



COUNTY AUDITOR'S COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED
DECEMBER 31, 2016
PANOLA COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PANOLA COUNTY, TEXAS

FOR THE YEAR ENDED DECEMBER 31, 2016

Prepared by:

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

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**PANOLA COUNTY, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2016**

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INTRODUCTORY SECTION

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SIDNEY BURNS
AUDITOR



JENNIFER STACY
1ST ASSISTANT AUDITOR
BROOKE LIPSEY
2ND ASSISTANT AUDITOR

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

June 23, 2017

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, 2016. 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 Morgan LaGrone, a licensed certified public accountant. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on Panola County's financial statements for the year ended December 31, 2016, 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 23,492.

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

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

Budgets and Budgetary Controls

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

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

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

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

Financial Administration

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

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

Over the past few years, Panola County has faced the same problems as other smaller rural counties in Texas. Revenue sources have tended to be limited, while demand for services remained constant. Economic growth during the year changed somewhat due to a 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 45 (GASB 45). Compliance with this accounting standard and funding in 2016 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 2016. 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.

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

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, 2015.

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

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

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

Acknowledgements

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

Respectfully submitted,



Sidney Burns
County Auditor



Jennifer Stacy
1st Assistant Auditor



Brooke Lipsey
2nd 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, 2015

Executive Director/CEO

**PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2016**

DISTRICT COURT: 123rd Judicial District

**The Honorable LeAnn Rafferty, District Judge
The Honorable Danny Buck Davidson, Criminal District Attorney
Terri Hudson, Court Reporter
Debra Johnson, 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 John Gradberg, 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
Sherri Murphy, Court Reporter**

COUNTY AUDITOR:

Sidney Burns

ASSISTANT COUNTY AUDITORS:

**Jennifer Stacy
Brooke Lipsey**

COUNTY CLERK:

Bobbie Davis

COUNTY SHERIFF:

Kevin Lake

COUNTY SURVEYOR:

Don Austin

COUNTY TAX ASSESSOR-COLLECTOR:

Debbie Crawford

COUNTY TREASURER:

Joni Reed

**PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2016**

COUNTY VETERAN SERVICE OFFICER:

Jim Young

JUSTICES OF THE PEACE:

**Toni Hughes, Precincts #2 and #3
David Gray, Precincts #1 and #4**

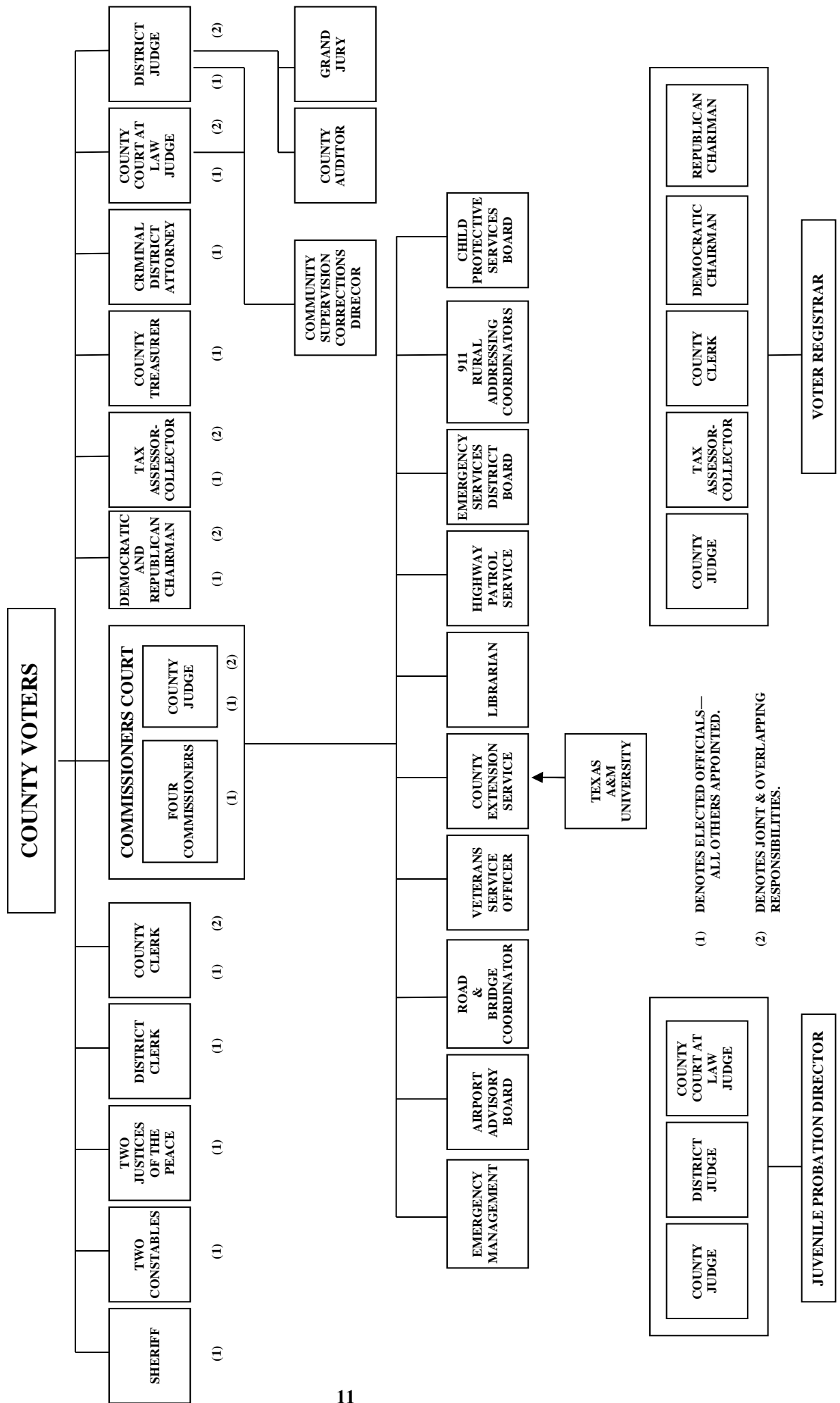
CONSTABLES:

**Bryan Murff, Precincts #1 and #4
Mitch Norton, Precincts #2 and #3**

ELECTIONS ADMINISTRATOR:

Cheyenne Lampley

PANOLA COUNTY, TEXAS ORGANIZATION CHART



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FINANCIAL SECTION

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Morgan LaGrone, CPA, PLLC
Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
Henderson TX 75654

INDEPENDENT AUDITOR'S REPORT

Panola County Commissioners' Court
Panola County, 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, ("County") as of and for the year ended December 31, 2016, 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 County'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 County'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.

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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, 2016, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-28; the Schedule of Funding Progress – Other Post-Employment (OPEB) Plan on page 60; the Schedule of Employer Contributions – Other Post-Employment (OPEB) Plan on page 61; the Schedule of Changes in Net Pension Liability and Related Ratios on page 58; the Schedule of Contributions on page 63; and budgetary comparison information on pages 65-69, 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 comprise Panola County, Texas', basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, statistical section and schedules listed in the accompanying table of contents under supplementary financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and supplementary financial information are the responsibility of management and were derived from and relate 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and supplementary financial information are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2017, on our consideration of Panola County, Texas, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Morgan LaGrone
Certified Public Accountant

Henderson, Texas
June 23, 2017

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PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2016

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, 2016. 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, 2016 by \$66,130,741 (net position). Of this amount, \$43,672,173 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$1,937,313.
- At December 31, 2016, the County's governmental funds reported combined ending fund balances of \$26,479,291, a decrease of \$395,852 over the prior year. Of this amount, \$68,066 is nonspendable, \$14,260,720 is restricted, \$718,821 is committed, and \$11,431,684 is unassigned. Unassigned fund balance is available for spending at the County's discretion.
- At December 31, 2016, unassigned fund balance for the general fund was \$11,431,684, or 65.98% of total general fund expenditures.
- The County issued no new debt during the year ended December 31, 2016.

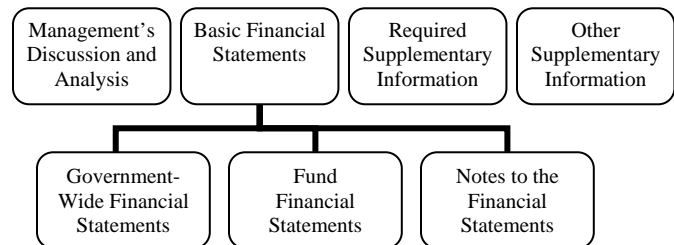
OVERVIEW OF THE FINANCIAL STATEMENTS

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, 2016

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 31 - 32 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, 2016

The County adopts an annual appropriated budget for 38 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 33 - 36 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County's fiduciary funds consist of agency funds and the Retiree Health Benefits Trust Fund (RHBT). Agency funds are used as clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the parties, organizations, or other government agencies to which they belong. The RHBT Fund was created in November 2007 for the purpose of funding for the County's obligation under GASB 45 regarding other post-employment benefits (OPEB) for eligible retired employees. Contributions by the County during 2016 totaled \$4,335,469. 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 37 - 38 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 39 – 56 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, Fiduciary Funds, and Capital Assets Used in the Operation of Governmental Funds. The Combining and Individual Fund Financial Statements and Schedules may be found on pages 91-170 of this report.

Single Audit

The County did not expend in excess of \$750,000 in state financial assistance during the year ended December 31, 2016. 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 begins on page 209.

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, 2016 and December 31, 2015 are summarized and analyzed on the following page.

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$66,130,741 as of December 31, 2016, and by \$64,193,428 as of December 31, 2015, an increase of \$1,937,313. As of December 31, 2016, the County's total assets were \$91,487,586. Capital assets, which include land, buildings and improvements, machinery, equipment, furniture, and infrastructure less any related debt used to acquire those assets that is still outstanding, represent 33.96% of total net position.

An amount of \$43,672,173 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
Management's Discussion and Analysis
December 31, 2016

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

	<u>2016</u>	<u>2015</u>
Current and Other Assets		
Capital Assets	\$ 69,029,020	\$ 68,213,009
Total Assets	<u>22,458,566</u>	<u>23,279,430</u>
Total Deferred Outflows of Resources	<u>91,487,586</u>	<u>91,492,439</u>
Total Deferred Inflows of Resources	<u>7,734,666</u>	<u>3,057,118</u>
Net Pension Liability	11,701,897	7,601,864
Long-Term Liabilities Outstanding	255,825	200,413
Other Liabilities	631,466	1,296,679
Total Liabilities	<u>12,589,188</u>	<u>9,098,956</u>
Total Deferred Inflows of Resources	<u>20,502,324</u>	<u>21,257,173</u>
Net Position:		
Net Position, Investment in Capital Assets	22,458,568	23,279,430
Unrestricted	43,672,173	40,913,998
Total Net Position	<u>\$ 66,130,741</u>	<u>\$ 64,193,428</u>

The change in net position for the County's activities for the year was an increase of \$1,937,313. Total revenues for Panola County were \$25,641,568 and \$27,439,405 in 2016 and 2015, respectively. Total expenses were \$23,704,257 and \$23,668,315 in 2016 and 2015, respectively. Key elements of these changes are summarized below:

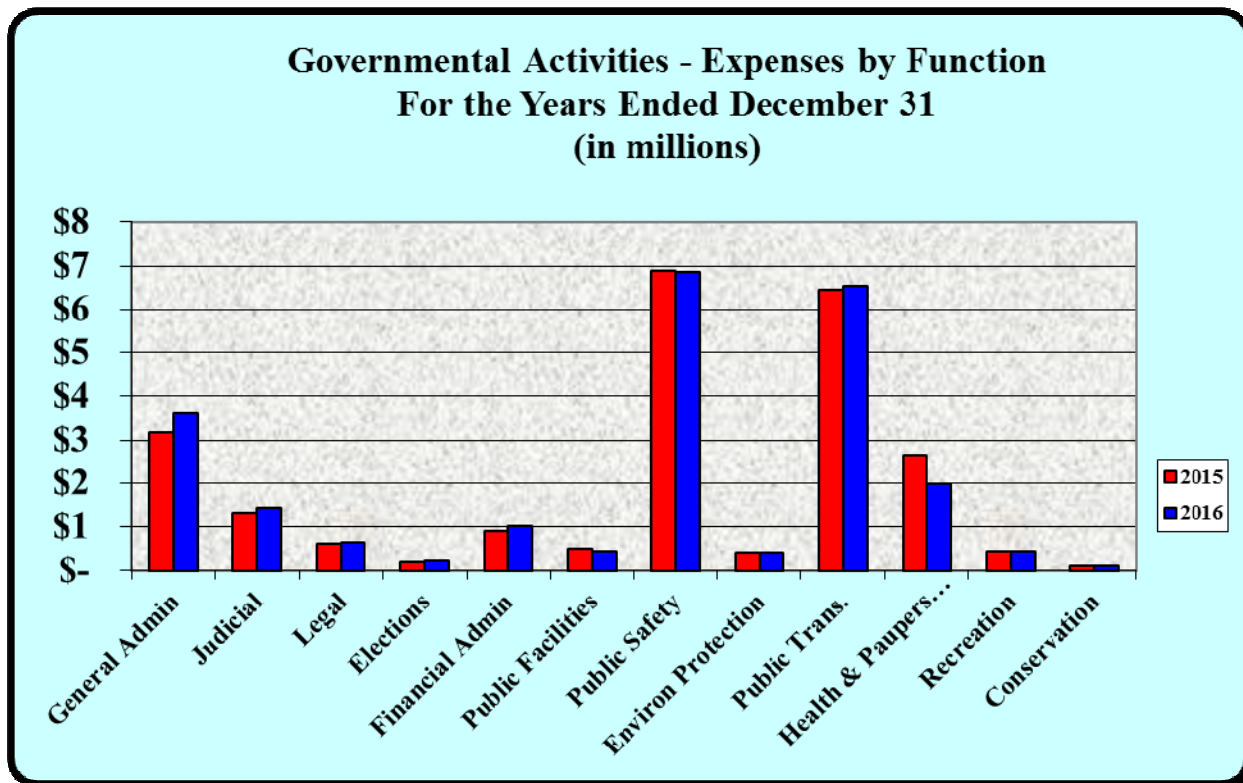
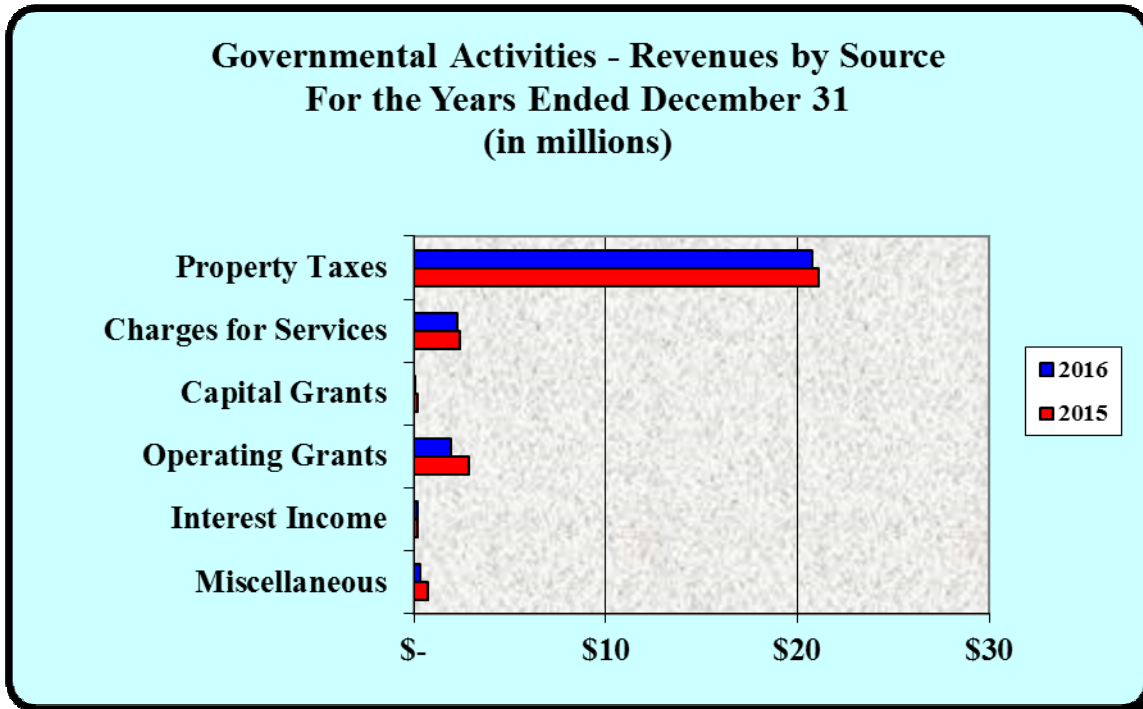
- Program revenues include charges for services, fines and forfeitures, as well as both operating and capital grants and contributions. Program revenues from governmental activities decreased 20.17% or \$1,091,908. Charges for services decreased by \$77,598. Operating grants and contributions decreased by \$894,728. The principal reason for the decrease was the receipt of a larger payment from the County owned hospital in the prior year. Capital grants and contributions decreased \$119,582.
- 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, taxes, decreased by \$334,028. Other revenues decreased by \$371,901, principally due to decreased miscellaneous revenue.
- Public safety, public transportation, and general administration are the three largest programs, in terms of expenses. These three activities accounted for 71.8% of total expenses.
- General administration expenses increased \$439,950, due to the County making a larger additional payment to fund future retirement expenses and other miscellaneous expenses.

