313	822,522	830,492	807,132
Public facilities	-	-	-	-	-	-	-	-	-	-
Public safety	228,049	287,566	292,881	253,340	298,428	374,660	431,121	463,719	453,190	482,476
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	91,880	147,046	60,912	226,139	141,950	130,661	139,891	139,815	38,894	182,614
Health and Paupers care	80	478	-	815	-	1,110	965	1,006	1,375	1,525
Recreation	171,625	174,381	170,099	186,593	182,318	187,112	162,407	156,724	152,856	144,471
Conservation	-	2,757	-	750	-	850	400	400	1,265	1,950
Total Charges for Services	\$ 2,331,091	\$ 2,569,804	\$ 2,486,953	\$ 2,450,687	\$ 2,293,368	\$ 2,370,966	\$ 2,400,425	\$ 2,426,678	\$ 2,305,349	\$ 2,457,156

TABLE 2 (cont.)

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Grants and Contributions										
General administration	\$ 776,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	84,000	87,204	88,806	88,806	88,806	85,500	84,102	77,250	75,000	80,489
Legal	27,498	29,365	29,418	29,954	30,871	30,343	33,500	33,020	38,199	74,543
Elections	41,339	3,758	8,298	-	2,390	4,656	362	5,829	-	988
Financial administration	-	-	-	-	-	-	-	-	-	-
Public facilities	-	-	-	-	3,000	-	-	-	-	-
Public safety	364,381	380,306	436,612	474,948	546,400	686,415	684,681	638,384	573,135	652,019
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	32,451	32,522	29,538	29,575	29,575	29,575	29,676	30,441	29,620	30,041
Health and Paupers care	57,094	53,000	53,387	1,005,804	1,251,495	2,010,776	1,011,544	934,370	590,633	271,457
Recreation	-	-	-	-	-	-	-	-	-	-
Total Operating Grants and Contributions	<u>\$ 1,382,849</u>	<u>\$ 586,155</u>	<u>\$ 646,059</u>	<u>\$ 1,629,087</u>	<u>\$ 1,952,537</u>	<u>\$ 2,847,265</u>	<u>\$ 1,843,865</u>	<u>\$ 1,719,294</u>	<u>\$ 1,306,587</u>	<u>\$ 1,109,537</u>
Program Revenues, Continued:										
Capital Grants and Contributions										
Judicial	\$ 32,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	-	23,009	24,888	37,957	27,232	24,735	37,913	23,342	15,657	-
General Administration	-	-	-	404,353	-	-	-	-	-	-
Public Facilities	-	42,299	388,715	161,269	18,580	97,636	149,126	144,321	163,133	144,558
Public Safety	30,000	-	30,000	30,000	30,000	73,023	44,351	30,000	40,092	78,382
Public Transportation	-	-	117,854	-	-	-	-	-	-	-
Recreation	-	-	29,255	-	-	-	-	-	-	-
Total Capital Grants and Contrib	<u>\$ 62,485</u>	<u>\$ 65,308</u>	<u>\$ 590,712</u>	<u>\$ 633,579</u>	<u>\$ 75,812</u>	<u>\$ 195,394</u>	<u>\$ 231,390</u>	<u>\$ 197,663</u>	<u>\$ 218,882</u>	<u>\$ 222,940</u>
Total Governmental Activities										
Program Revenues	<u>\$ 3,776,425</u>	<u>\$ 3,221,267</u>	<u>\$ 3,723,724</u>	<u>\$ 4,713,353</u>	<u>\$ 4,321,717</u>	<u>\$ 5,413,625</u>	<u>\$ 4,475,680</u>	<u>\$ 4,343,635</u>	<u>\$ 3,830,818</u>	<u>\$ 3,789,633</u>
Net (Expense) Revenue										
Governmental Activities:	<u>\$ (23,218,859)</u>	<u>\$ (22,101,905)</u>	<u>\$ (21,044,147)</u>	<u>\$ (20,693,391)</u>	<u>\$ (19,382,540)</u>	<u>\$ (18,254,690)</u>	<u>\$ (19,306,252)</u>	<u>\$ (18,411,634)</u>	<u>\$ (16,983,606)</u>	<u>\$ (16,652,983)</u>

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes										
in Net Position										
Governmental Activities:										
Property Taxes	\$ 22,389,891	\$ 21,641,100	\$ 20,061,420	\$ 20,874,829	\$ 20,760,794	\$ 21,094,822	\$ 21,072,209	\$ 18,908,177	\$ 18,374,211	\$ 18,742,731
Interest Income	457,500	893,082	650,507	275,252	196,890	199,770	232,059	409,659	454,697	483,015
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	(73,459)	236,219	-
Miscellaneous	1,159,280	679,308	556,548	406,690	362,167	731,188	739,163	642,006	509,904	496,958
Total Governmental Activities	<u>\$ 24,006,671</u>	<u>\$ 23,213,490</u>	<u>\$ 21,268,475</u>	<u>\$ 21,556,771</u>	<u>\$ 21,319,851</u>	<u>\$ 22,025,780</u>	<u>\$ 22,043,431</u>	<u>\$ 19,886,383</u>	<u>\$ 19,575,031</u>	<u>\$ 19,722,704</u>
Increase in Net Position Before Transfers										
prior period adjustment	787,812	1,111,585	224,328	863,381	1,937,311	3,771,090	2,737,179	1,474,749	2,591,425	3,069,721
Transfers	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	(686,005)	-	-	-	-	-	-	-	-	-
Change in Net Position										
Governmental Activities	<u>\$ 101,807</u>	<u>\$ 1,111,585</u>	<u>\$ 224,328</u>	<u>\$ 863,381</u>	<u>\$ 1,937,311</u>	<u>\$ 3,771,090</u>	<u>\$ 2,737,179</u>	<u>\$ 1,474,749</u>	<u>\$ 2,591,425</u>	<u>\$ 3,069,721</u>
Total Primary Government	<u>\$ 101,807</u>	<u>\$ 1,111,585</u>	<u>\$ 224,328</u>	<u>\$ 863,381</u>	<u>\$ 1,937,311</u>	<u>\$ 3,771,090</u>	<u>\$ 2,737,179</u>	<u>\$ 1,474,749</u>	<u>\$ 2,591,425</u>	<u>\$ 3,069,721</u>
% Change from Prior Year	(90.84%)	395.52%	(74.02%)	(55.43%)	(48.63%)	37.77%	85.60%	(43.09%)	(15.58%)	(23.96%)