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2016

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

	<u>2016</u>	<u>2015</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,293,369	\$ 2,370,966
Operating Grants and Contributions	1,952,537	2,847,265
Capital Grants and Contributions	75,812	195,394
General Revenues:		
Property Taxes	20,760,794	21,094,822
Other	559,057	930,958
Total Revenues	<u>25,641,569</u>	<u>27,439,405</u>
Expenses:		
General administration	\$ 3,628,899	\$ 3,188,949
Judicial	1,440,455	1,313,677
Legal	646,121	618,330
Elections	216,421	213,282
Financial administration	1,003,659	900,619
Public facilities	420,136	493,979
Public safety	6,866,996	6,892,775
Environmental protection	405,004	417,769
Public transportation	6,523,876	6,450,555
Health & paupers care	1,995,250	2,640,645
Recreation	445,229	428,808
Conservation	112,210	108,927
	<u>23,704,256</u>	<u>23,668,315</u>
Increase in Net Position	1,937,313	3,771,090
Net Position - Beginning	<u>64,193,428</u>	<u>60,422,338</u>
Net Position - Ending	<u>\$ 66,130,741</u>	<u>\$ 64,193,428</u>

PANOLA COUNTY, TEXAS
 Management's Discussion and Analysis
 December 31, 2016



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.

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2016

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.

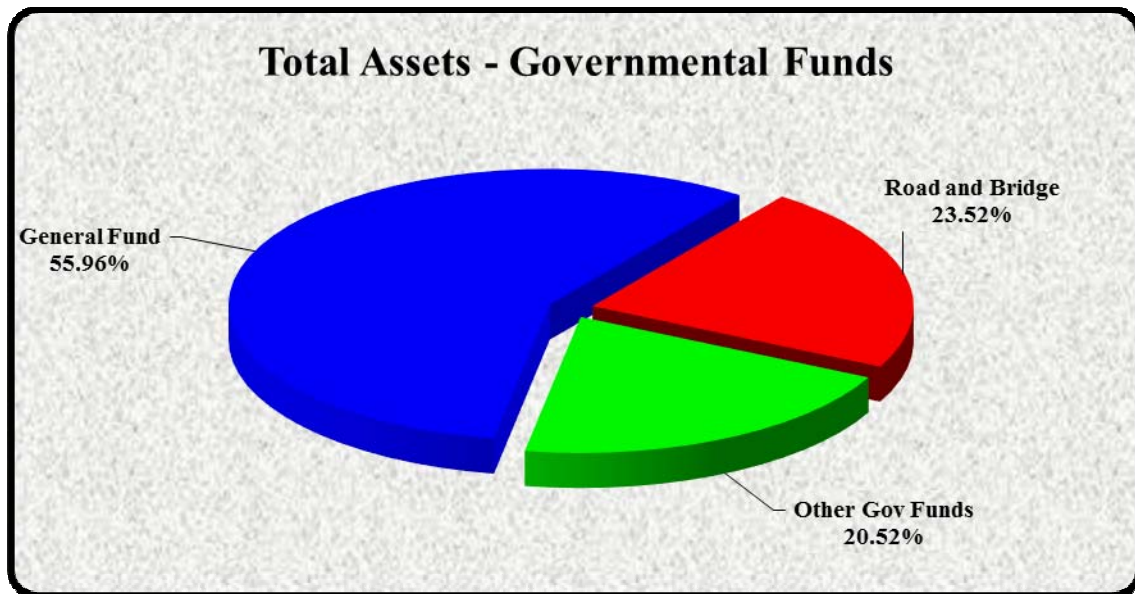
As of December 31, 2016, the County's governmental funds reported combined ending fund balances of \$26,479,291, a decrease of \$395,852 over the prior year. Approximately 43% of this amount, \$11,431,684 constitutes unassigned fund balance, which is available for spending at the County's discretion.

The General Fund is the chief operating fund of the County. At December 31, 2016, 100% of the General Fund's total fund balance, or \$11,431,684 is unassigned. Total fund balance for the General Fund decreased by \$1,197,216, or 9.48% from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance, which equals total fund balance, represents 65.98% of total General Fund expenditures.

General Fund revenues exceeded budgeted amounts by approximately \$469,000, and actual expenditures were \$1,121,396 below budgeted expenditures.

Fund balance in the Road and Bridge Fund increased by \$617,855, due to higher than anticipated revenues and a general savings in all categories.

As shown below, as of December 31, 2016 total assets in the General Fund amounted to \$26,507,755, accounting for 55.96% of total governmental fund assets. The Road and Bridge special revenue fund, the County's other major fund's total asset amount is \$11,138,278. Together, these major funds account for 79.48%, of total governmental fund assets.



PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2016

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to a net increase in appropriations of \$43,680. Significant among the amendments were:

- **General Administration** – Budgetary transfers from the \$400,000 contingency line item to various other line items eliminated the need to increase overall appropriations and resulted in an overall decrease of \$248,478.
- **Public Facilities** – Increased appropriations of \$109,850 as a result of increases in repairs, renovations, and professional services for building maintenance.
- **Health and Paupers Care** – Increased appropriations of \$127,782 as a result primarily of an increase in attorney fees, autopsies, and inquests.
- **Public Safety**– Increased appropriations for additional capital outlay of \$78,434.

General Fund revenues exceeded the final budget by \$469,172. The majority of this increase was attributable to property taxes exceeding the final budget by \$313,250. Also, 46,818, principally due to additional fees collected by the Justices of the Peace, County Clerk, and County Treasurer.

General Fund expenditures were \$1,121,396 less than final budgeted expenditures. Major contributors to lower than budgeted expenditures are as follows:

- Expenditures for general administration activities were \$368,069 less than final budgeted expenditures. In addition to general savings in most budgeted categories, there were significant savings in the County Clerk's office, insurance, and computer services expenditures.
- Expenditures for public safety activities were \$332,080 less than final budgeted expenditures due to less than expected expenditures in the Sheriff's Office and Corrections.
- Expenditures for Health and Paupers Care were \$101,134 below budgeted amounts as a result of less expenditures needed for indigent health care.
- Expenditures for public facility expenditures were \$81,287 less than final budgeted expenditures due to less than expected expenditures for professional services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2016, amounts to \$22,458,566 (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 \$1,741,494, for the current year was \$820,864.

This year's additions totaled \$960,610. Included in the additions were various technology upgrades, purchases of machinery and equipment.

Capital assets as of December 31, 2016 and 2015 are summarized on the following page.

Additional information on the County's capital assets can be found in Note 3, D on pages 47-48 of this report.

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2016

Capital Assets
As of December 31

	<u>2016</u>	<u>2015</u>
Land	\$ 1,722,016	\$ 1,722,016
Construction in Progress	5,561	5,561
Buildings	20,906,963	20,906,963
Improvements other than buildings	275,603	259,303
Machinery and equipment	11,995,216	11,407,123
Infrastructure	<u>10,371,442</u>	<u>10,371,442</u>
Total Capital Assets	45,276,801	44,672,408
Less: Accumulated Depreciation	<u>(22,818,235)</u>	<u>(21,392,977)</u>
Total Capital Assets	<u>\$ 22,458,566</u>	<u>\$ 23,279,431</u>

Long-Term Debt

As of December 31, 2016, the County has no outstanding bonded debt. The only debt outstanding is in the form of accrued compensated absences and the net pension liability.

Additional information on the County's long-term debt can be found in Note 3, I on page 54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered in preparing the County's budget for 2017.

- FY2016 total property assessed value changed significantly decreasing 20.9% from the prior year. FY2015 had a decrease in assessed value of only .87%.
- Property tax receipts for FY2016 also decreased to \$20.76 million compared to \$21.03 million for FY2015.
- The County has consistently maintained an ad valorem tax collection rate over 97% for the last few years.
- The percentage increase in medical insurance premiums for employees was 5.70% for FY 2016 (FY 2015 increase was 8.25%).
- Fluctuating energy costs have affected the price of fuel and road surfacing materials.
- Property and liability insurance costs increased only 3.69% for FY 2016 compared to an increase of .3% for FY 2015.

PANOLA COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2016

Original budgeted revenues for FY 2017 are \$23.5 million, a decrease of 1.67% over original budgeted revenues of \$23.9 million for FY 2016. Property taxes account for the bulk of the revenues, as approximately 92.08% 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 \$0.5983/\$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.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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**PANOLA COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	<u>Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalents	\$ 4,942,015
Investments	38,053,079
Receivables (net of allowance for uncollectible taxes):	
Property Taxes	3,326,985
Due from Other Governments	674,912
Miscellaneous	293,067
Prepays	50,000
Inventory	18,074
Capital Assets (not being depreciated):	
Land	1,722,016
Construction in Progress	5,561
Capital Assets (net of accumulated depreciation):	
Buildings	15,005,119
Improvements other than buildings	209,637
Machinery and equipment	4,599,478
Infrastructure	916,755
Negative net OPEB obligation asset	21,663,287
Other Assets	7,600
Total Assets	<u><u>91,487,586</u></u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows of Resources - Pensions	<u>7,734,666</u>
	<u><u>7,734,666</u></u>
LIABILITIES:	
Accounts Payable-Trade	631,466
Noncurrent liabilities:	
Due Within One Year	28,141
Due In More Than One Year	227,684
Net Pension Liability	11,701,897
Total Liabilities	<u>12,589,188</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Revenue - Advance Tax	19,612,033
Deferred Inflows - Pensions	890,291
Total Deferred Inflows of Resources	<u>20,502,324</u>
NET POSITION:	
Net Position, Investment in Capital Assets	22,458,568
Unrestricted	43,672,173
Total Net Position	<u><u>\$ 66,130,741</u></u>

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

**PANOLA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government:					
Government Activities:					
General administration	\$ 3,628,899	\$ 325,813	\$ -	\$ -	\$ (3,303,086)
Judicial	1,440,455	487,141	88,806	-	(864,508)
Legal	646,121	19,934	30,871	27,232	(568,084)
Elections	216,421	5,435	2,390	-	(208,596)
Financial administration	1,003,659	832,349	-	-	(171,310)
Public facilities	420,136	-	3,000	18,580	(398,556)
Public safety	6,866,996	298,428	546,400	30,000	(5,992,168)
Environmental protection	405,004	-	-	-	(405,004)
Public transportation	6,523,876	141,950	29,575	-	(6,352,351)
Health & paupers care	1,995,250	-	1,251,495	-	(743,755)
Recreation	445,229	182,319	-	-	(262,910)
Conservation	112,210	-	-	-	(112,210)
Total primary government	\$ 23,704,256	\$ 2,293,369	\$ 1,952,537	\$ 75,812	\$ (19,382,538)

General Revenues:

Property Taxes	\$ 20,760,794
Interest Income	196,890
Miscellaneous	362,167

Total general revenues and transfers 21,319,851

Change in net position 1,937,313

Net position, Beginning of Year 64,193,428

Net position, End of Year \$ 66,130,741

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

**PANOLA COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,484,585	\$ 1,173,914	\$ 2,283,516	\$ 4,942,015
Investments	22,071,593	8,983,276	6,998,209	38,053,079
Receivables (net of allowance for uncollectibles)				
Current Taxes	1,939,686	646,266	98,090	2,684,042
Delinquent Taxes	465,071	154,953	22,919	642,943
Due from Other Governments	493,750	162,840	18,322	674,912
Miscellaneous	45,469	17,029	230,569	293,067
Prepays	-	-	50,000	50,000
Inventory	-	-	18,074	18,074
Other Assets	7,600	-	-	7,600
Total Assets	26,507,755	11,138,278	9,719,699	47,365,732
LIABILITIES				
Accounts Payable-Trade	292,970	23,107	315,388	631,465
Total Liabilities	292,970	23,107	315,388	631,465
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue	12,378,343	4,096,117	453,531	16,927,991
Unearned Deferred Revenue	2,404,758	801,218	121,009	3,326,985
Total Deferred Inflows of Resources	14,783,101	4,897,335	574,540	20,254,976
FUND BALANCES				
Nonspendable	-	-	68,066	68,066
Restricted	-	6,217,836	8,042,884	14,260,720
Committed	-	-	718,821	718,821
Unassigned	11,431,684	-	-	11,431,684
Total Fund Balances	11,431,684	6,217,836	8,829,771	26,479,291
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 26,507,755	\$ 11,138,278	\$ 9,719,699	\$ 47,365,732

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

**PANOLA COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016**

Total Fund Balances - Governmental Funds	\$ 26,479,291
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,458,567
Negative net OPEB obligation assets created by contributions made by the County to its OPEB plan to retire part of its unfunded obligations are not recognized in the funds.	21,663,287
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.	642,943
The Net Pension Liability and related deferred outflows and deferred inflows of resources are not reported in the funds.	(4,857,522)
Long-term liabilities (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds.	(255,825)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 66,130,741</u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 14,904,038	\$ 5,256,987	\$ 596,141	\$ 20,757,166
Licenses	-	352,249	-	352,249
Intergovernmental Receipts	421,426	81,292	613,817	1,116,535
Fees of Office	726,000	-	470,135	1,196,135
Fines	-	348,600	-	348,600
Miscellaneous	317,255	163,963	1,386,035	1,867,254
TOTAL REVENUES	16,368,720	6,203,092	3,066,128	25,637,939
EXPENDITURES				
Current				
General Administration	6,532,233	-	50,625	6,582,858
Judicial	1,395,577	-	-	1,395,577
Legal	634,887	-	19,187	654,074
Elections	166,395	-	20,315	186,710
Financial Administration	1,017,607	-	-	1,017,607
Public Facilities	397,438	-	21,580	419,018
Public Safety	5,379,191	-	1,087,674	6,466,865
Environmental Protection	398,730	-	-	398,730
Public Transportation	-	3,735,042	576,510	4,311,552
Health and Paupers Care	623,548	-	1,304,209	1,927,757
Recreation	412,922	-	-	412,922
Conservation	113,739	-	-	113,739
Capital Outlay	252,561	1,850,195	43,626	2,146,382
TOTAL EXPENDITURES	17,324,828	5,585,237	3,123,726	26,033,791
Excess (Deficiency) of Revenues Over (Under) Expenditures	(956,108)	617,855	(57,599)	(395,852)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	241,108	241,108
Transfers Out	(241,108)	-	-	(241,108)
Total Other Financing Sources (Uses)	(241,108)	-	241,108	0
Net Change in Fund Balances	(1,197,216)	617,855	183,510	(395,852)
FUND BALANCE-BEGINNING	12,628,900	5,599,980	8,646,263	26,875,143
FUND BALANCE-ENDING	\$ 11,431,684	\$ 6,217,836	\$ 8,829,772	\$ 26,479,291