TABLE 3

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Unassigned	17,530,662	15,304,714	12,516,976	10,605,091	11,431,684	12,628,900	13,701,192	14,386,419	12,914,895	11,152,902
Total General Fund	<u>17,530,662</u>	<u>15,304,714</u>	<u>12,516,976</u>	<u>10,605,091</u>	<u>11,431,684</u>	<u>12,628,900</u>	<u>13,701,192</u>	<u>14,386,419</u>	<u>12,914,895</u>	<u>13,152,902</u>
All Other Governmental Funds:										
Nonspendable, Reported in:										
Special Revenue Funds	21,054	6,121	24,305	25,968	68,066	6,740	20,014	17,036	29,129	16,053
Restricted, Reported in:										
Special Revenue Funds	15,988,313	15,998,539	15,385,545	14,801,460	14,260,464	13,524,120	12,896,767	11,505,906	10,942,194	10,575,529
Debt Service Fund	-	-	-	-	-	-	-	-	-	207,556
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Committed, Reported in:										
Capital Projects Funds	532,677	527,667	736,616	724,419	718,821	715,382	711,931	702,640	2,032,738	520,303
Total All Other Governmental Funds	<u>16,542,044</u>	<u>16,532,327</u>	<u>16,146,466</u>	<u>15,551,847</u>	<u>15,047,351</u>	<u>14,246,242</u>	<u>13,628,712</u>	<u>12,225,582</u>	<u>13,004,061</u>	<u>11,319,441</u>
Total Governmental Funds	<u>\$ 34,072,705</u>	<u>\$ 31,837,040</u>	<u>\$ 28,663,442</u>	<u>\$ 26,156,938</u>	<u>\$ 26,479,035</u>	<u>\$ 26,875,142</u>	<u>\$ 27,329,904</u>	<u>\$ 26,612,001</u>	<u>\$ 25,918,956</u>	<u>\$ 24,472,343</u>
% Change from Prior Year	7.02%	11.07%	9.58%	(1.22%)	(1.47%)	(1.66%)	2.70%	2.67%	5.91%	6.27%

TABLE 4

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Property Taxes	\$ 21,628,160	\$ 20,788,517	\$ 19,970,452	\$ 20,649,393	\$ 20,757,166	\$ 21,028,302	\$ 21,053,992	\$ 18,828,094	\$ 18,364,115	\$ 18,708,889
Licenses	270,300	334,557	360,000	347,114	352,249	335,099	377,382	401,952	367,773	416,086
Intergovernmental	1,822,839	1,027,356	1,620,910	1,216,040	1,116,535	1,365,622	1,384,707	1,289,263	1,236,451	1,362,230
Fees of Office	1,260,405	1,334,172	1,268,928	1,146,745	1,196,135	1,346,858	1,366,538	1,347,853	1,354,699	1,325,782
Fines	321,947	401,396	446,306	417,917	348,600	295,881	275,040	300,696	311,936	309,141
Miscellaneous	1,871,973	2,703,676	1,205,378	1,863,127	1,867,254	3,001,123	2,043,236	2,056,617	1,964,666	1,399,682
Total Revenues	<u>27,175,624</u>	<u>26,589,674</u>	<u>24,871,974</u>	<u>25,640,336</u>	<u>25,637,939</u>	<u>27,372,885</u>	<u>26,500,895</u>	<u>24,224,475</u>	<u>23,599,640</u>	<u>23,521,810</u>
EXPENDITURES										
General Administration	3,890,949	4,311,657	3,841,882	7,053,322	6,582,858	6,952,902	6,970,773	3,992,090	3,582,755	3,798,181
Judicial	1,472,938	1,442,898	1,380,305	1,384,658	1,395,577	1,342,386	1,244,293	1,183,353	1,169,242	1,098,165
Legal	915,549	849,805	615,790	591,967	654,074	649,523	589,841	507,415	497,360	503,153
Elections	206,658	185,516	184,792	168,418	186,710	160,810	158,049	141,204	160,792	135,413
Financial Administration	1,103,635	1,078,830	1,067,110	1,027,105	1,017,607	955,794	913,259	852,036	851,633	824,190
Public Facilities	436,738	558,641	878,379	464,822	419,018	476,331	693,744	582,006	438,005	418,341
Public Safety	7,168,596	6,653,067	6,454,908	6,215,052	6,466,865	6,626,369	6,242,852	5,866,187	5,733,918	5,473,887
Environmental Protection	417,254	417,449	443,112	398,730	398,730	411,495	391,443	420,631	386,527	357,184
Conservation	96,014	99,565	117,060	114,292	113,739	112,089	102,973	94,640	91,770	96,046
Public Transportation	4,422,485	4,595,182	4,452,625	4,368,238	4,311,552	4,160,966	4,298,754	4,382,791	4,249,786	4,268,009
Health & Paupers Care	1,397,730	726,578	643,007	1,661,289	1,927,757	2,573,604	1,451,601	1,500,653	1,165,795	864,053
Culture & Recreation	396,690	399,028	381,984	411,315	412,922	411,917	372,336	359,961	385,146	398,531
Debt Service - Principal	-	-	-	-	-	-	-	-	-	1,340,000
Debt Service - Interest	-	-	-	-	-	-	-	-	-	26,465
Capital Outlay	3,015,132	2,097,859	1,904,516	2,051,967	2,146,382	2,993,461	2,353,074	3,648,463	3,440,298	2,476,771
Total Expenditures	<u>24,940,368</u>	<u>23,416,075</u>	<u>22,365,470</u>	<u>25,911,175</u>	<u>26,033,791</u>	<u>27,827,647</u>	<u>25,782,992</u>	<u>23,531,430</u>	<u>22,153,027</u>	<u>22,078,389</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,235,256</u>	<u>3,173,599</u>	<u>2,506,504</u>	<u>(270,839)</u>	<u>(395,852)</u>	<u>(454,762)</u>	<u>717,903</u>	<u>693,045</u>	<u>1,446,613</u>	<u>1,443,421</u>
OTHER FINANCING SOURCES (USES)										
Relocation of Fund Equity to Shelby County	-	-	-	(51,515)	-	-	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	-	-	-	-	-	-	-
Transfers In	355,051	251,097	236,108	241,108	241,108	203,100	198,000	254,757	2,423,518	266,000
Transfers Out	(355,051)	(251,097)	(236,108)	(241,108)	(241,108)	(203,100)	(198,000)	(254,757)	(2,423,518)	(266,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,515)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 2,235,256</u>	<u>\$ 3,173,599</u>	<u>\$ 2,506,504</u>	<u>\$ (322,354)</u>	<u>\$ (395,852)</u>	<u>\$ (454,762)</u>	<u>\$ 717,903</u>	<u>\$ 693,045</u>	<u>\$ 1,446,613</u>	<u>\$ 1,443,421</u>
Debt Service as a percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.61%

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		
2020	2,371,714,686	1,222,070,000	194,283,423	3,399,501,263	0.6135
2019	2,748,391,017	1,277,769,740	192,442,832	3,833,717,925	0.5514
2018	2,160,005,630	1,209,557,190	189,712,070	3,179,850,750	0.6080
2017	2,135,791,140	1,277,158,670	188,898,640	3,224,051,170	0.5983
2016	2,296,344,230	1,314,906,237	187,611,420	3,423,639,047	0.5983
2015	3,088,945,555	1,429,501,180	190,325,020	4,328,121,715	0.4837
2014	3,154,126,118	1,402,523,190	190,458,950	4,366,190,358	0.4694
2013	2,708,044,440	1,425,049,578	188,983,380	3,944,110,638	0.4994
2012	2,879,044,410	1,414,793,228	197,839,570	4,095,998,068	0.4611
2011	3,217,848,326	1,247,184,966	189,749,780	4,275,283,512	0.4274

Source: Panola County Appraisal District

TABLE 6

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Panola County Direct Rates										
GENERAL	0.59750	0.53620	0.59130	0.58220	0.58220	0.46980	0.45580	0.48420	0.32210	0.29650
SPECIAL REVENUE	0.01600	0.01520	0.01670	0.01610	0.01610	0.01390	0.01360	0.01520	0.13900	0.13090
DEBT SERVICE	-	-	-	-	-	-	-	-	-	-
TOTAL DIRECT RATE	0.61350	0.55140	0.60800	0.59830	0.59830	0.48370	0.46940	0.49940	0.46110	0.42740
Overlapping Rates										
City and Town Rates:										
CARTHAGE	0.58940	0.58940	0.57440	0.57440	0.57440	0.52000	0.52000	0.50000	0.48000	0.46000
BECKVILLE	0.52065	0.52586	0.58011	0.54693	0.53320	0.45603	0.45867	0.42723	0.38552	0.36430
School Districts Rates:										
CARTHAGE ISD	1.19640	1.21000	1.28000	1.28000	1.14000	1.14000	1.14000	1.14000	1.14000	1.14000
GARY ISD	1.44640	1.43000	1.50000	1.50000	1.37000	1.29000	1.29000	1.29000	1.24000	1.22900
BECKVILLE ISD	0.96640	0.97000	1.04000	1.35339	1.34000	1.25655	1.12000	1.10000	1.10000	1.10000
ELYSIAN FIELDS ISD	0.97470	1.16000	1.35000	1.35000	1.35000	1.32000	1.28300	1.23700	1.22500	1.21500
TATUM ISD	1.20700	1.20700	1.20700	1.20700	1.20000	0.17000	1.17000	1.17000	1.17000	1.04000
TENAHA ISD	1.09330	1.08210	1.16153	1.15852	1.16300	1.19249	1.18760	1.18000	1.18658	1.17937
JOAQUIN ISD	1.52940	1.54170	1.62140	1.59730	1.59730	1.55970	1.45550	1.60600	1.54530	1.54700
Other Special District Rates:										
PANOLA JR. COLLEGE	0.29079	0.25112	0.27039	0.25700	0.24334	0.20787	0.21483	0.21483	0.14519	0.13407
PANOLA COUNTY ESD	0.02842	0.02359	0.02372	0.02130	0.02130	0.02130	0.02130	0.02130	0.02130	0.02130
PANOLA GWCD	0.01010	0.01011	0.01100	0.01100	0.01100	0.01000	0.00970	0.00970	0.00855	0.00739

Source: Various taxing entities

TABLE 7

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

<u>Name of Taxpayer</u>	<u>Fiscal Year 2020</u>		<u>Fiscal Year 2011</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>
ROCKCLIFF ENERGY OP LLC	\$ 248,974	7.32%	\$ -	-
CCI EAST TX UPSTREAM (WI)	192,962	5.68%	-	-
MARKWEST ENERGY ETX GAS CO LP	128,261	3.77%	-	-
SABINE OIL & GAS CORP (WI)	129,703	3.82%	-	-
SHERIDAN PRODUCTION CO LLC	85,189	2.51%	-	-
MARKWEST-CARTHAGE PLANT & EAST	80,169	2.36%	-	-
DCP EAST TX GATHERING LP-PLANT	69,952	2.06%	-	-
MIDCOAST P/L ETX G&P-BECKVILLE	60,897	1.79%	-	-
ETC TIGER PIPELINE	56,753	1.67%	-	0
HOUSTON PIPELINE CO LP	47,848	1.41%	-	-
Devon Energy Production Co LP	-	-	460,032	14.04%
Anadarko E&P Company LP	-	-	334,471	8.41%
Markwest Energy E TX Gas Co LP	-	-	131,829	4.07%
Chevron U S A Inc	-	-	135,824	3.17%
DCP Midstream LP	-	-	127,000	2.82%
XTO Energy Inc	-	-	114,211	2.67%
R Lacy Services LTD	-	-	94,102	2.62%
Exxon Mobil Corp	-	-	87,985	2.48%
ETC Tiger Pipeline	-	-	71,790	2.09%
Wildhorse Resources LLC	-	-	70,131	1.82%
Total	<u>\$ 1,100,708</u>		<u>\$ 1,627,375</u>	
Total Assessed Value and Percentage of Total	<u>\$ 3,399,501</u>	<u>32.38%</u>	<u>\$ 4,766,122</u>	<u>34.14%</u>