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

**PANOLA COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Net Change in Fund Balances - Governmental Funds	\$ (395,852)
 Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. (See Note 2)	(820,864)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (Increase in Net OPEB Asset)	3,037,376
Delinquent property tax collections provide current financial resources to the funds but has no effect on net position.	(435,667)
Delinquent property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.	439,296
Negative pension expense relating to GASB 68 is recorded in the statement of activities but not in the funds.	168,437
The decrease in accrued compensated absences did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(55,413)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,937,313</u></u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

	Panola County Retiree Health Benefits Trust Fund	Agency Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 695,496	\$ 4,178,440
Certificates of Deposit	26,700,000	259,356
Interest receivable	34,852	-
Total Assets	27,430,348	4,437,796
LIABILITIES		
Current Liabilities:		
Accounts Payable-Trade	5,915	-
Due to Other Governments	-	2,697,516
Court Ordered Deposits	-	530,623
Court Ordered Trust Funds	-	1,200,709
Other Payables	-	8,949
Total Liabilities	5,915	\$ 4,437,796
NET POSITION		
Held in trust for OPEB benefits	27,424,433	
Total Net Position	\$ 27,424,433	

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

**PANOLA COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Panola County Retiree Health Benefits Trust Fund</u>
ADDITIONS	
Contributions:	
Reimbursements- Medicare and insurance	\$ 40,379
Employer Contributions	<u>4,335,469</u>
Total Employer Contributions	<u>4,375,847</u>
Total Contributions	<u>4,375,847</u>
Investment Income:	
Interest earnings	<u>132,606</u>
Total Investment Income	<u>132,606</u>
TOTAL ADDITIONS	<u>4,508,453</u>
DEDUCTIONS	
Benefit Payments	<u>1,030,827</u>
TOTAL DEDUCTIONS	<u>1,030,827</u>
CHANGE IN NET POSITION	3,477,626
NET POSITION - BEGINNING OF YEAR	<u>23,946,807</u>
NET POSITION - END OF YEAR	<u><u>\$ 27,424,433</u></u>

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Panola County, Texas have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 and its component units. For the most part, the effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of the government-wide consolidation. Governmental activities are primarily supported by taxes, intergovernmental, and fees of office revenues.

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

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

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

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

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

PANOLA COUNTY, TEXAS
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government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due.

Property taxes, 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. 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.

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

D. Assets, Liabilities, 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

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

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

2. Receivables and Payables

Property Taxes Receivable are shown net of an allowance for uncollectible taxes. The allowance is equal to seven (7) percent of current property taxes receivable plus twenty (20) percent of delinquent taxes receivable at December 31, 2016.

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 "transfers to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Inter-fund activity reflected in "due to/from other funds" is eliminated on the government-wide financial statements.

3. Inventories

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

The inventory amount of \$18,066 in the Airport Special Revenue Fund consists of jet fuel held for consumption stated at cost on a first-in, first-out basis. Reported inventories are offset by nonspendable fund balance, which indicates that they are "not in spendable form" even though they are a component of net current assets.

4. Capital Assets

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

**PANOLA COUNTY, TEXAS
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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

5. 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 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 two items that qualify for reporting in this category. Deferred inflows of resources are reported for advance tax collections and pensions.

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.

6. Net Position Flow Assumption

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.

7. Long-Term Obligations

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

PANOLA COUNTY, TEXAS
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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, 2016, long-term debt outstanding consists of compensatory time payable and net pension 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.

8. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a 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.

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.

PANOLA COUNTY, TEXAS
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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 fifteen days of vacation leave and are not paid for any unused leave upon termination of employment. Consequently, no provision is made for accrued vacation in the financial statements.

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

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

F. New Accounting Standards Adopted

In fiscal year 2016, the County adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

--Statement No. 77, Tax Abatement Disclosures

Statement No. 77 establishes financial reporting standards for tax abatement agreements entered into by state and local governments.

This Statement's objective is to provide financial statement users with essential information regarding the nature and magnitude of the reduction of tax revenues through tax abatements. Prior to Statement No. 77, there was not comprehensive tax abatement information available to the public. These disclosures will make the transactions more transparent to financial statement users, thereby showing the tax abatements effect on a government's ability to raise funds and meet its obligations.

As of December 31, 2016, the County did not provide any tax abatements.

PANOLA COUNTY, TEXAS
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NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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 \$820,864 difference are as follows:

Capital Outlay	\$ 960,610
Depreciation Expense	(1,741,494)
Capital Asset Retirements	<u>(39,980)</u>
Net Adjustment to Decrease Net Changes in Fund Balance-	
Total Governmental Funds to Arrive at Changes in Net Position-	
Governmental Activities	<u>\$ (820,864)</u>

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Authorized Investments

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

B. Deposits and Investments

During the 2016 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, 2016, and throughout the year, the County’s only investments

PANOLA COUNTY, TEXAS
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were certificates of deposit and was not exposed to credit risk.

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

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

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

The County was not exposed to custodial credit risk.

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

C. Receivables

Receivables at December 31, 2016 for the County's individual major funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectibles, are as follows:

	General <u>Fund</u>	Road & Bridge <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	<u>Total</u>
Current Property Taxes	\$ 2,085,684	\$ 694,909	\$ 105,474	\$ 2,886,067
Delinquent Property Taxes	581,339	193,691	28,648	803,678
Due from Other Governments	493,750	162,840	18,322	674,912
Miscellaneous	45,469	17,029	230,569	293,067
	<hr/>	<hr/>	<hr/>	<hr/>
Total Gross Receivables	\$ 3,206,242	\$ 1,068,470	\$ 383,013	\$ 4,657,725
Less: Allowance for Uncollectible Taxes	(262,266)	(87,382)	(13,113)	(362,760)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Total Receivables	<u>\$ 2,943,977</u>	<u>\$ 981,088</u>	<u>\$ 369,900</u>	<u>\$ 4,294,965</u>

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 <u>Fund</u>	Road & Bridge <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	<u>Total</u>
Net Current Property Taxes Receivable	\$ 1,939,686	\$ 646,266	\$ 98,090	\$ 2,684,042
Advanced Tax Collections	12,378,343	4,096,117	453,531	16,927,991
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Revenue	<u>\$ 14,318,029</u>	<u>\$ 4,742,382</u>	<u>\$ 551,621</u>	<u>\$ 19,612,033</u>

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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D. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance January 1, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2016</u>
Capital Assets Not Being Depreciated:				
Land	\$ 1,722,016	\$ -	\$ -	\$ 1,722,016
Construction in Progress	5,561	-	-	5,561
Total Capital Assets Not Being Depreciated	<u>\$ 1,727,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,727,577</u>
Capital Assets Being Depreciated:				
Buildings	\$ 20,906,963	\$ -	\$ -	\$ 20,906,963
Improvements other than Buildings	259,303	16,300	-	275,603
Machinery & Equipment	11,407,122	944,310	356,216	11,995,216
Infrastructure	10,371,442	-	-	10,371,442
Total Capital Assets Being Depreciated	<u>\$ 42,944,830</u>	<u>\$ 960,610</u>	<u>\$ 356,216</u>	<u>\$ 43,549,224</u>
Less Accumulated Depreciation for:				
Buildings	\$ 5,494,922	\$ 406,920	\$ -	\$ 5,901,842
Improvements other than Buildings	61,361	4,605	-	65,966
Machinery & Equipment	6,676,280	1,035,696	316,237	7,395,739
Infrastructure	9,160,415	294,273	-	9,454,688
Total Accumulated Depreciation	<u>\$ 21,392,978</u>	<u>\$ 1,741,494</u>	<u>\$ 316,237</u>	<u>\$ 22,818,235</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 21,551,852</u>	<u>\$ (780,884)</u>	<u>\$ 39,979</u>	<u>\$ 20,730,989</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,279,429</u>	<u>\$ (780,884)</u>	<u>\$ 39,979</u>	<u>\$ 22,458,566</u>

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

General Administration	\$ 43,434
Judicial	62,878
Elections	25,437
Public Facilities	2,070
Public Safety	464,457
Environmental Protection	6,274
Public Transportation	1,031,909
Health & Paupers Care	67,636
Recreation	37,399
Total Depreciation Expense	<u>\$ 1,741,494</u>

PANOLA COUNTY, TEXAS
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E. 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). The system serves 677 actively participating counties and districts throughout Texas. 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.

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 2014 and 2015. 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.

**PANOLA COUNTY, TEXAS
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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.

The long-term rate of return on pension plan investments is 8.1%. 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 2016 information for a 7-10 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 2013.

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%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities-Developed	50% MSCI World Ex USA (net)	10.00%	5.45%
International Equities-Emerging	50% MSCI World Ex USA (net)	8.00%	6.45%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	1.00%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%

(1) Target asset allocation adopted at the April 2016 TCDRS Board meeting.

(2) Geometric real rates of return in addition to assumed inflation of 1.6%, per Cliffwater's 2016 capital market assumptions.

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

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

PANOLA COUNTY, TEXAS
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Changes in the Net Pension Liability

At December 31, 2015, the County reported a net pension liability of \$11,701,896. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/14	\$ 54,984,565	\$ 47,382,702	\$ 7,601,864
Changes for the year:			
Service cost	1,457,414		1,457,414
Interest on total pension liability	4,457,975		4,457,975
Effect of plan changes	(206,371)		(206,371)
Effect of economic/demographic gains/losses	(661,728)		(661,728)
Effect of assumptions changes or inputs	1,029,006		1,029,006
Refund of contributions	(118,181)	(118,181)	-
Benefit payments	(2,055,469)	(2,055,469)	-
Administrative expenses		(34,088)	34,088
Member contributions		531,525	(531,525)
Net investment income		(1,037,364)	1,037,364
Employer contributions		2,489,599	(2,489,599)
Other		26,592	(26,592)
Balance at 12/31/15	\$ 58,887,212	\$ 47,185,316	\$ 11,701,896

The net pension liability was measured as of December 31, 2015 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 8.1%, 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 (7.1%)	Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
County's net pension liability	\$ 20,142,740	\$ 11,701,896	\$ 4,783,929

Pension Expense and Deferred Outflows of Resources and Deferred Inflows Related to Pensions

For the year ended December 31, 2016, the County recognized pension expense of \$2,363,140.

At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 890,291
Changes in assumptions	823,205	-
Net differences between projected and actual earnings	4,379,885	-
Contributions made subsequent to the measurement date	2,531,576	-
Total	\$ 7,734,666	\$ 890,291

\$2,531,576 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, 2017. 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,	
2016	\$ 1,083,593
2017	1,083,593
2018	1,083,592
2019	1,062,021
2020	-
Thereafter	-

F. Other Post Employment Benefits Plan

Plan Description

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

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

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

The County does not issue a separate financial report that includes financial statements and required supplementary information for the RHBT. However the financial statements and the required supplementary information is included in the County's comprehensive annual financial report at pages 37 - 38 (financial statements) and page 60 (required supplementary information).

At December 31, 2016 the RHBT had 88 retirees receiving benefits and has a total of 178 active participants who are not yet eligible to receive benefits. Order 2007-23 of Panola County assigned the authority to establish and amend benefit provisions to the Commissioners' Court.

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

The RHBT was initially funded in December 2007 by transferring from the governmental funds and proprietary funds of the County a total of \$9,992,132 into the RHBT. The \$9,992,132 was an initial funding toward an estimated \$12,429,768 in past-service actuarially determined liabilities for active and retired employees. Based on a new actuarial valuation as of December 31, 2016, the estimated past-service actuarially determined liabilities for active and retired employees amounted to \$27,262,761.

Annual OPEB Cost and Net OPEB Obligations

For 2016, the County's annual OPEB cost for the RHBT was \$1,298,094. Contributions of \$4,335,469 were made by the County. The activity for the year is shown in tabular form below.

Annual Required Contribution	\$ 725,611
Interest on OPEB Obligation	(651,907)
Amortization of Prior Year OPEB Obligation	1,224,390
Annual OPEB Cost	1,298,094
 Contributions made	 (4,335,469)
 Change in OPEB Obligation	 (3,037,375)
Net OPEB Obligation (asset), beginning of year	(18,625,912)
Net OPEB Obligation (asset), end of year	\$ (21,663,287)

Trend Information

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net Ending (OPEB) Obligation Asset
12/31/14	\$ 922,149	\$ 3,733,793	404.90%	\$ 14,880,437
12/31/15	\$ 956,572	\$ 4,702,047	491.55%	\$ 18,625,912
12/31/16	\$ 1,224,390	\$ 4,335,469	354.09%	\$ 21,663,287

Funding Policy

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

Actuarial Methods and Assumptions

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

The actuarial valuation for December 31, 2016, the unprojected unit credit cost method was used. The actuarial assumptions used included a 3.50% investment rate of return, compounded annually, net of investment expenses. The annual healthcare cost trend of 8.5%, grading down to an ultimate 5% rate. Both the rate of return and the healthcare cost rate include and assumed inflation rate of 2.5%. The actuarial valuation of RHBT assets was set at fair market value of the cash and certificates of deposit comprising the investment account at the measurement date.

The RHBT's initial unfunded accrued liability (UAAL) is being amortized at a level (decreasing yearly) over a 30-year closed period. At December 31, 2016, the remaining amortization period is 20 years.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Funded Status		Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		Actuarial Accrued Liabilities (AAL) (b)	Unfunded AAL (UAAL) (b-a)			
12/31/16	\$ 27,430,348	\$ 27,262,761	\$ (167,587)	100.61%	\$ 7,044,990	(2.38%)

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

G. 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.

H. Operating Leases

The County is obligated under certain leases for equipment accounted for as operating leases. General revenues of the General Fund will be used to pay these leases. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one (1) year as of December 31, 2016.

Year Ending <u>December 31</u>	Governmental <u>Activities</u>
2017	\$ 27,912
2018	23,005
2019	12,885
2020	8,501
2021	1,873
Total minimum lease payments	<u>\$ 74,175</u>

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Total cost for these leases for the year ended December 31, 2016 was \$30,686.

I. Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2016 was as follows:

	Balance January 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2016</u>	Due Within <u>One Year</u>
Compensated Absences	\$ 200,413	\$ 79,232	\$ 23,821	\$ 255,825	\$ 28,141
Net Pension Liability	<u>7,601,864</u>	<u>4,100,032</u>	<u>-</u>	<u>11,701,896</u>	<u>-</u>
Total Governmental Activity					
Long-Term Liabilities	<u><u>\$ 7,802,277</u></u>	<u><u>\$ 4,179,264</u></u>	<u><u>\$ 23,821</u></u>	<u><u>\$ 11,957,721</u></u>	<u><u>\$ 28,141</u></u>

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

J. Governmental Fund Balances

Components of nonspendable fund balance and specific purposes for restricted and committed fund balances as of December 31, 2016 are as follows:

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

	<u>General Fund</u>	<u>Major Special Revenue Fund Road & Bridge Fund</u>	<u>Other Funds</u>	<u>Total</u>
Nonspendable:				
Inventory	\$ -	\$ -	\$ 68,066	\$ 68,066
Restricted:				
Road & Bridge maintenance	-	6,217,836	1,973,845	8,191,681
Law Library	-	-	52,806	52,806
Juvenile Delinquency Prevention	-	-	157	157
Courthouse Security	-	-	220,607	220,607
Records Management & Preservation	-	-	969,681	969,681
Court Technology	-	-	98,019	98,019
VIT Interest	-	-	3,705	3,705
Elections	-	-	5,940	5,940
Adult Probation	-	-	176,552	176,552
Juvenile Probation	-	-	384,599	384,599
Law Enforcement	-	-	104,236	104,236
District Attorney	-	-	112,580	112,580
Child Protective Services	-	-	111,564	111,564
Health	-	-	3,527,655	3,527,655
Airport	-	-	300,938	300,938
Committed:				
Right-of-Way Purchases	-	-	282,241	282,241
Airport Improvements	-	-	221,801	221,801
Jail Improvement	-	-	214,779	214,779
Unassigned	11,431,684	-	-	11,431,684
Total Fund Balances	\$ 11,431,684	\$ 6,217,836	\$ 8,829,771	\$ 26,479,292

K. Interfund Transfers

Interfund transfers for the year ended December 31, 2016 were as follows:

	<u>Transfers In</u> <u>Nonmajor Governmental Funds</u>		
	<u>Juvenile Services Fund</u>	<u>Child Protective Services Fund</u>	<u>Totals</u>
<u>Transfers Out</u>			
General Fund	\$ 183,108	\$ 58,000	\$ 241,108
Total	<u>\$ 183,108</u>	<u>\$ 58,000</u>	<u>\$ 241,108</u>

The purpose of these transfers was to supplement revenue.

L. 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.

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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, 2016 have been accrued and expensed in the current financial statements. Disclosure of loss contingencies will be made when there is a reasonable possibility that a loss has been incurred. There have been no significant reductions in insurance coverage in the current year.

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

M. 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.

REQUIRED SUPPLEMENTARY INFORMATION

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**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016**

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, 2016, the following funds had legally adopted budgets:

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

REQUIRED SUPPLEMENTARY INFORMATION

**PANOLA COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Cost (b)	Unfunded (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of covered Payroll (b-a)/c
12/31/2014	\$ 20,015,702	\$ 17,769,730	\$ (2,245,972)	112.64%	\$ 6,454,393	(34.80%)
12/31/2015	\$ 23,952,417	\$ 21,676,987	\$ (2,275,430)	110.50%	\$ 6,797,320	(33.48%)
12/31/2016	\$ 27,430,348	\$ 27,262,761	\$ (167,587)	100.61%	\$ 7,044,990	(2.38%)

NOTES TO SCHEDULE OF FUNDING PROGRESS

Valuation Date	12/31/2014	12/31/2015	12/31/2016
Actuarial Cost Method	Unprojected Unit Credit	Unprojected Unit Credit	Unprojected Unit Credit
Amortization Method	Decreasing Yearly	Decreasing Yearly	Decreasing Yearly
Asset Valuation Method	Market Value	Market Value	Market Value
Actuarial Assumptions:			
Investment Rate of Return*	4.00% per annum	3.5% per annum	3.5% per annum
Health Care Cost Trend	8.5% Pre-Medicare, grading to 5% ultimate	8.5% Pre-Medicare, grading to 5% ultimate	8.5% Pre-Medicare, grading to 5% ultimate
*Includes inflation of 2.5%			

REQUIRED SUPPLEMENTARY INFORMATION

**PANOLA COUNTY, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016**

Year Ended December 31	Actuarial Annual Required Contribution	Employer Contributions	Percentage Contributed
2014	\$ 623,805	\$ 3,733,793	598.55%
2015	\$ 561,685	\$ 4,702,047	837.13%
2016	\$ 725,611	\$ 4,335,469	597.49%

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service cost	\$ 1,457,414	\$ 1,429,368
Interest (on the total pension liability)	4,457,975	4,184,774
Changes of benefit terms	(206,371)	-
Difference between expected and actual experience	(661,728)	(601,515)
Change of assumptions	1,029,006	-
Benefit payments, including refunds of employee contributions	(2,173,650)	(1,944,467)
Net Change in Total Pension Liability	<u>3,902,646</u>	<u>3,068,160</u>
Total Pension Liability - Beginning	<u>54,984,565</u>	<u>51,916,406</u>
Total Pension Liability - Ending (a)	<u>\$ 58,887,211</u>	<u>\$ 54,984,566</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 2,489,599	\$ 3,353,570
Contributions - employee	531,525	505,905
Net investment income	(1,037,364)	2,863,212
Benefit payments, including refunds of employee contributions	(2,173,649)	(1,944,467)
Administrative expense	(34,088)	(34,814)
Other	26,592	(226,419)
Net Change in Plan Fiduciary Net Position	<u>(197,385)</u>	<u>4,516,987</u>
Plan Fiduciary Net Position - Beginning	<u>47,382,702</u>	<u>42,865,715</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 47,185,317</u>	<u>\$ 47,382,702</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 11,701,894</u>	<u>\$ 7,601,864</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.13%	86.17%
Covered Employee Payroll	\$ 7,593,216	\$ 7,227,213
Net Pension Liability as a Percentage of Covered Employee Payroll	154.11%	105.18%

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016**

**SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,531,576	\$ 2,489,599
Contributions in relation to actuarially determined contribution	<u>(2,531,576)</u>	<u>(2,489,599)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 7,771,911	\$ 7,593,216
Contributions as a percentage of covered employee payroll	32.57%	32.79%

**PANOLA COUNTY, TEXAS
NOTES TO SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2015 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net 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	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Other Information:	Effective with the 2015 calendar year, employer contributions reflect that a 100% CPI COLA was adopted.

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Property Taxes	\$ 14,590,788	\$ 14,590,788	\$ 14,904,038	\$ 313,250
Intergovernmental Receipts	382,411	395,033	421,426	26,393
Fees of Office	694,000	679,182	726,000	46,818
Total Miscellaneous	158,669	234,545	317,255	82,710
Total Revenues	15,825,868	15,899,548	16,368,720	469,172
EXPENDITURES				
Current				
General Administration	7,148,780	6,900,302	6,532,233	368,069
Judicial	1,433,166	1,433,286	1,395,577	37,709
Legal	708,628	710,037	634,887	75,150
Elections	190,547	191,547	166,395	25,152
Financial Administration	1,040,929	1,040,929	1,017,607	23,322
Public Facilities	368,875	478,725	397,438	81,287
Public Safety	5,742,162	5,711,271	5,379,191	332,080
Environmental Protection	425,000	425,000	398,730	26,270
Health and Paupers Care	596,900	724,682	623,548	101,134
Recreation	423,595	423,595	412,922	10,673
Conservation	119,561	116,711	113,739	2,972
Capital Outlay	204,401	290,139	252,561	37,578
Total Expenditures	18,402,544	18,446,224	17,324,828	1,121,396
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,576,676)	(2,546,676)	(956,108)	1,590,568
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	(211,108)	(241,108)	(241,108)	-
Total Other Financing Sources (Uses)	(211,108)	(241,108)	(241,108)	-
Net Change in Fund Balance	(2,787,784)	(2,787,784)	(1,197,216)	1,590,568
FUND BALANCE, BEGINNING OF YEAR	10,485,417	10,480,929	12,628,900	2,147,971
FUND BALANCE, END OF YEAR	\$ 7,697,633	\$ 7,693,145	\$ 11,431,684	\$ 3,738,539

Note: See accompanying independent auditor's report.

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Property Taxes:				
Current	\$ 5,056,281	\$ 5,056,281	\$ 5,146,713	\$ 90,432
Delinquent	90,196	90,196	110,274	20,078
Total Property Taxes	<u>5,146,477</u>	<u>5,146,477</u>	<u>5,256,987</u>	<u>110,510</u>
Licenses:				
Motor Vehicle Registration	<u>368,000</u>	<u>352,249</u>	<u>352,249</u>	<u>-</u>
Intergovernmental Receipts:				
State Lateral Road Fund	29,000	29,000	29,575	575
Weight and Axle Fees	40,828	40,828	51,717	10,889
Total Intergovernmental Receipts	<u>69,828</u>	<u>69,828</u>	<u>81,292</u>	<u>11,464</u>
Fines:				
County and District Court Fines	<u>275,000</u>	<u>290,751</u>	<u>348,600</u>	<u>57,849</u>
Miscellaneous:				
Interest Earned	22,593	22,593	42,916	20,323
Miscellaneous	-	115,205	121,048	5,843
Total Miscellaneous	<u>22,593</u>	<u>137,798</u>	<u>163,963</u>	<u>26,165</u>
Total Revenues	<u>5,881,898</u>	<u>5,997,103</u>	<u>6,203,092</u>	<u>205,989</u>
EXPENDITURES				
PUBLIC TRANSPORTATION				
MAINTENANCE-ROADS AND BRIDGES				
PRECINCT 1				
Salaries - Road and Bridge Department	445,677	445,677	437,346	8,331
Benefits Termination Pay	4,026	4,026	7	4,019
Social Security Taxes	34,403	34,403	32,282	2,121
Group Insurance	133,056	133,056	130,045	3,011
Retirement and Death Benefits	108,019	108,019	105,051	2,968
Workers Compensation	36,715	36,715	11,934	24,781
Unemployment Insurance	2,065	2,065	1,400	666
Other Post Employment	41,506	41,506	40,734	772
Retiree Medical Insurance Trust	63,849	63,849	63,849	-
Optional Retirement	31,305	31,305	31,305	-
Miscellaneous Supplies	500	500	-	500
Repairs and Maintenance	118,826	118,826	77,415	41,411
Parts and Repairs	31,250	31,250	12,817	18,433
Rentals and Leases	1,020	1,020	1,020	-
Contingency	55,548	51,548	-	51,548
TOTAL PRECINCT 1	<u>1,107,765</u>	<u>1,103,765</u>	<u>945,205</u>	<u>158,560</u>

Note: See accompanying independent auditor's report.

(Continued)

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
PRECINCT 2				
Salaries - Road and Bridge Department	\$ 369,251	\$ 369,251	\$ 348,432	\$ 20,819
Benefits Termination Pay	4,026	4,026	-	4,026
Social Security Taxes	28,556	28,556	25,349	3,207
Group Insurance	108,864	108,864	108,064	800
Retirement and Death Benefits	89,662	89,662	83,692	5,970
Workers Compensation	36,325	36,325	9,963	26,362
Unemployment Insurance	1,768	1,768	1,115	653
Other Post Employment	36,096	36,096	33,693	2,403
Retiree Medical Insurance Trust	63,849	63,849	63,849	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	95,756	97,699	71,642	26,057
Parts and Repairs	31,250	31,250	28,498	2,752
Miscellaneous Supplies	500	-	-	-
Contingency	54,120	-	-	-
TOTAL PRECINCT 2	951,328	898,651	805,603	93,048
PRECINCT 3				
Salaries - Road and Bridge Department	444,237	444,237	413,074	31,163
Benefits Termination Pay	4,026	4,026	694	3,332
Social Security Taxes	34,293	34,293	30,281	4,012
Group Insurance	133,056	133,056	126,065	6,991
Retirement and Death Benefits	107,673	107,673	99,386	8,287
Workers Compensation	36,717	36,717	12,161	24,556
Unemployment Insurance	2,145	2,145	1,324	821
Other Post Employment	41,378	41,378	40,011	1,367
Retiree Medical Insurance Trust	63,849	63,849	63,849	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	118,846	118,846	83,225	35,621
Parts and Repairs	31,250	41,750	37,632	4,118
Miscellaneous Supplies	500	500	-	500
Contingency	48,167	167	-	167
Contractor Services	1,000	1,000	-	1,000
Rentals and Leases	1,000	1,000	340	660
TOTAL PRECINCT 3	1,099,442	1,061,942	939,348	122,594

Note: See accompanying independent auditor's report.

(Continued)

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
PRECINCT 4				
Salaries - Road and Bridge Department	\$ 519,223	\$ 519,223	\$ 450,044	\$ 69,179
Benefits Termination Pay	9,558	9,558	-	9,558
Social Security Taxes	40,452	40,452	31,392	9,060
Group Insurance	157,248	157,248	136,087	21,161
Retirement and Death Benefits	127,014	127,014	108,099	18,915
Workers Compensation	33,901	33,901	14,359	19,542
Unemployment Insurance	2,324	2,324	1,440	884
Other Post Employment	48,327	48,327	43,519	4,808
Retiree Medical Insurance Trust	63,849	63,849	63,849	-
Optional Retirement	31,305	31,305	31,305	-
Repairs and Maintenance	119,086	134,351	115,859	18,492
Parts and Repairs	31,250	77,604	48,932	28,672
Miscellaneous Supplies	500	500	-	500
Contingency	122,962	2,962	-	2,962
TOTAL PRECINCT 4	1,306,999	1,248,618	1,044,886	203,732
Total Maintenance-Roads and Bridges	4,465,534	4,312,976	3,735,042	577,934
CAPITAL OUTLAY-ROAD AND BRIDGES				
PRECINCT 1				
Furniture & Equipment	139,515	209,560	155,322	54,238
Road Oil, Premix, and Gravel	263,977	263,977	166,923	97,055
Lumber, Piling, and Culverts	13,500	13,500	11,591	1,909
TOTAL PRECINCT 1	416,992	487,037	333,835	153,202
PRECINCT 2				
Furniture & Equipment	280,000	300,403	299,835	568
Road Oil, Premix, and Gravel	239,982	273,602	255,265	18,337
Lumber, Piling, and Culverts	8,500	9,500	9,433	67
TOTAL PRECINCT 2	528,482	583,505	564,533	18,972
PRECINCT 3				
Building	800	800	-	800
Furniture & Equipment	139,515	177,475	177,000	475
Road Oil, Premix, and Gravel	212,424	212,424	192,304	20,120
Lumber, Piling, and Culverts	35,200	35,200	23,169	12,031
TOTAL PRECINCT 3	387,939	425,899	392,472	33,427

Note: See accompanying independent auditor's report.

(Continued)

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
PRECINCT 4				
Furniture & Equipment	\$ 164,515	\$ 141,020	\$ 141,019	\$ 1
Road Oil, Premix, and Gravel	283,233	403,233	395,680	7,553
Lumber, Piling, and Culverts	16,000	24,230	22,655	1,575
TOTAL PRECINCT 4	<u>463,748</u>	<u>568,483</u>	<u>559,355</u>	<u>9,128</u>
Total Construction and Capital Outlay	<u>1,797,161</u>	<u>2,064,924</u>	<u>1,850,195</u>	<u>214,729</u>
Total Expenditures	<u>6,262,695</u>	<u>6,377,900</u>	<u>5,585,237</u>	<u>792,663</u>
Net Change in Fund Balances	(380,797)	(380,797)	617,855	998,652
FUND BALANCE, BEGINNING OF YEAR	<u>5,127,550</u>	<u>4,686,835</u>	<u>5,599,980</u>	<u>472,430</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,746,753</u>	<u>\$ 4,306,038</u>	<u>\$ 6,217,836</u>	<u>\$ 1,471,083</u>

Note: See accompanying independent auditor's report.