Source: Panola County Appraisal District

TABLE 8

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

Fiscal Year	Tax Levy	Current Tax Collection	Percent Of Levy Collected	Collections in Subsequent Periods (2)	Total Collections	Percent Of Total Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2020	22,827,138	21,666,273	94.91%	360,179	22,026,452	96.49%	880,686	3.86%
2019	21,083,217	20,493,930	97.20%	335,903	20,829,833	98.80%	385,263	1.83%
2018	20,076,037	19,078,999	95.03%	576,244	19,655,243	97.90%	247,895	1.23%
2017	21,149,892	20,456,482	96.72%	412,865	20,869,347	98.67%	280,545	1.33%
2016	21,338,275	20,783,808	97.40%	300,574	21,084,382	98.81%	253,894	1.19%
2015	21,460,930	20,940,280	97.57%	264,740	21,205,020	98.81%	255,910	1.19%
2014	21,378,495	20,839,267	97.48%	306,048	21,145,315	98.91%	232,880	1.09%
2013	19,264,186	18,740,914	97.28%	255,731	18,996,645	98.61%	267,541	1.39%
2012	18,757,346	18,339,364	97.77%	305,231	18,644,595	99.40%	112,751	0.60%
2011	19,145,073	18,724,040	97.80%	361,453	19,085,493	99.69%	59,580	0.31%

Source: Tax Rolls

Notes:

(1) Delinquent taxes are reported by levy year.

(2) Property taxes become due January 31 and become delinquent on July 1. The amount collected from January 1 - June 30 is the "Current Tax Collection." For fiscal year 2019, the amount that was collected from July 1 - December 31 is represented in the "Collections in Subsequent Periods" column.

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				
2020	-	-	-	-	-	-
2019	-	-	-	-	-	-
2018	-	-	-	-	-	-
2017	-	-	-	-	-	-
2016	-	-	-	-	-	-
2015	-	-	-	-	-	-
2014	-	-	-	-	-	-
2013	-	-	-	-	-	-
2012	-	-	-	-	-	-
2011	-	-	-	-	-	-

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 191.

(2) See the schedule of Demographic Statistics found on page 201 for personal income and population data.

TABLE 10

**PANOLA COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
AS OF DECEMBER 31, 2020
(UNAUDITED)**

<u>Jurisdiction</u>	<u>Net Debt Outstanding Amount (1)</u>	<u>Applicable to Panola County Percent</u>	<u>Amount Applicable to Panola County</u>
Cities:			
Carthage	\$ 8,874,844	100.00%	\$ 8,874,844
Total Cities	<u>8,874,844</u>		<u>8,874,844</u>
School Districts:			
Carthage ISD	24,720,922	100.00%	24,720,922
Gary ISD	7,465,000	100.00%	7,465,000
Beckville ISD	-	100.00%	-
Elysian Fields ISD	5,750,000	52.55%	3,021,625
Tatum ISD	18,900,206	2.27%	429,035
Tenaha ISD	3,557,168	4.75%	168,965
Joaquin ISD	12,407,335	5.05%	626,570
Total School Districts	<u>72,800,631</u>		<u>36,432,118</u>
Panola Junior College	<u>26,670,700</u>	100.00%	<u>26,670,700</u>
Subtotal, Overlapping Debt	108,346,175		71,977,662
Panola County (Direct Debt)	<u>-</u>		<u>-</u>
Total Direct and Overlapping Debt	<u>\$ 108,346,175</u>		<u>\$ 71,977,662</u>

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

Sources:

(1) Respective entities and auditors of respective entities.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	898,446,172	1,006,540,189	842,390,705	853,237,453	902,812,617	1,129,611,684	1,163,580,582	724,256,955	769,022,995	851,899,527
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>898,446,172</u>	<u>1,006,540,189</u>	<u>842,390,705</u>	<u>853,237,453</u>	<u>1,129,611,684</u>	<u>1,129,611,684</u>	<u>724,256,955</u>	<u>769,220,995</u>	<u>851,899,527</u>	<u>\$ 1,015,937,980</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.25%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 3,399,501,263
Add back: exempt real property	194,283,423
Total assessed value	<u>3,593,784,686</u>
Debt limit 25% of assessed value of real property (Article 3, Section 52, Constitution of the State of Texas)	898,446,172
Amount of Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 898,446,172</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
2020	23,796	\$ 1,054,569	\$ 45,467	8.40%	6,310
2019	23,796	\$ 1,007,115	\$ 43,508	3.90%	6,735
2018	23,796	\$ 939,265	\$ 40,411	3.60%	6,918
2017	23,243	\$ 891,054	\$ 37,930	4.40%	6,805
2016	23,492	\$ 952,436	\$ 40,543	7.10%	6,533
2015	23,766	\$ 1,049,942	\$ 44,173	5.20%	6,516
2014	23,769	\$ 1,091,774	\$ 45,738	4.90%	6,574
2013	23,870	\$ 1,070,065	\$ 44,549	5.10%	6,932
2012	24,020	\$ 1,000,264	\$ 40,962	5.60%	6,502
2011	24,058	\$ 953,996	\$ 39,654	6.70%	6,265