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SUPPLEMENTAL FINANCIAL INFORMATION

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
PROPERTY TAXES				
Current	\$ 14,335,073	\$ 14,335,073	\$ 14,591,400	\$ 256,327
Delinquent	255,715	255,715	312,638	56,923
Total Property Taxes	14,590,788	14,590,788	14,904,038	313,250
INTERGOVERNMENTAL RECEIPTS				
State Judicial	81,794	81,794	88,806	7,012
State Voter Registration	-	2,390	2,390	-
City - Public Library	182,067	182,067	182,067	-
Law Enforcement Officer Standard	-	-	5,969	5,969
Housing Prisoners	-	-	7,160	7,160
Exposition Building	-	-	252	252
SAVNS Program	-	-	-	-
Indigent Defense Services Grant	17,000	27,232	27,232	-
Carthage and Gary School Tax				
Collection Contract	63,250	63,250	67,750	4,500
City of Carthage Tax				
Collection Contract	8,300	8,300	9,800	1,500
State 911 Rural Addressing	30,000	30,000	30,000	-
Total Intergovernmental Receipts	382,411	395,033	421,426	26,393
FEES OF OFFICE				
County Judge	7,000	5,100	5,168	68
Sheriff	24,000	16,900	16,962	62
District Attorney	4,000	2,400	2,414	14
County Clerk	165,000	166,482	186,548	20,066
Tax Assessor-Collector	390,000	389,200	389,248	48
District Clerk	40,000	35,100	35,194	94
County Treasurer	14,000	14,000	18,738	4,738
Justices of the Peace	50,000	50,000	71,728	21,728
Total Fees of Office	694,000	679,182	726,000	46,818

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
MISCELLANEOUS				
Interest Earned	\$ 94,669	\$ 94,669	\$ 110,032	\$ 15,363
Hospital Collections	-	-	850	850
Time Payment EFTIC	-	-	1,156	1,156
Exposition Building	-	-	550	550
Vital Archive - County Clerk	-	-	462	462
Judiciary Support Fee	-	-	1,682	1,682
Miscellaneous	62,000	138,136	197,913	59,777
County Clerk Civil	-	-	1,800	1,800
Family Protection Fee	2,000	1,740	1,740	-
Child Abuse	-	-	-	-
Child Abuse Prevention	-	-	58	58
Miscellaneous Unclaimed Funds	-	-	1,013	1,013
Total Miscellaneous	158,669	234,545	317,255	82,710
Total Revenues	15,825,868	15,899,548	16,368,720	469,172
EXPENDITURES				
CURRENT				
GENERAL ADMINISTRATION				
COUNTY JUDGE				
Salary - County Judge	66,814	66,814	66,814	-
Salary - Co. Judge Admin. Assist	40,613	40,613	40,613	-
Social Security	8,219	8,219	7,840	379
Group Medical Insurance	24,192	24,192	24,020	172
Retirement and Death Benefits	25,805	25,805	25,804	1
Worker's Compensation	552	552	376	176
Unemployment Insurance	322	322	130	192
Other Post Employment Benefits	10,389	10,389	10,388	1
Office Supplies, Postage & Repairs	1,200	1,200	703	497
Law Books	2,000	2,526	2,526	0
Communication Telephone	400	400	24	376
Conferences and Dues	2,000	4,000	3,898	102
Miscellaneous	150	150	47	103
Total County Judge	182,656	185,182	183,182	2,000

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
COMMISSIONERS				
Salaries - Commissioners	\$ 215,984	\$ 215,984	\$ 215,984	\$ -
Salaries - Secretaries	-	-	-	-
Social Security Taxes	16,523	16,523	15,234	1,289
Group Insurance	48,384	48,384	48,040	344
Retirement and Death Benefits	51,880	51,880	51,879	1
Worker's Compensation	1,236	1,236	954	282
Unemployment Insurance	-	-	-	-
Other Post Employment Benefits	20,888	20,888	20,886	2
Office Supplies, Postage and Repairs	-	-	-	-
Communication Telephone	100	100	0	100
Miscellaneous	100	100	49	52
Conferences and Dues	7,500	7,500	4,432	3,068
Total Commissioners	362,595	362,595	357,457	5,138
COUNTY CLERK				
Salary - County Clerk	53,996	53,996	53,996	-
Salary - Deputies	161,782	161,782	123,742	38,040
Social Security	16,508	16,508	12,555	3,953
Group Medical Insurance	72,576	72,576	57,066	15,510
Retirement and Death Benefits	51,830	51,830	42,693	9,137
Worker's Compensation	1,053	1,053	756	297
Unemployment Insurance	575	575	396	179
Other Post Employment Benefits	20,867	20,867	17,187	3,680
Office Supplies, Postage & Repairs	13,000	13,000	8,852	4,148
Communication Telephone	500	500	372	128
Rentals, Microfilming & Indexing	76,000	76,000	71,823	4,177
Copy Machine Rental	8,000	8,000	3,369	4,631
Conferences & Dues	3,000	6,500	5,105	1,395
Miscellaneous	250	250	-	250
Professional Services	-	-	-	-
Total County Clerk	479,937	483,437	397,912	85,525

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
VETERANS SERVICE OFFICER				
Salary - Service Officer	\$ 39,102	\$ 39,102	\$ 39,102	\$ -
Salary - Secretary	31,467	31,467	31,466	1
Social Security	5,400	5,400	5,398	2
Group Medical Insurance	24,192	24,192	23,934	258
Retirement and Death Benefits	16,952	16,952	16,951	1
Worker's Compensation	362	362	247	115
Unemployment Insurance	258	258	226	32
Other Post Employment Benefits	6,825	6,825	6,824	1
Office Supplies, Postage & Repairs	600	600	262	338
Communication Telephone	500	500	21	479
Conferences and Dues	1,300	1,300	816	484
Programming & Computer	800	800	700	100
Miscellaneous	250	250	-	250
Total Vet. Service Officer	128,008	128,008	125,948	2,060
AIRPORT				
Airport Manager	40,069	40,069	40,069	0
Assistants				-
Travel Allowance	1,200	1,200	1,200	-
Social Security	3,158	3,158	3,057	101
Group Insurance	12,096	12,096	12,010	86
Retirement	9,914	9,914	9,913	1
Worker's Compensation	1,133	1,133	1,062	71
Unemployment Insurance	198	198	132	66
Other Post Employment Benefits	3,991	3,991	3,991	0
Office Supplies	1,500	1,500	1,142	358
Repair and Maintenance Supplies	1,400	2,900	1,977	923
Professional Services	4,500	4,500	2,377	2,123
Communication Telephone	1,700	1,800	1,739	61
Conferences, Dues & Transports	400	400	-	400
Contractor Services	3,500	2,000	-	2,000
Utilities	12,945	12,845	10,782	2,063
Repairs and Renovation	-	-	-	-
Rentals and Leases	1,800	1,800	1,476	324
Total Airport	99,504	99,504	90,925	8,579

(Continued)

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
GENERAL ADMINISTRATION (con'td.)				
MISC AND NON-DEPT				
Floating Secretary	\$ 31,467	\$ 31,467	\$ 31,466	\$ 1
Emergency Management Coordinator	6,000	6,000	6,000	-
Benefits Termination Pay	12,000	20,000	10,424	9,576
Social Security	3,784	4,408	3,645	763
Group Insurance	12,096	12,096	12,096	-
Retirement	11,882	13,804	11,503	2,301
Worker's Compensation	6,027	6,027	438	5,589
Unemployment Insurance	18,758	18,299	153	18,146
Other Post Employment	4,783	5,557	4,631	926
Retiree Medical Insurance Trust	3,297,819	3,297,819	3,297,819	-
Optional Retirement	550,000	550,000	550,000	-
Advertising and Publications	10,000	10,000	4,878	5,122
Appraisal District	250,000	250,000	195,704	54,296
Outside Audit	39,000	39,000	30,773	8,227
Economic Development	17,700	29,269	29,202	67
Contingency	400,000	-	-	-
Computer Services	590,000	537,046	468,732	68,314
Professional Services	24,000	193,431	187,783	5,648
Postage	70,000	70,000	55,864	14,136
Emergency Management	5,000	5,000	4,557	443
Physicals & Drug Screening	2,000	3,500	3,042	458
Dues, Memberships & Fees	7,700	8,000	7,746	254
Insurance	380,000	380,000	324,075	55,925
Historical Markers	1,000	1,000	-	1,000
Historical Commission	6,564	6,564	2,813	3,751
Miscellaneous	4,500	7,071	4,611	2,460
Copy Machine Rental & Supplies	24,000	24,429	24,429	0
Soil and Conservation Contract	2,000	2,000	2,000	-
Communication Telephone	55,000	56,789	56,788	1
Animal Control	50,000	50,000	45,636	4,364
Loss Control	3,000	3,000	-	3,000
Total Miscellaneous and Non-Depart.	<u>5,896,080</u>	<u>5,641,576</u>	<u>5,376,809</u>	<u>264,767</u>
Total General Administration	<u>7,148,780</u>	<u>6,900,302</u>	<u>6,532,233</u>	<u>368,069</u>

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
JUDICIAL				
DISTRICT COURT				
Salary - Court Reporter	\$ 35,126	\$ 35,126	\$ 35,126	\$ -
Salary - Secretary	39,898	39,898	39,898	-
Social Security	5,740	5,740	4,958	782
Group Medical Insurance	24,192	24,192	24,020	172
Retirement and Death Benefits	18,022	18,022	18,021	1
Worker's Compensation	355	355	263	92
Unemployment Insurance	258	258	240	18
Other Post Employment	7,255	7,255	7,255	0
Office Supplies, Postage & Repairs	3,000	3,000	1,782	1,218
Professional Services	2,500	2,500	-	2,500
Insurance	1,500	1,500	-	1,500
Conference and Dues	2,500	2,500	1,030	1,470
Visiting Court Reporter	1,000	1,000	-	1,000
Communication Telephone	800	555	365	190
Law Books for Law Library	3,500	3,745	3,744	1
Miscellaneous	600	600	-	600
Total District Court	146,246	146,246	136,701	9,545
COUNTY COURT AT LAW				
Salary - County Court at Law Judge	140,000	140,000	140,000	-
Salary - Court Reporter	61,249	61,249	61,249	-
Court Coordinator	6,000	6,000	6,000	-
Visiting Judges	1,000	1,000	-	1,000
Social Security	15,855	15,855	14,355	1,500
Group Medical Insurance	24,192	24,192	24,020	172
Retirement and Death Benefits	49,783	49,783	49,781	2
Worker's Compensation	1,197	1,197	726	471
Unemployment Insurance	206	216	215	1
Other Post Employment	20,041	20,041	20,041	0
Office Supplies, Postage & Repairs	1,400	1,400	1,353	47
Law Books	2,000	2,352	2,352	0
Telephone	750	398	7	391
Conferences and Dues	1,100	1,100	630	470
Miscellaneous	300	300	210	90
Total County Court at Law	325,073	325,083	320,937	4,146

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
JUDICIAL (con'td.)				
DISTRICT CLERK				
Salary - District Clerk	\$ 53,996	\$ 53,996	\$ 53,996	\$ -
Salaries - Deputies	161,782	161,782	161,778	4
Social Security	16,511	16,511	14,993	1,518
Group Medical Insurance	72,576	72,576	72,059	517
Retirement and Death Benefits	51,833	51,833	51,829	4
Worker's Compensation	1,085	1,085	756	329
Unemployment Insurance	593	593	518	75
Other Post Employment	20,866	20,866	20,865	1
Office Supplies, Postage & Repairs	13,000	11,910	8,424	3,486
Telephone	400	400	384	16
Conferences and Dues	2,000	3,000	2,454	546
Preservation & Restoration	35,800	35,800	35,000	800
Miscellaneous	300	300	-	300
Total District Clerk	<u>430,742</u>	<u>430,652</u>	<u>423,056</u>	<u>7,596</u>
JUSTICE OF THE PEACE PCT. 1 & 4				
Salaries - Justice of the Peace	53,996	53,996	53,996	-
Salaries - Secretaries	62,934	62,934	62,932	2
Social Security	8,947	8,947	8,795	152
Group Medical Insurance	36,288	36,288	36,030	258
Retirement and Death Benefits	28,088	28,088	28,087	1
Worker's Compensation	515	515	410	105
Unemployment Insurance	206	206	202	5
Other Post Employment	11,308	11,308	11,307	1
Office Supplies and Repairs	4,000	5,550	5,485	65
Professional Services	6,575	6,325	6,168	157
Telephone	1,000	700	363	337
Travel	1,000	1,000	615	385
Conferences and Dues	3,500	2,200	1,978	222
Miscellaneous	200	500	-	500
Total Justices of the Peace Pct. 1 and 4	<u>218,557</u>	<u>218,557</u>	<u>216,366</u>	<u>2,191</u>

(Continued)

PANOLA COUNTY, TEXAS
SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND, continued
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
JUDICIAL (con'td.)				
JUSTICE OF THE PEACE PCT. 2 & 3				
Salaries - Justice of the Peace	\$ 53,996	\$ 53,996	\$ 53,996	\$ -
Salaries - Secretaries	62,934	62,934	62,932	2
Social Security	8,947	8,947	8,624	323
Group Medical Insurance	36,288	36,288	36,030	258
Retirement	28,088	28,088	28,086	2
Worker's Compensation	515	515	410	105
Unemployment Insurance	206	206	201	5
Other Post Employment	11,308	11,308	11,307	1
Office Supplies and Repairs	6,000	6,700	6,693	7
Computer Replacement	1,000	500	-	500
Professional Services	6,575	6,575	6,318	257
Telephone	1,200	900	376	524
Travel	2,500	2,300	1,453	847
Conferences and Dues	3,800	4,300	3,494	806
Miscellaneous	200	200	7	193
Total Justices of the Peace Pct. 2 and 3	<u>223,557</u>	<u>223,757</u>	<u>219,928</u>	<u>3,829</u>
BAILIFFS AND JURORS				
Bailiffs	31,237	31,477	31,476	1
Social Security Taxes	2,390	2,409	2,355	54
Group Medical Insurance	12,096	12,096	12,010	86
Retirement	7,504	7,562	7,561	1
Worker's Compensation	721	721	664	57
Unemployment Insurance	122	122	101	21
Other Post Employment	3,021	3,045	3,044	1
Telephone	800	800	-	800
Conferences and Dues	1,000	659	-	659
Jurors, District & County	30,000	30,000	21,378	8,622
Miscellaneous	100	100	-	100
Total - Bailiffs, Jurors and Law Books	<u>88,991</u>	<u>88,991</u>	<u>78,589</u>	<u>10,402</u>
Total Judicial	<u>1,433,166</u>	<u>1,433,286</u>	<u>1,395,577</u>	<u>37,709</u>