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

TABLE 13

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

TYPE OF EMPLOYER	2020		2011	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Natural Resource and Mining	646	9.08%	1,204	12.70%
Construction	841	11.83%	1,712	18.06%
Manufacturing	1,012	14.23%	847	8.93%
Trade, Transportation, Utilities	1,364	19.18%	2,151	22.69%
Information	42	0.59%	54	0.57%
Financial Activities	224	3.15%	205	2.16%
Professional Business Services	639	8.98%	480	5.06%
Education Health Services	636	8.94%	829	8.74%
Leisure Hospitality	422	5.93%	386	4.07%
Other Services	120	1.69%	217	2.29%
Federal Government	76	1.07%	70	0.74%
State Government	30	0.42%	41	0.43%
Local Government	1,060	14.90%	1,284	13.54%
Total	<u>7,112</u>	<u>100%</u>	<u>9,480</u>	<u>100%</u>

Source: Texas Workforce Commission 2020

Source: Texas Workforce Commission 2011

TABLE 14

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

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Administration	15	14	14	15	16	16	17	17	17	17
Judicial	17	16	16	17	17	17	17	16	16	16
Elections	2	2	2	2	2	2	2	2	2	2
Financial Administration	15	15	14	14	14	13	13	13	13	13
Legal	7	7	7	7	7	6	6	6	6	6
Public Facilities	1	1	1	1	1	1	1	1	1	1
Public Safety	69	73	74	74	75	85	84	83	79	79
Public Transportation	39	41	41	45	46	47	47	47	47	47
Culture and Recreation	5	5	6	6	6	6	6	6	6	6
Conservation-Agriculture	2	3	3	3	3	3	3	3	3	3
Totals	172	177	178	184	187	196	196	194	190	190

Source: Panola County Payroll History Report

TABLE 15

PANOLA COUNTY, TEXAS
CAPITAL ASSETS BY FUNCTION/PROGRAM
December 31, 2020
(UNAUDITED)

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Administration										
Furniture & Equipment	8	8	8	8	8	8	8	8	8	8
Facilities	5	5	5	5	5	5	5	5	5	5
Tracts of Land	10	10	10	10	10	10	10	10	10	10
Judicial										
Furniture & Equipment	4	3	3	3	3	3	3	3	3	3
Facilities	1	1	1	1	1	1	1	1	1	1
Elections										
Equipment	3	2	2	2	2	2	2	2	2	2
Public Facilities										
Facilities	1	1	1	1	1	1	1	1	1	1
Public Safety										
Vehicles	55	47	45	45	45	45	45	45	45	45
Equipment	14	14	14	14	14	14	14	13	13	13
Facilities	2	2	2	2	2	2	2	2	2	2
Environmental Protection										
Facilities	2	2	2	2	2	2	2	2	2	2
Landfill	1	1	1	1	1	1	1	1	1	1
Public Transportation										
Miles of County Roads	610	610	610	610	610	610	610	610	610	610
Number of Bridges	15	15	15	15	15	15	12	12	12	12
Facilities	6	6	5	5	5	5	5	5	5	5
Equipment & Vehicles	143	138	137	137	137	137	137	138	138	138
Tracts of Land	6	6	6	6	6	6	5	5	5	5
Health/Paupers Care										
Facilities	2	2	2	2	2	2	2	2	2	2
Tracts of Land	1	1	1	1	1	1	1	1	1	1
Recreation										
Facilities	1	1	1	1	1	1	1	1	0	0
Conservation										
Facilities	1	1	1	1	1	1	1	1	1	1
Tracts of Land	1	1	0	0	0	0	0	0	0	0

Source: Panola County Capital Asset Inventory Listing

TABLE 16

PANOLA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
December 31, 2020
(UNAUDITED)

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Administration										
Official Public Records Filed	8,524	7,939	7,955	6,277	5,701	7,058	7,639	8,699	7,386	8,080
Vital Statistics Filed	268	103	105	81	71	72	68	281	251	464
Judicial										
Number of Civil Cases	599	677	632	413	501	703	525	685	437	793
Number of Criminal Cases	522	595	709	646	754	813	849	880	828	842
Legal										
Number of Convictions - Misdemeanors	73	243	246	212	248	270	181	270	240	204
Number of Convictions - Felony	38	151	240	109	171	245	120	212	131	174
Elections										
Number of Registered Voters	16,838	17,807	15,523	16,248	10,475	15,647	15,775	15,708	15,894	15,667
Number of Elections	4	1	3	1	3	1	4	1	4	1
Financial Administration										
Number of mineral tax items	338,783	370,170	364,688	353,538	365,436	359,573	386,945	388,617	384,508	390,718
Number of real estate tax items	38,151	38,078	26,366	26,396	26,419	26,423	26,281	26,285	26,132	25,862
Number of registered vehicles	25,953	27,106	31,871	27,882	28,593	29,519	30,460	31,046	32,122	32,547
Public Facilities										
Number of repair jobs	59	70	66	64	85	80	71	88	52	95
Public Safety										
Number of emergency responses	6,729	6,213	4,373	4,580	4,223	4,418	4,013	4,719	4,567	4,917
Number of book-ins	503	982	1,048	1,128	1,106	1,233	1,410	1,285	1,242	932
Environmental Protection										
Number of solid waste transfers(tons)	6,312	6,223	41,652	11,914	12,465	12,235	13,026	13,034	12,170	12,176
Number of Diversions (tons)	4,179	4,219	528	554	428	387	308	389	340	621
Public Transportation										
Miles of road resurfaced	13	20	11	15	19	9	7	21	11	12
Number of repairs	75	111	70	129	340	390	350	380	107	416
Health and Paupers Care										
Number of autopsies performed	22	36	32	32	34	31	40	29	21	32
Number of indigent admissions	435	426	560	549	575	688	322	479	738	686
Recreation										
Number of patrons to Library	35,324	9,890	13,163	12,835	11,979	11,113	8,921	13,779	12,591	11,669
Number of books in library	40,229	40,254	41,457	43,983	48,819	45,270	50,727	57,548	52,323	58,434
Number of programs	75	102	99	78	116	69	83	83	52	49
Conservation										
Number of programs	148	134	115	253	78	275	149	70	285	189
Number of radio programs	84	34	8	12	31	75	100	52	64	55
County Extension mailouts & emails	4,822	15,350	14,500	45,550	10,850	23,500	18,906	8,534	10,584	10,400