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (Cont'd.)				
LEGAL				
DISTRICT ATTORNEY				
Salary - Assistant District Attorneys	\$ 170,025	\$ 170,025	\$ 159,266	\$ 10,759
Administrative Assistant	40,758	40,758	40,758	0
Salary - Secretaries	94,401	94,401	90,232	4,169
Court Coordinator	44,375	44,375	44,375	-
Social Security	29,608	29,608	29,556	52
Group Medical Insurance	84,672	84,672	81,474	3,198
Retirement and Death Benefits	92,965	92,965	89,570	3,395
Worker's Compensation	2,750	2,750	2,160	590
Unemployment Insurance	1,550	1,550	1,193	357
Other Post Employment	37,074	37,074	35,707	1,367
Office Supplies and Repairs	12,000	11,000	4,133	6,867
Insurance	4,000	4,409	4,409	-
Professional Services	36,450	27,450	11,758	15,692
Witness Expense	5,000	5,000	-	5,000
Telephone	2,000	2,000	1,489	511
Conference & Dues	5,000	5,000	2,914	2,086
Law Enforcement Officer Standard Traini	1,000	1,000	-	1,000
Law Books	17,000	25,000	24,999	1
Transportaion	4,500	3,500	213	3,287
Miscellaneous	1,000	5,000	4,465	535
Total District Attorney	686,128	687,537	628,672	58,865
LAWSUITS AGAINST PANOLA COUNTY				
Attorney Fees	12,500	12,500	6,215	6,285
Settlements and Other	10,000	10,000	-	10,000
Total Lawsuits	22,500	22,500	6,215	16,285
Total Legal	708,628	710,037	634,887	75,150
ELECTIONS				
ELECTION JUDGES, CLERKS AND SUPPLIES				
Election Judges and Clerks	16,000	16,000	8,380	7,620
Social Security	1,224	1,224	-	1,224
Worker's Compensation	182	182	56	126
Professional Services	18,000	18,000	9,412	8,589
Polling Place Rent	900	900	850	50
Training				-
Hardware Maintenance	21,000	21,000	14,304	6,696
Supplies and Miscellaneous	3,034	3,034	2,993	41
Total Election Judges, Clerks, and Supplies	60,340	60,340	35,994	24,346

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (Cont'd.)				
ELECTIONS (Cont'd.)				
ELECTIONS ADMINISTRATION				
Salary - Voter Registrar	\$ 39,109	\$ 39,109	\$ 39,108	\$ 1
Deputies	31,467	31,467	31,466	1
Social Security	5,400	5,400	5,141	259
Group Medical Insurance	24,192	24,192	24,020	172
Retirement and Death Benefits	16,954	16,954	16,952	2
Worker's Compensation	386	386	247	139
Unemployment Insurance	319	319	226	93
Other Post Employment	6,825	6,825	6,825	0
Office Supplies and Repairs	2,500	4,650	4,546	104
Telephone	900	1,500	1,497	3
Internet Service	-	-	-	-
Conferences and Dues	1,800	50	50	-
Miscellaneous	355	355	323	32
Total Voter Registration	<u>130,207</u>	<u>131,207</u>	<u>130,400</u>	<u>807</u>
Total Elections	<u>190,547</u>	<u>191,547</u>	<u>166,395</u>	<u>25,152</u>
 FINANCIAL ADMINISTRATION				
AUDITOR				
Salary - Auditor	66,814	66,814	66,814	-
Salaries - Assistant Auditors	100,859	100,859	99,648	1,211
Social Security	12,829	12,829	11,355	1,474
Group Medical Insurance	36,288	36,288	36,030	258
Retirement and Death Benefits	40,277	40,277	39,984	293
Worker's Compensation	931	931	587	344
Unemployment Insurance	801	801	533	268
Other Post Employment	16,214	16,214	16,097	117
Office Supplies and Repairs	2,600	2,600	2,101	499
Professional Computer Services	1,700	1,700	107	1,593
Telephone	700	700	414	286
Conferences and Dues	6,000	6,000	3,253	2,747
Re-creation, printing	1,700	1,700	1,697	3
Miscellaneous	376	376	-	376
Total Auditor	<u>288,089</u>	<u>288,089</u>	<u>278,620</u>	<u>9,469</u>

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (Cont'd.)				
FINANCIAL ADMINISTRATION (Cont'd.)				
TREASURER				
Salary - Treasurer	\$ 53,996	\$ 53,996	\$ 53,996	\$ -
Salary - Deputies	67,381	67,381	67,380	1
Social Security	9,287	9,287	8,666	621
Group Medical Insurance	36,288	36,288	36,030	258
Retirement and Death Benefits	29,156	29,156	29,155	1
Worker's Compensation	618	618	425	193
Unemployment Insurance	412	412	216	196
Other Post Employment	11,738	11,738	11,737	1
Office Supplies and Repairs	2,800	2,800	2,800	-
Telephone	600	600	357	243
Miscellaneous	200	200	16	184
Conferences and Dues	4,200	4,200	1,448	2,752
Total Treasurer	<u>216,676</u>	<u>216,676</u>	<u>212,226</u>	<u>4,450</u>
TAX ASSESSOR-COLLECTOR				
Salaries - Tax Assessor-Collector	53,996	53,996	53,996	-
Salaries - Deputies	229,163	229,163	229,158	5
Salaries - Extra Help	18,928	18,928	15,907	3,021
Social Security	23,110	23,110	22,019	1,091
Group Medical Insurance	96,768	96,768	95,084	1,684
Retirement and Death Benefits	72,562	72,562	71,835	727
Worker's Compensation	1,441	1,441	1,058	383
Unemployment Insurance	999	999	784	215
Other Post Employment	27,382	27,382	27,381	1
Office Supplies and Repairs	3,925	3,925	2,694	1,231
Telephone	1,390	1,390	1,175	215
Conference and Dues	4,000	4,000	3,799	201
Professional Services	2,000	2,000	1,870	130
Miscellaneous	500	500	-	500
Total Tax Assessor-Collector	<u>536,164</u>	<u>536,164</u>	<u>526,761</u>	<u>9,403</u>
Total Financial Administration	<u>1,040,929</u>	<u>1,040,929</u>	<u>1,017,607</u>	<u>23,322</u>

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (Cont'd.)				
PUBLIC FACILITIES				
BUILDING MAINTENANCE				
Salary - Building Superintendent	\$ 40,062	\$ 40,062	\$ 40,062	\$ -
Travel Allowance	1,200	1,200	1,200	-
Social Security	3,157	3,157	3,157	0
Group Medical Insurance	12,096	12,096	11,996	100
Retirement	9,912	9,912	9,911	1
Worker's Compensation	2,582	2,582	1,210	1,372
Unemployment Insurance	199	199	132	67
Other Post Employment	3,991	3,991	3,990	1
S.W.E.A.T. Supplies	5,000	5,000	2,427	2,573
Operating Supplies	30,000	30,000	25,686	4,314
Repair and Maintenance Supplies	19,720	19,720	566	19,154
Professional Services	120,000	129,850	110,163	19,687
Telephone	800	800	586	214
Utilities	80,000	80,000	74,957	5,043
Repairs and Renovations	40,000	140,000	111,396	28,604
Miscellaneous	156	156	-	156
Total Building Maintenance	368,875	478,725	397,438	81,287
Total Public Facilities	368,875	478,725	397,438	81,287
PUBLIC SAFETY				
SHERIFF				
Salary - Sheriff	54,236	54,236	54,236	-
Salary - Chief Deputy	52,341	52,341	52,341	-
Salary - Administrative Deputy	39,566	39,566	39,422	144
Salaries - Secretaries	65,335	65,335	65,333	2
Salaries - Communication Officers	285,568	285,568	284,602	966
Salaries - Patrol and Investigative Deputies	789,762	789,762	787,062	2,700
Criminal Investigators	188,687	188,687	187,390	1,297
Social Security	112,887	112,887	108,437	4,450
Group Medical Insurance	411,264	411,264	406,347	4,917
Retirement and Death Benefits	354,435	354,435	353,189	1,246
Worker's Compensation	56,206	56,206	28,212	27,994
Unemployment Insurance	4,157	4,607	4,531	76
Other Post Employment	142,681	142,681	142,187	494
Office Supplies	24,500	24,687	24,686	1
911 Supplies & Repairs	3,000	2,813	-	2,813
K/9 Expense	3,000	3,000	1,061	1,939

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES (Cont'd.)				
SHERIFF (Cont'd)				
Uniforms	\$ 7,000	\$ 10,000	\$ 9,640	\$ 360
Repair and Maintenance	2,000	2,000	345	1,655
Telephone and Radio Communications	11,000	21,000	18,836	2,164
Criminal Investigation	8,000	8,000	6,958	1,042
Animal Control	15,000	12,000	5,453	6,547
Utilities	26,000	26,000	25,212	788
Gasoline, Auto Parts and Repairs	250,000	204,344	143,996	60,348
Conference and Dues	15,000	15,000	10,489	4,511
Law Enforcement Officer Standard Traini	4,000	4,000	3,950	51
Miscellaneous	5,800	9,800	9,673	127
Total Sheriff	2,931,425	2,900,219	2,773,588	126,631
CONSTABLE PCT. 1 AND 4				
Salary - Constable Precinct #1	51,751	51,751	51,751	-
Part-Time Deputy	26,441	26,441	19,225	7,216
Social Security	5,982	5,982	5,306	676
Group Medical Insurance	12,096	12,096	12,010	86
Retirement and Death Benefits	18,784	18,784	17,048	1,736
Worker's Compensation	3,847	3,847	1,399	2,448
Unemployment	206	206	62	144
Other Post Employment	5,005	5,005	5,004	1
Law Enforcement Officer Standard Traini	1,000	1,000	437	563
Parts & Repairs	20,000	20,000	6,453	13,547
Telephone	800	800	651	149
Ammunition	1,000	1,000	885	115
Uniforms	880	880	549	331
Conferences & Dues	1,000	1,000	955	45
Miscellaneous	500	500	-	500
Total Constable Pct. 1 & 4	149,292	149,292	121,734	27,558
CONSTABLE PCT. 2 AND 3				
Salary - Constable Precinct #2	51,751	51,751	51,751	-
Deputy	46,300	46,300	45,611	690
Social Security	7,501	7,501	7,170	331
Group Medical Insurance	24,192	24,192	24,020	172
Retirement and Death Benefits	23,552	23,552	23,386	166
Worker's Compensation	3,847	3,847	1,754	2,093
Unemployment	206	206	146	60
Other Post Employment	9,482	9,482	9,415	67
Law Enforcement Officer Standard Traini	1,000	1,000	256	744
Parts & Repairs	20,000	20,000	19,044	956
Telephone	1,600	2,600	1,931	669
Office Supplies	500	500	228	272
Ammunition	1,000	600	531	69
Uniforms	880	880	379	501
Canine Expense	1,500	1,200	896	304
Miscellaneous	565	565	-	565
Conferences & Dues	1,000	1,015	205	810
Total Constable Pct. 2 & 3	194,876	195,191	186,723	8,468

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
CORRECTIONS				
Salary - Sergeant and Jailors	\$ 978,528	\$ 978,528	\$ 961,824	\$ 16,704
Social Security	74,868	74,868	71,686	3,182
Group Medical Insurance	326,592	326,592	319,294	7,298
Retirement	235,054	235,054	231,030	4,024
Worker's Compensation	31,042	31,042	17,509	13,533
Unemployment Insurance	3,788	3,788	3,078	710
Other Post Employment	94,624	94,624	93,009	1,615
Clothing and Bedding	4,000	4,000	2,856	1,144
Jail Laundry	3,000	3,000	1,946	1,054
Office Supplies	3,000	5,000	2,977	2,023
Jail Board - Prisoners	160,000	137,000	109,420	27,580
Telephone	2,000	2,000	817	1,184
Medical - Prisoners	159,500	179,500	143,061	36,439
Utilities	95,000	95,000	63,479	31,521
Jail Repairs and Maintenance	20,000	16,000	11,736	4,264
Jail Repairs and Renovations	20,000	15,500	15,273	227
Rentals	2,000	2,000	115	1,886
Miscellaneous Supplies	33,000	41,500	40,363	1,137
Miscellaneous	3,500	4,500	4,270	230
Total Corrections	<u>2,249,496</u>	<u>2,249,496</u>	<u>2,093,742</u>	<u>155,754</u>
RURAL ADDRESSING				
Salaries - Coordinators	74,650	74,650	74,649	1
Social Security	5,711	5,711	5,711	0
Group Medical Insurance	24,192	24,192	24,020	172
Retirement	17,932	17,932	17,931	1
Worker's Compensation	773	773	216	557
Unemployment Insurance	367	367	239	128
Other Post Employment	7,219	7,219	7,218	1
Office Supplies	1,200	1,200	365	835
Computer Replacement Parts	1,000	1,000	125	875
Signs & Posts	10,000	10,000	7,472	2,528
Software & Supplies	800	800	786	14
Telephone	1,600	1,600	947	653
Professional Services	1,200	1,200	-	1,200
Parts	1,000	1,000	527	473
Conferences & Dues	400	400	-	400
Rental	3,900	3,900	-	3,900
Miscellaneous	500	500	45	455
Total Rural Addressing	<u>152,444</u>	<u>152,444</u>	<u>140,251</u>	<u>12,193</u>

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENDITURES (Cont'd.)				
PUBLIC SAFETY (Cont'd.)				
HIGHWAY PATROL				
Salary - Secretary	\$ 31,467	\$ 31,467	\$ 31,466	\$ 1
Social Security	2,408	2,408	2,142	266
Group Medical Insurance	12,096	12,096	12,010	86
Retirement and Death Benefits	7,559	7,559	7,558	1
Worker's Compensation	206	206	110	96
Unemployment Insurance	150	150	101	49
Other Post Employment	3,043	3,043	3,043	0
Telephone	1,000	990	14	976
Game Warden's Supplies	500	500	500	-
Highway Patrol's Cellular Phone	2,200	2,210	2,209	1
Office Supplies and Repairs	2,000	2,000	1,998	2
Miscellaneous	500	500	500	-
Total Highway Patrol	63,129	63,129	61,652	1,477
FIRE SAFETY				
Fire Services	1,500	1,500	1,500	-
Total Fire Safety	1,500	1,500	1,500	-
Total Public Safety	5,742,162	5,711,271	5,379,191	332,080
ENVIRONMENTAL PROTECTION				
Trash Disposal	425,000	425,000	398,730	26,270
Total Trash Disposal	425,000	425,000	398,730	26,270
Total Environmental Protection	425,000	425,000	398,730	26,270
HEALTH AND PAUPERS CARE				
Medical Indigent	10,000	10,000	2,794	7,206
Aging Match	3,200	3,200	-	3,200
Indigent Health Care	210,000	210,000	143,436	66,564
Mental Health/Mental Retardation	28,000	28,000	28,000	-
Statements of Facts	14,000	44,000	33,585	10,415
Autopsies & Inquests	80,000	93,213	91,163	2,050
Mental Evaluation of Prisoners	5,000	9,157	9,156	1
Retarded Citizens Association	6,500	6,500	6,500	-
Alcohol Abuse Program	4,000	4,000	4,000	-
Child Advocacy	5,000	5,000	5,000	-
Attorney Fees -Juveniles	20,000	20,000	8,470	11,530
Attorney Fees	200,000	279,262	279,093	169
Open Door/Juvenile Care	5,000	5,000	5,000	-
Miscellaneous	200	1,350	1,350	-
Health Officer	6,000	6,000	6,000	-
Total Health and Paupers Care	596,900	724,682	623,548	101,134