Source: Individual County Departments

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2020
(Unaudited)

Insurer or Name of Company	Number	Policy Period		Building and/or Department & Description	Amount of Coverage	Premiums & Funding
		From	To			
The St. Paul Ins. Co.	H8101171X911	1/1/20	1/1/21	Physical Damage-Comp. Limit PD; 500 Deduct; Bodily Injury - Limit; Comp. Auto liab. Ins. 1,000	\$ 2,000,000	\$ 133,378
The St. Paul Ins. Co.	ZAS-14T88141	1/1/20	1/1/21	General Liability; 2,000,000	2,000,000	55,627
The St. Paul Ins. Co.	H6301171X911	1/1/20	1/1/21	Commercial Property and Equipment	6,295,945	83,757
The St. Paul Ins. Co.	ZAS-14P02174	1/1/20	1/1/21	Commercial Umbrella Liability- 1,000,000 each occurrence Aggregate 1,000,000; Retention 10,000	2,000,000	24,039
The St. Paul Ins. Co.	ZAS-14T88141	1/1/20	1/1/21	Law Enforcement Professional Liability; Each Person 1,000,000 Aggregate 3,000,000; Each occurrence 1,000,000	2,000,000	100,229
The St. Paul Ins. Co.	ZAS-14T88141	1/1/20	1/1/21	2,000,000 Limit Each 2,000,000 Aggregate 25,000 retention; Public Officials and Employees Legal Liability	2,000,000	49,882
The St. Paul Ins. Co.	H6301171X911	1/1/20	1/1/21	Crime - Employee Theft, Forgery	2,000,000	INC. IN PKG.
The St. Paul Ins. Co.	ZAS-14P02174	1/1/20	1/1/21	General Liability - Cyberfirst Liab.	2,000,000	4,963
The St. Paul Ins. Co.	H6301171X911	1/1/20	1/1/21	Package	25,096,481	92,819
EBCO	UA00134783-19	12/13/20	12/13/21	Property Damage 1,000,000; General Liability- Airport 1,000,000 each occurrence, 2,000,000 aggregate	2,000,000	3,660
Texas Association of Counties	#1830	1/1/20	12/31/20	Workers Compensation Self-Funded Insurance through Texas Association of Counties	(1)	95,094
Texas Association of Counties	#1830	1/1/20	12/31/20	Unemployment Insurance Self-Funded through Texas Association of Counties	(2)	17,026

(1) As prescribed by law Art. #8309H

(2) As prescribed by law - Texas Unemployment Compensation Act

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2020
(Unaudited)

Texas Association of Counties - BCBS	62946	12/1/19	11/30/20	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	(3)	\$ 4,262,893
The CIMA Companies, Inc.	TXCART6	7/1/19	7/1/20	Volunteers Insurance Service Association (VIS) Work Release Volunteer Accident Insurance	25,000	2,328
Safeco Ins.	32S454583	1/1/19	1/1/23	County Judge	1,000	325
Safeco Ins.	32S171170	1/1/17	1/1/21	Commissioner Precinct 1	3,000	355
	32S161126	1/1/19	1/1/21		3,000	185
Safeco Ins.	32S596363	1/1/19	1/1/21	Commissioner Precinct 2	3,000	175
	32S596364	1/1/19	1/1/21		3,000	175
Safeco Ins.	32S522467	1/1/17	1/1/21	Commissioner Precinct 3	3,000	300
	32S522470	1/1/17	1/1/21		3,000	300
Safeco Ins.	32S159904	1/1/19	1/1/23	Commissioner Precinct 4	3,000	355
	32S161129	12/31/19	12/31/22		3,000	270
Safeco Ins.	32S519863	1/1/19	1/1/21	County Clerk	150,000	919
Safeco Ins.	32S171102	12/31/18	12/31/22	Deputy County Clerks	160,000	1,988
AMWins	MEO1749	1/14/20	1/14/21	County Clerk Errors & Omissions	500,000	573
Safeco Ins.	32S159840	1/1/19	1/1/23	County Court at Law Judge	1,000	355
Safeco Ins.	32S598000	1/1/19	1/1/23	District Clerk - Bond	100,000	1,139
AMWins	MEO1747	1/14/20	1/14/21	District Clerk Errors & Omissions	500,000	623
Travelers	6608010A867TCT	8/27/20	8/27/21	Crime - Money & Securities - District Clerk	20,000	264
Safeco Ins.	999078571	12/1/20	12/1/21	Justice of the Peace Pct 1&4	5,000	100
Safeco Ins.	32S531960	12/31/20	12/31/22	Justice of the Peace Pct 2&3	5,000	175
Safeco Ins.	32S171038	1/1/19	1/1/23	Criminal District Attorney	5,000	355

(3) For covered expenses - Lifetime maximum \$2,000,000

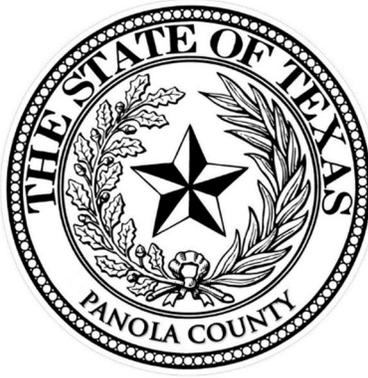
PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2020
(Unaudited)

Safeco Ins.	999067433	9/11/20	9/11/21	Elections Administrator	\$ 1,000	\$ 100
Safeco Ins.	32S577699	9/1/20	8/31/22	Auditor	5,000	175
	999026518	8/31/20	8/31/22	Assistant Auditor	5,000	200
	32S587339	8/31/20	8/31/22	Assistant Auditor	5,000	175
Safeco Ins.	32S454765	1/1/19	1/1/23	County Treasurer	1,000	325
Safeco Ins.	32S429390	3/15/19	3/15/20	Assistant Treasurer/Chief Deputy	25,000	125
	32S434402	5/5/19	5/5/20	Deputy Treasurer	25,000	125
Safeco Ins.	32S600119	2/1/19	1/1/21	Tax Assessor/Collector (Ad Valorem Tax Office)	100,000	633
Safeco Ins.	32S600081	2/1/19	1/1/21	Tax Assessor for PC Auto Tax	100,000	633
Safeco Ins.	LSF028274	1/1/19	1/1/20	Tax Assessor/Collector (Deputies) Crime Bond	35,000	176
Safeco Ins.	32S401920	12/31/20	12/31/21	Sheriff	30,000	150
Safeco Ins.		2/8/20	11/16/21	Reserve Deputies - Nine @ 2,000	18,000	900
Safeco Ins.	999080128	12/1/20	12/31/20	Constable Precinct 2	1,000	100
Safeco Ins.	32S388169	1/1/17	1/1/21	Constable Precinct 1	1,000	325
The Travelers	660287X6078TIL20	12/30/20	12/30/21	123rd Judicial District Adult Probation	10,000	250
The Travelers	660226X9543TIL20	12/30/20	12/30/21	123rd Judicial District Juvenile Probation	10,000	250
Safeco Ins.	32S171012	1/1/19	1/1/23	County Surveyor	1,000	355
Safeco Ins.	32S600377	1/10/20	1/10/21	Special Prosecutor - Six @ 2,500	2,500	100
	32S561497	4/9/20	4/9/21		2,500	100
	32S560840	4/1/20	4/1/21		2,500	100
	32S560854	4/1/20	4/1/21		2,500	100
	32S560858	4/1/20	4/1/21		2,500	100
	32S560867	4/1/20	4/1/21		2,500	100
	999033575	12/23/20	12/23/21		2,500	100

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2020
(Unaudited)

Safeco Ins. (continued)	999067439	9/8/20	9/8/21		\$ 2,500	\$ 100
	999033586	1/8/20	1/8/21		2,500	100
Safeco Ins.	32S171050	8/29/20	8/29/21	Court Coordinator LE & Forfeiture Spec.	2,000	100
Safeco Ins.	999017579	4/1/20	4/1/21	Asst. District Attorney	5,000	100
Safeco Ins.	32S388262	1/1/20	1/1/21	Reserve Constable Deputy Pct. 1 - Two @ 2,000	4,000	200
	32s608840	2/3/20	4/1/21			
Safeco Ins.	32S419755	11/8/20	11/8/21	Reserve Constable Deputy Pct. 2 - Two @ 2,000	4,000	200
	32S160071	12/31/20	12/31/21			
Safeco Ins.	32S171051	12/31/18	12/31/22	Public Official Schedule	100,000	1,244





GOVERNMENTAL COMPLIANCE SECTION

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

The Honorable Commissioners' Court of Panola County
Carthage, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Panola County, Texas's basic financial statements, and have issued our report thereon dated June 16, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Panola County's Response to Findings

Panola County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Panola County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
June 16, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To Honorable Commissioners' Court of Panola County
Carthage, Texas

Report on Compliance for Each Major Federal Program

We have audited Panola County, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Panola County, Texas' major federal programs for the year ended December 31, 2020. Panola County, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Panola County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 federal 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Panola County, Texas' compliance.

Opinion on Each Major Federal Program

In our opinion, Panola County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of Panola County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered Panola County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each federal major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

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 federal 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 federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
June 16, 2021

**PANOLA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor or Pass-through Grantor's Number</u>	<u>Program Expenditures</u>	<u>Passed Through to Subrecipients</u>
U. S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Organized Crime Drug Enforcement Task Forces	16.610		\$ 435	\$ -
TOTAL U. S. DEPARTMENT OF JUSTICE			<u>435</u>	<u>-</u>
U. S. DEPARTMENT OF TREASURY				
Passed Through Texas Department of Emergency Management:				
COVID-19 Coronavirus Relief Fund Grant	21.019	2020-CF-21019	763,827	677,944
TOTAL U. S. DEPARTMENT OF TREASURY			<u>763,827</u>	<u>677,944</u>
U. S. ELECTIONS ASSISTANCE COMMISSION				
Passed Through Texas Secretary of State				
Help America Vote Election Security Grant	90.404	TX18101001-01-183	41,340	-
TOTAL U. S. ELECTIONS ASSISTANCE COMMISSION			<u>41,340</u>	<u>-</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Texas Department of Family and Protective Services:				
Foster Care Title IV-E	93.658	HHS000285000011	7,741	-
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>7,741</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 813,343</u>	<u>\$ 677,944</u>

See Notes to Schedule on following page.

PANOLA COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Panola County, Texas under programs of the federal government for the year ended December 31, 2020 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Panola County, Texas, it is not intended to and does not present the financial position, changes in net assets or cash flows of Panola County, Texas.

NOTE 2 – NON-CASH ASSISTANCE, INSURANCE AND LOANS

Panola County did not receive any non-cash assistance through federal awards during the year ended December 31, 2020. There were no federal loans or loan guarantees outstanding at year end. None of the County's grants require minimum insurance coverage.

NOTE 3 – INDIRECT COST RATES

The County did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR § 200.414.

**PANOLA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes _____ None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
21.019	Coronavirus Relief Fund Grant

Dollar threshold used to distinguish Between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee: _____ Yes X No

PANOLA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020

Section II – Financial Statement Findings

Finding 2020-001:

Type of Finding: Internal Control Deficiency - Significant Deficiency

Criteria: An entity is responsible for having financial and accounting processes to secure assets against misappropriation or theft.

Condition: Panola County lacks proper segregation of duties within four Fee Offices: Juvenile Probation, Criminal District Attorney, Sheriff, and District Clerk. In each office, a single individual has custody of cash, is responsible for recording receipts and/or disbursements, and performs bank reconciliations. Additionally, in the Juvenile Probation office, the individual is authorized to sign disbursement checks.

Context: Panola County lacks properly designed and implemented segregation of duty controls necessary for in a large, complex organization, resulting in a lack of proper review and authorization over cash receipts and disbursements.

Questioned Costs: \$0

Cause: An effective internal control environment is evidenced by documented procedures with strong ongoing communications between key departments where employees implement and maintain those internal control activities with the ultimate goal of producing accurate and timely financial statements. The lack of implemented procedures for the segregation of duties creates a deficiency properly secure assets against misappropriation or theft.

Effect or Potential Effect: Panola County is unable to reliably secure assets against misappropriation or theft.

Repeat Finding: Not a repeat finding.

Recommendation: Develop and institute internal controls to secure assets against misappropriation or theft through properly segregating the duties of custody, recording, approval and review of transactions.

Evaluate opportunities to separate inappropriately overlapping responsibilities between existing employees within the Fee Offices where possible, or to include the County Auditor's office in the regular operation of controls where division within the Fee Office is not possible. Ensure that individuals have been appropriately trained, and possess the proper understanding of both the controls they are performing.

Views of Responsible Official: We agree with this finding. See comments in Corrective Action Plan on page 141 of this report.

PANOLA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020

Finding 2020-002:

Type of Finding: Internal Control Deficiency - Significant Deficiency

Criteria: An entity is responsible for having financial and accounting processes to secure assets against misappropriation or theft.

Condition: Within the Panola County Sheriff's Office, authorized check signers on the Inmate Trust Fund account sign blank checks in advance to be completed by other individuals at a later time or date.

Context: The Panola County Sheriff's Office has not implemented proper authorization controls over the disbursement of assets, exposing County assets to the risk of misappropriation or theft.

Questioned Costs: \$0

Cause: An effective internal control environment is evidenced by documented procedures with strong ongoing communications between key departments where employees implement and maintain those internal control activities. The lack of properly implemented authorization procedures for cash disbursements creates a deficiency in securing assets against misappropriation or theft.

Effect or Potential Effect: Panola County is unable to reliably secure assets against misappropriation or theft.

Repeat Finding: Not a repeat finding.

Recommendation: Develop and institute internal controls to secure assets against misappropriation or theft through proper authorization of disbursements.

Views of Responsible Official: We agree with this finding. See comments in Corrective Action Plan on page 141 of this report.

**PANOLA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section III – Federal Award Findings and Questioned Costs

None noted.

**PANOLA COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2020**

No prior audit findings. The County did not require a single audit in year ending December 31, 2019.



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

CORRECTIVE ACTION PLAN

June 16, 2021

Panola County respectfully submits the following corrective action plan for the year ended December 31, 2020.

Audit period:

The findings from the December 31, 2020 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – SECTION II – Financial Statement Findings

Finding 2020-001:

Type of Finding: Internal Control Deficiency - Significant Deficiency

Criteria: An entity is responsible for having financial and accounting processes to secure assets against misappropriation or theft.

Condition: Panola County lacks proper segregation of duties within four Fee Offices: Juvenile Probation, Criminal District Attorney, Sheriff, and District Clerk. In each office, a single individual has custody of cash, is responsible for recording receipts and/or disbursements, and performs bank reconciliations. Additionally, in the Juvenile Probation office, the individual is authorized to sign disbursement checks.

Questioned Costs: \$0

Context: Panola County lacks properly designed and implemented segregation of duty controls necessary for in a large, complex organization, resulting in a lack of proper review and authorization over cash receipts and disbursements

Effect or Potential Effect: Panola County is unable to reliably secure assets against misappropriation or theft.

Cause: An effective internal control environment is evidenced by documented procedures with strong ongoing communications between key departments where employees implement and maintain those internal control activities with the ultimate goal of producing accurate and timely financial statements. The lack of implemented procedures for the segregation of duties creates a deficiency properly secure assets against misappropriation or theft.

Repeat Finding: Not a repeat finding.

Recommendation: Develop and institute internal controls to secure assets against misappropriation or theft through properly segregating the duties of custody, recording, approval and review of transactions.

Evaluate opportunities to separate inappropriately overlapping responsibilities between existing employees within the Fee Offices where possible, or to include the County Auditor's office in the regular operation of controls where division within the Fee Office is not possible. Ensure that individuals have been appropriately trained, and possess the proper understanding of both the controls they are performing.

View of Responsible Official: I agree with the finding.

Corrective Action Plan: I have spoken with the departments that are listed above and we are working on new internal controls that will address these deficiencies.

Finding 2020-002:

Type of Finding: Internal Control Deficiency - Significant Deficiency

Criteria: An entity is responsible for having financial and accounting processes to secure assets against misappropriation or theft.

Condition: Within the Panola County Sheriff's Office, authorized check signers on the Inmate Trust Fund account sign blank checks in advance to be completed by other individuals at a later time or date.

Context: The Panola County Sheriff's Office has not implemented proper authorization controls over the disbursement of assets, exposing County assets to the risk of misappropriation or theft.

Questioned Costs: \$0

Cause: An effective internal control environment is evidenced by documented procedures with strong ongoing communications between key departments where employees implement and maintain those internal control activities. The lack of properly implemented authorization procedures for cash disbursements creates a deficiency in securing assets against misappropriation or theft.

Effect or Potential Effect: Panola County is unable to reliably secure assets against misappropriation or theft.

Repeat Finding: Not a repeat finding.

Recommendation: Develop and institute internal controls to secure assets against misappropriation or theft through proper authorization of disbursements.

Views of Responsible Official: I agree with the finding.

Corrective Action Plan: We are researching ways to disburse inmate funds upon the release of an inmate that have better internal controls.

Sincerely,



Jennifer Stacy
Panola County Auditor