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
RECREATION				
LIBRARY				
Salaries - Librarians	\$ 202,337	\$ 202,337	\$ 201,414	\$ 923
Temporary Librarian	13,590	13,590	12,849	741
Social Security	16,523	16,523	15,587	936
Group Medical Insurance	72,576	72,576	72,059	517
Retirement & Death Benefits	51,866	51,866	51,466	400
Worker's Compensation	1,545	1,545	686	859
Unemployment Insurance	927	927	740	187
Other Post Employment Benefits	20,881	20,881	19,477	1,404
Supplies & Books	10,000	10,000	10,000	-
Software & Supplies	2,850	2,850	2,850	-
Insurance	8,500	8,500	8,314	186
Total Library	401,595	401,595	395,442	6,153
YOUTH PROGRAMS				
Carthage	10,000	10,000	10,000	-
Beckville	3,000	3,000	3,000	-
Gary	2,000	2,000	2,000	-
After School	2,000	2,000	2,000	-
Exposition Bldg.-Maintenance	5,000	5,000	480	4,520
Total Youth Programs	22,000	22,000	17,480	4,520
Total Recreation	423,595	423,595	412,922	10,673
CONSERVATION				
AGRICULTURAL EXTENSION SERVICE				
Salary - County Extension Agent	16,433	16,433	16,433	-
Salary - Home Extension Agent	16,433	16,433	16,433	-
Expense Allowances - Agents	12,100	12,100	12,100	-
Salaries - Secretaries	31,467	31,467	31,466	1
Social Security	5,850	5,850	5,694	156
Group Medical Insurance	12,096	12,096	12,010	86
Retirement and Death Benefit	7,559	7,559	7,558	1
Worker's Compensation	1,900	1,900	678	1,222
Unemployment Insurance	358	358	245	113
Other Post Employment	3,043	3,043	3,043	0
Office Supplies, Postage & Repairs	2,000	4,077	4,076	1
Telephone	2,850	2,890	2,872	18
Travel	4,800	1,769	855	914
Conferences and Dues	2,000	575	116	459
Miscellaneous Supplies	372	161	160	1
Miscellaneous	300	-	-	-
Total Extension Service	119,561	116,711	113,739	2,972
Total Conservation	119,561	116,711	113,739	2,972

(Continued)

PANOLA COUNTY, TEXAS
 SUPPLEMENTARY FINANCIAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND, continued
 FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
CAPITAL OUTLAY				
GENERAL ADMINISTRATION				
County Judge	\$ 650	\$ 650	\$ 200	\$ 450
Commissioners	150	150	-	150
County Clerk	8,128	4,628	4,302	326
Veterans Service Officer	300	300	210	90
Airport	50	50	-	50
Miscellaneous and Non-Departmental	10,000	17,083	9,950	7,133
JUDICIAL				
District Court	5,500	5,500	4,198	1,302
County Court at Law	3,650	3,650	3,265	385
District Clerk	7,628	7,718	7,716	2
Justice of the Peace Pct. 1 & 4	1,000	1,000	456	544
Justice of the Peace Pct. 2 & 3	495	295	200	95
LEGAL				
District Attorney	4,250	2,841	785	2,056
ELECTIONS	50	2,440	2,390	50
Elections Administration	50	50	-	50
FINANCIAL ADMINISTRATION				
Auditor	3,300	3,300	61	3,239
Treasurer	2,000	2,000	1,549	451
Tax Assessor-Collector	50	50	-	50
PUBLIC FACILITIES				
Building Maintenance	50	50	-	50
PUBLIC SAFETY				
Sheriff	125,000	198,749	185,989	12,760
Constable Pct. 1 and 4	10,500	10,500	3,147	7,353
Constable Pct. 2 and 3	10,000	9,685	9,278	407
Corrections	6,000	11,000	10,757	243
Rural Addressing	50	50	-	50
Highway Patrol	3,500	3,500	3,497	3
RECREATION				
Library	50	50	-	50
CONSERVATION				
Agriculture Extension Service	2,000	4,850	4,610	240
Total Capital Outlay	204,401	290,139	252,561	37,578
Total Expenditures	18,402,544	18,446,224	17,324,828	1,121,396
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,576,676)	(2,546,676)	(956,108)	1,590,568
OTHER FINANCING SOURCES (USES):				
Transfers Out	(211,108)	(241,108)	(241,108)	-
Total Other Financing Sources (Uses)	(211,108)	(241,108)	(241,108)	-
Net Change in Fund Balance	(2,787,784)	(2,787,784)	(1,197,216)	1,590,568
FUND BALANCE, BEGINNING	10,485,417	10,480,929	12,628,900	2,147,971
FUND BALANCE, ENDING	\$ 7,697,633	\$ 7,693,145	\$ 11,431,684	\$ 3,738,539

(Continued)

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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**PANOLA COUNTY, TEXAS
COMBINED BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	Special Revenue	Capital Projects	Total Other Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 2,115,082	\$ 168,434	\$ 2,283,516
Investments	6,448,209	550,000	6,998,209
Receivables (net of allowance for uncollectible taxes)			
Current Taxes	98,090	-	98,090
Delinquent Taxes	22,919	-	22,919
Due from Other Governments	18,322	-	18,322
Miscellaneous	230,182	387	230,569
Prepays	50,000	-	50,000
Inventory	18,074	-	18,074
	9,000,878	718,821	9,719,699
Total Assets	9,000,878	718,821	9,719,699
 LIABILITIES:			
Accounts Payable-Trade	315,388	-	315,388
Total Liabilities	315,388	-	315,388
 DEFERRED INFLOWS OF RESOURCES:			
Unearned Revenue	453,531	-	453,531
Unearned Deferred Revenue	121,009	-	121,009
Total Deferred Inflows of Resources	574,540	-	574,540
 FUND BALANCES:			
Nonspendable	68,066	-	68,066
Restricted	8,042,884	-	8,042,884
Committed	-	718,821	718,821
Total Fund Balances	8,110,950	718,821	8,829,771
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 9,000,878	 \$ 718,821	 \$ 9,719,699

PANOLA COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue	Capital Projects	Total Other Governmental Funds
REVENUES			
Property Taxes	\$ 596,141	\$ -	\$ 596,141
Intergovernmental Receipts	613,817	-	613,817
Fees of Office	470,135	-	470,135
Miscellaneous	1,382,596	3,439	1,386,035
TOTAL REVENUES	3,062,689	3,439	3,066,128
EXPENDITURES			
Current:			
General Administration	50,625	-	50,625
Legal	19,187	-	19,187
Elections	20,315	-	20,315
Public Facilities	21,580	-	21,580
Public Safety	1,087,674	-	1,087,674
Public Transportation	576,510	-	576,510
Health & Paupers Care	1,304,209	-	1,304,209
Capital Outlay:			
General Administration	-	-	-
Public Safety	33,044	-	33,044
Public Transportation	10,582	-	10,582
Recreation	-	-	-
TOTAL EXPENDITURES	3,123,726	-	3,123,726
Excess (Deficiency) of Revenues Over Expenditures	(61,037)	3,439	(57,599)
OTHER FINANCING SOURCES (USES)			
Transfers In	241,108	-	241,108
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES	241,108	-	241,108
NET CHANGE IN FUND BALANCES	180,071	3,439	183,510
FUND BALANCE-BEGINNING OF YEAR	7,930,880	715,383	8,646,263
FUND BALANCE-END OF YEAR	\$ 8,110,951	\$ 718,821	\$ 8,829,772

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SHERIFF'S 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.

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.

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

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

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

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

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

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

**PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016**

	<u>LAW LIBRARY</u>	<u>JUVENILE DELINQUENCY PREVENTION</u>	<u>COURT- HOUSE SECURITY</u>	<u>RECORDS MANAGEMENT</u>
ASSETS:				
Cash and Cash Equivalents	\$ 11,949	\$ 157	\$ 43,397	\$ 42,751
Investments	42,000	-	177,000	126,000
Receivables (net of allowance for uncollectible taxes)				
Current Taxes	-	-	-	-
Delinquent Taxes	-	-	-	-
Due from Other Governments	-	-	-	-
Miscellaneous	99	-	210	208
Prepays	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u>54,049</u>	<u>157</u>	<u>220,607</u>	<u>168,959</u>
LIABILITIES:				
Accounts Payable-Trade	1,243	-	-	-
Total Liabilities	<u>1,243</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:				
Unearned Revenue	-	-	-	-
Unearned Deferred Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	52,806	157	220,607	168,959
Total Fund Balances	<u>52,806</u>	<u>157</u>	<u>220,607</u>	<u>168,959</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 54,049</u>	<u>\$ 157</u>	<u>\$ 220,607</u>	<u>\$ 168,959</u>

COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION	RECORDS PRESERVATION
\$ 4,531	\$ 18,878	\$ 7,398	\$ 8,877	\$ 154,012
-	-	-	-	395,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
15	20	30	15	569
-	-	-	-	-
-	-	-	-	-
<u>4,546</u>	<u>18,898</u>	<u>7,428</u>	<u>8,892</u>	<u>549,582</u>
-	-	-	-	1,400
-	-	-	-	1,400
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,546</u>	<u>18,898</u>	<u>7,428</u>	<u>8,892</u>	<u>548,182</u>
<u>4,546</u>	<u>18,898</u>	<u>7,428</u>	<u>8,892</u>	<u>548,182</u>
\$ <u>4,546</u>	\$ <u>18,898</u>	\$ <u>7,428</u>	\$ <u>8,892</u>	\$ <u>549,582</u>

**PANOLA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2016**

	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST
ASSETS:			
Cash and Cash Equivalents	\$ 149,400	\$ 30,966	\$ 3,555
Investments	75,000	55,000	-
Receivables (net of allowance for uncollectible taxes)			
Current Taxes	-	-	-
Delinquent Taxes	-	-	-
Due from Other Governments	-	-	-
Miscellaneous	350	78	150
Prepays	-	-	-
Inventory	-	-	-
Total Assets	224,750	86,045	3,705
LIABILITIES:			
Accounts Payable-Trade	-	-	-
Total Liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES:			
Unearned Revenue	-	-	-
Unearned Deferred Revenue	-	-	-
Total Deferred Inflows of Resources	-	-	-
FUND BALANCES:			
Nonspendable	-	-	-
Restricted	224,750	86,045	3,705
Total Fund Balances	224,750	86,045	3,705
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 224,750	\$ 86,045	\$ 3,705

<u>ELECTION SERVICES CONTRACT</u>	<u>FM & LATERAL</u>	<u>COMMUNITY SUPERVISION AND CORRECTIONS</u>	<u>DRUG COURT GRANT</u>	<u>JUVENILE PROBATION</u>
\$ 5,940	\$ 399,752	\$ 131,164	\$ 79,806	\$ 186,477
-	2,010,209	-	-	200,000
-	98,090	-	-	-
-	22,919	-	-	-
-	18,322	-	-	-
-	1,982	69,079	20,876	48
-	-	-	-	-
-	-	-	-	-
<u>5,940</u>	<u>2,551,274</u>	<u>200,243</u>	<u>100,683</u>	<u>386,526</u>
-	2,889	113,850	10,525	1,926
-	2,889	113,850	10,525	1,926
-	453,531	-	-	-
-	121,009	-	-	-
-	574,540	-	-	-
-	-	-	-	-
<u>5,940</u>	<u>1,973,845</u>	<u>86,394</u>	<u>90,158</u>	<u>384,599</u>
<u>5,940</u>	<u>1,973,845</u>	<u>86,394</u>	<u>90,158</u>	<u>384,599</u>
<u>\$ 5,940</u>	<u>\$ 2,551,274</u>	<u>\$ 200,243</u>	<u>\$ 100,683</u>	<u>\$ 386,526</u>

**PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016**

	HOT CHECK FEE	SHERIFF'S STATE FORFEITURE	JAIL COMM	DIST ATTY LONGEVITY PAY SUPPLEMENT
ASSETS:				
Cash and Cash Equivalents	\$ 18,414	\$ 75,455	\$ 14,023	\$ 115
Investments	16,000	13,000	-	-
Receivables (net of allowance for uncollectible taxes)				
Current Taxes	-	-	-	-
Delinquent Taxes	-	-	-	-
Due from Other Governments	-	-	-	-
Miscellaneous	68	17	-	-
Prepays	-	-	-	-
Inventory	-	-	-	-
Total Assets	34,483	88,472	14,023	115
LIABILITIES:				
Accounts Payable-Trade	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES:				
Unearned Revenue	-	-	-	-
Unearned Deferred Revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	34,483	88,472	14,023	115
Total Fund Balances	34,483	88,472	14,023	115
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 34,483	\$ 88,472	\$ 14,023	\$ 115

D.A. FORFEITURE	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE
\$ 9,255	\$ 676	\$ 189	\$ 1,010	\$ 256	\$ 57,122
11,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8	-	-	-	-	-
20,263	676	189	1,010	256	57,122
79	-	-	-	-	-
79	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,184	676	189	1,010	256	57,122
20,184	676	189	1,010	256	57,122
\$ 20,263	\$ 676	\$ 189	\$ 1,010	\$ 256	\$ 57,122

**PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016**

	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	DEADWOOD WATER SUPPLY CORPORATION	FAIRPLAY WATER SUPPLY CORPORATION
ASSETS:			
Cash and Cash Equivalents	\$ 288	\$ -	\$ -
Investments	-	-	-
Receivables (net of allowance for uncollectible taxes)			
Current Taxes	-	-	-
Delinquent Taxes	-	-	-
Due from Other Governments	-	-	-
Miscellaneous	-	7,000	11,580
Prepays	-	-	-
Inventory	-	-	-
Total Assets	288	7,000	11,580
LIABILITIES:			
Accounts Payable-Trade	-	7,000	11,580
Total Liabilities	-	7,000	11,580
DEFERRED INFLOWS OF RESOURCES:			
Unearned Revenue	-	-	-
Unearned Deferred Revenue	-	-	-
Total Deferred Inflows of Resources	-	-	-
FUND BALANCES:			
Nonspendable	-	-	-
Restricted	288	-	-
Total Fund Balances	288	-	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 288	\$ 7,000	\$ 11,580

CHILD PROTECTIVE SERVICES	HEALTH FUND	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL
\$ 48,201	\$ 371,521	\$ 239,545	\$ 2,115,082
61,000	3,206,000	61,000	6,448,209
-	-	-	98,090
-	-	-	22,919
-	-	-	18,322
2,416	114,977	393	230,182
-	-	50,000	50,000
-	-	18,066	18,074
<u>111,617</u>	<u>3,692,499</u>	<u>369,004</u>	<u>9,000,878</u>
<u>53</u>	<u>164,844</u>	<u>-</u>	<u>315,388</u>
<u>53</u>	<u>164,844</u>	<u>-</u>	<u>315,388</u>
-	-	-	453,531
-	-	-	121,009
-	-	-	574,540
-	-	68,066	68,066
<u>111,564</u>	<u>3,527,655</u>	<u>300,938</u>	<u>8,042,884</u>
<u>111,564</u>	<u>3,527,655</u>	<u>369,004</u>	<u>8,110,950</u>
<u>\$ 111,617</u>	<u>\$ 3,692,499</u>	<u>\$ 369,004</u>	<u>\$ 9,000,878</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-
Fees of Office	13,026	-	18,982	5,527
Miscellaneous	244	1	1,040	828
TOTAL REVENUES	13,270	1	20,022	6,355
EXPENDITURES				
Current				
General Administration	-	-	17,651	8,000
Legal	7,439	-	-	-
Elections	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	-
Health & Paupers Care	-	-	-	-
Capital Outlay				
General Administration	-	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	-
TOTAL EXPENDITURES	7,439	-	17,651	8,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,831	1	2,371	(1,645)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
NET CHANGE IN FUND BALANCES	5,831	1	2,371	(1,645)
FUND BALANCE-BEGINNING OF YEAR	46,975	156	218,236	170,604
FUND BALANCE-END OF YEAR	\$ 52,806	\$ 157	\$ 220,607	\$ 168,959

(Continued)

COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION	RECORDS PRESERVATION
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
607	2,322	2,543	1,357	66,995
18	82	27	37	2,485
625	2,403	2,570	1,394	69,480
-	1,800	-	600	15,400
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,800	-	600	15,400
625	603	2,570	794	54,080
-	-	-	-	-
-	-	-	-	-
625	603	2,570	794	54,080
3,921	18,295	4,858	8,098	494,102
\$ 4,546	\$ 18,898	\$ 7,428	\$ 8,892	\$ 548,182

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-
Fees of Office	56,690	10,692	-
Miscellaneous	892	400	166
TOTAL REVENUES	57,582	11,092	166
EXPENDITURES			
Current			
General Administration	-	6,298	876
Legal	-	-	-
Elections	-	-	-
Public Facilities	-	-	-
Public Safety	-	-	-
Public Transportation	-	-	-
Health & Paupers Care	-	-	-
Capital Outlay			
General Administration	-	-	-
Public Safety	-	-	-
Public Transportation	-	-	-
TOTAL EXPENDITURES	-	6,298	876
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	57,582	4,794	(710)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
NET CHANGE IN FUND BALANCES	57,582	4,794	(710)
FUND BALANCE-BEGINNING OF YEAR	167,168	81,250	4,415
FUND BALANCE-END OF YEAR	\$ 224,750	\$ 86,045	\$ 3,705

(Continued)

ELECTION SERVICES CONTRACT	FM & LATERAL	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT GRANT	JUVENILE PROBATION
\$ -	\$ 596,141	\$ -	\$ -	\$ -
-	-	239,467	92,238	201,509
5,435	-	277,645	3,820	-
65	11,568	958	343	1,984
<u>5,500</u>	<u>607,709</u>	<u>518,070</u>	<u>96,401</u>	<u>203,493</u>
-	-	-	-	-
-	-	-	-	-
20,315	-	-	-	-
-	-	-	-	-
-	-	594,643	92,238	358,600
-	505,730	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	33,044
-	10,582	-	-	-
<u>20,315</u>	<u>516,312</u>	<u>594,643</u>	<u>92,238</u>	<u>391,644</u>
(14,815)	91,397	(76,573)	4,163	(188,151)
-	-	-	-	183,108
-	-	-	-	183,108
(14,815)	91,397	(76,573)	4,163	(5,043)
<u>20,755</u>	<u>1,882,448</u>	<u>162,967</u>	<u>85,995</u>	<u>389,643</u>
<u>\$ 5,940</u>	<u>\$ 1,973,845</u>	<u>\$ 86,394</u>	<u>\$ 90,158</u>	<u>\$ 384,600</u>

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	HOT CHECK FEE	SHERIFF'S STATE FORFEITURE	JAIL COMM	DIST ATTY LONGEVITY PAY SUPPLEMENT
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	3,371
Fees of Office	4,494	-	-	-
Miscellaneous	-	11,076	2,942	1
TOTAL REVENUES	4,494	11,076	2,942	3,372
EXPENDITURES				
Current				
General Administration	-	-	-	-
Legal	6,418	-	-	3,600
Elections	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	14,695	-	-
Public Transportation	-	-	-	-
Health & Paupers Care	-	-	-	-
Capital Outlay	-	-	-	-
General Administration	-	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	-
TOTAL EXPENDITURES	6,418	14,695	-	3,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,924)	(3,619)	2,942	(228)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,924)	(3,619)	2,942	(228)
FUND BALANCE-BEGINNING OF YEAR	36,406	92,091	11,081	343
FUND BALANCE-END OF YEAR	\$ 34,482	\$ 88,472	\$ 14,023	\$ 115

(Continued)

D.A. FORFEITURE	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	27,500	-	-	-	-
-	-	-	-	-	-
10,725	13	1	4	256	240
<u>10,725</u>	<u>27,513</u>	<u>1</u>	<u>4</u>	<u>256</u>	<u>240</u>
-	-	-	-	-	-
1,730	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	27,498	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,730</u>	<u>27,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,995	16	1	4	256	240
-	-	-	-	-	-
-	-	-	-	-	-
8,995	16	1	4	256	240
11,189	661	188	1,006	-	56,882
<u>\$ 20,184</u>	<u>\$ 676</u>	<u>\$ 189</u>	<u>\$ 1,010</u>	<u>\$ 256</u>	<u>\$ 57,122</u>

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	DEADWOOD WATER SUPPLY CORPORATION	FAIRPLAY WATER SUPPLY CORPORATION
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	7,000	11,580
Fees of Office	-	-	-
Miscellaneous	256	-	3,000
TOTAL REVENUES	256	7,000	14,580
EXPENDITURES			
Current			
General Administration	-	-	-
Legal	-	-	-
Elections	-	-	-
Public Facilities	-	7,000	14,580
Public Safety	-	-	-
Public Transportation	-	-	-
Health & Paupers Care	-	-	-
Capital Outlay	-	-	-
General Administration	-	-	-
Public Safety	-	-	-
Public Transportation	-	-	-
TOTAL EXPENDITURES	-	7,000	14,580
Excess (Deficiency) of Revenues Over (Under) Expenditures	256	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
NET CHANGE IN FUND BALANCES	256	-	-
FUND BALANCE-BEGINNING OF YEAR	32	-	-
FUND BALANCE-END OF YEAR	\$ 288	\$ -	\$ -

(Continued)

CHILD PROTECTIVE SERVICES	HEALTH FUND	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL
\$ -	\$ -	\$ -	\$ 596,141
2,370	28,783	-	613,817
-	-	-	470,135
2,060	1,239,138	91,746	1,382,596
4,430	1,267,921	91,746	3,062,689
-	-	-	50,625
-	-	-	19,187
-	-	-	20,315
-	-	-	21,580
-	-	-	1,087,674
-	-	70,780	576,510
53,345	1,250,864	-	1,304,209
-	-	-	-
-	-	-	33,044
-	-	-	10,582
53,345	1,250,864	70,780	3,123,725
(48,915)	17,057	20,966	(61,037)
58,000	-	-	241,108
58,000	-	-	241,108
9,085	17,057	20,966	180,071
102,479	3,510,598	348,038	7,930,880
\$ 111,564	\$ 3,527,655	\$ 369,004	\$ 8,110,951

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PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
LAW LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
Law Library Fees	\$ 12,000	\$ 12,000	\$ 13,026	\$ 1,026
MISCELLANEOUS				
Interest Earnings	125	125	244	119
Total Revenues	<u>12,125</u>	<u>12,125</u>	<u>13,270</u>	<u>1,145</u>
EXPENDITURES				
Current:				
Legal	12,125	12,125	7,439	4,686
Total Expenditures	<u>12,125</u>	<u>12,125</u>	<u>7,439</u>	<u>4,686</u>
Net Change in Fund Balances	-	-	5,831	5,831
FUND BALANCE, BEGINNING OF YEAR	<u>39,319</u>	<u>39,319</u>	<u>46,975</u>	<u>7,656</u>
FUND BALANCE, END OF YEAR	<u>\$ 39,319</u>	<u>\$ 39,319</u>	<u>\$ 52,806</u>	<u>\$ 13,487</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
COUNTY JUVENILE DELINQUENCY PREVENTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
Law Library Fees	\$ -	\$ -	\$ -	\$ -
MISCELLANEOUS				
Interest Earnings	<u>1</u>	<u>1</u>	<u>1</u>	<u>(0)</u>
Total Revenues	<u>1</u>	<u>1</u>	<u>1</u>	<u>(0)</u>
EXPENDITURES				
Current:				
Legal	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Expenditures	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balances	-	-	1	1
FUND BALANCE, BEGINNING OF YEAR	<u>156</u>	<u>156</u>	<u>156</u>	<u>0</u>
FUND BALANCE, END OF YEAR	<u>\$ 156</u>	<u>\$ 156</u>	<u>\$ 157</u>	<u>\$ 1</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
COURTHOUSE SECURITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 1,000	\$ 1,000	\$ 1,322	\$ 322
County Clerk Fees	8,000	6,980	6,981	1
JP Offices	8,000	9,020	10,679	1,659
Total Fees of Office	17,000	17,000	18,982	1,982
MISCELLANEOUS				
Interest Earnings	812	812	1,040	228
Total Revenues	17,812	17,812	20,022	2,210
EXPENDITURES				
Current:				
General Administration:				
Baliff and Security	12,320	12,320	12,319	1
Social Security Taxes	943	943	922	21
Retirement & Death Benefits	2,960	2,960	2,959	1
Workers Compensation	317	317	220	97
Unemployment Insurance	80	80	39	41
Other Post Employment	1,192	1,192	1,191	1
Total Expenditures	17,812	17,812	17,651	161
Net Change in Fund Balances	-	-	2,371	2,371
FUND BALANCE, BEGINNING OF YEAR	218,930	218,153	218,236	83
FUND BALANCE, END OF YEAR	\$ 218,930	\$ 218,153	\$ 220,607	\$ 2,454

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
RECORDS MANAGEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 2,430	\$ 2,430	\$ 2,535	\$ 105
County Clerk Fees	5,000	2,992	2,992	0
Total Fees of Office	<u>7,430</u>	<u>5,422</u>	<u>5,527</u>	<u>105</u>
MISCELLANEOUS				
Interest Earnings	570	570	828	258
Total Revenues	<u>8,000</u>	<u>5,992</u>	<u>6,355</u>	<u>363</u>
EXPENDITURES				
Current:				
Preservation & Restoration	8,000	8,000	8,000	-
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Net Change in Fund Balances	-	(2,008)	(1,645)	363
FUND BALANCE, BEGINNING OF YEAR	<u>170,727</u>	<u>170,567</u>	<u>170,604</u>	<u>37</u>
FUND BALANCE, END OF YEAR	<u>\$ 170,727</u>	<u>\$ 168,559</u>	<u>\$ 168,959</u>	<u>\$ 400</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
COUNTY & DISTRICT COURT TECH SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 50	\$ 50	\$ 169	\$ 119
County Clerk Fees	100	100	438	338
Total Fees of Office	<u>150</u>	<u>150</u>	<u>607</u>	<u>457</u>
MISCELLANEOUS				
Interest Earnings	1	1	18	17
Total Revenues	<u>151</u>	<u>151</u>	<u>625</u>	<u>474</u>
EXPENDITURES				
Capital Outlay:				
General Administration	151	151	-	151
Total Expenditures	<u>151</u>	<u>151</u>	<u>-</u>	<u>151</u>
Net Change in Fund Balances	-	-	625	625
FUND BALANCE, BEGINNING OF YEAR	<u>3,169</u>	<u>3,169</u>	<u>3,921</u>	<u>752</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,169</u>	<u>\$ 3,169</u>	<u>\$ 4,546</u>	<u>\$ 1,377</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
COURT RECORD PRESERVATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 1,790	\$ 1,790	\$ 2,322	\$ 532
Total Fees of Office	<u>1,790</u>	<u>1,790</u>	<u>2,322</u>	<u>532</u>
MISCELLANEOUS				
Interest Earnings	<u>10</u>	<u>10</u>	<u>82</u>	<u>72</u>
Total Revenues	<u>1,800</u>	<u>1,800</u>	<u>2,403</u>	<u>603</u>
EXPENDITURES				
Current:				
General Administration	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Total Expenditures	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Net Change in Fund Balances	-	-	603	603
FUND BALANCE, BEGINNING OF YEAR	<u>15,602</u>	<u>15,602</u>	<u>18,295</u>	<u>2,693</u>
FUND BALANCE, END OF YEAR	<u>\$ 15,602</u>	<u>\$ 15,602</u>	<u>\$ 18,898</u>	<u>\$ 3,296</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DISTRICT COURT RECORDS TECHNOLOGY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 600	\$ 600	\$ 2,543	\$ 1,943
Total Fees of Office	<u>600</u>	<u>600</u>	<u>2,543</u>	<u>1,943</u>
MISCELLANEOUS				
Interest Earnings	-	-	27	27
Total Revenues	<u>600</u>	<u>600</u>	<u>2,570</u>	<u>1,970</u>
EXPENDITURES				
Current:				
General Administration	600	600	-	600
Total Expenditures	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Net Change in Fund Balances	-	-	2,570	2,570
FUND BALANCE, BEGINNING OF YEAR	<u>3,668</u>	<u>3,668</u>	<u>4,858</u>	<u>1,190</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,668</u>	<u>\$ 3,668</u>	<u>\$ 7,428</u>	<u>\$ 3,760</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
FEES OF OFFICE				
District Clerk Fees	\$ 600	\$ 600	\$ 1,357	\$ 757
Total Fees of Office	<u>600</u>	<u>600</u>	<u>1,357</u>	<u>757</u>
MISCELLANEOUS				
Interest Earnings	-	-	37	37
Total Revenues	<u>600</u>	<u>600</u>	<u>1,394</u>	<u>794</u>
EXPENDITURES				
Current:				
General Administration	600	600	600	0
Total Expenditures	<u>600</u>	<u>600</u>	<u>600</u>	<u>0</u>
Net Change in Fund Balances	-	-	794	794
FUND BALANCE, BEGINNING OF YEAR	<u>6,531</u>	<u>6,531</u>	<u>8,098</u>	<u>1,567</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,531</u>	<u>\$ 6,531</u>	<u>\$ 8,892</u>	<u>\$ 2,361</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
RECORDS PRESERVATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
FEES OF OFFICE				
County Clerks Fees	\$ 35,324	\$ 35,324	\$ 66,995	\$ 31,671
Total Fees of Office	35,324	35,324	66,995	31,671
MISCELLANEOUS				
Interest Earnings	1,323	1,323	2,485	1,162
Total Revenues	36,647	36,647	69,480	32,833
EXPENDITURES				
Current:				
General Administration:				
Rentals, Microfilm, & Indexing	24,400	24,400	15,400	9,000
Digitizing Real Property Instruments	12,247	12,247	-	12,247
Total Expenditures	36,647	36,647	15,400	21,247
Net Change in Fund Balances	-	-	54,080	54,080
FUND BALANCE, BEGINNING OF YEAR	434,514	434,514	494,102	59,588
FUND BALANCE, END OF YEAR	\$ 434,514	\$ 434,514	\$ 548,182	\$ 113,668

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
RECORDS ARCHIVE FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
FEES OF OFFICE				
County Clerk Fees	\$ 29,800	\$ 29,800	\$ 56,690	\$ 26,890
Total Fees of Office	<u>29,800</u>	<u>29,800</u>	<u>56,690</u>	<u>26,890</u>
MISCELLANEOUS				
Interest Earnings	200	200	892	692
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>57,582</u>	<u>27,582</u>
EXPENDITURES				
Current:				
General Administration:				
Digitizing	30,000	30,000	-	30,000
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Net Change in Fund Balances	-	-	57,582	57,582
FUND BALANCE, BEGINNING OF YEAR	<u>101,181</u>	<u>101,181</u>	<u>167,168</u>	<u>65,987</u>
FUND BALANCE, END OF YEAR	<u>\$ 101,181</u>	<u>\$ 101,181</u>	<u>\$ 224,750</u>	<u>\$ 123,569</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
JUSTICE COURT TECHNOLOGY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
JP Offices	\$ 8,708	\$ 8,708	\$ 10,692	\$ 1,984
Total Fees of Office	<u>8,708</u>	<u>8,708</u>	<u>10,692</u>	<u>1,984</u>
MISCELLANEOUS				
Interest Earnings	292	292	400	108
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>11,092</u>	<u>2,092</u>
EXPENDITURES				
Current:				
General Administration:				
Professional Services	4,000	4,000	4,000	-
Supplies	5,000	5,000	2,298	2,702
Total Expenditures	<u>9,000</u>	<u>9,000</u>	<u>6,298</u>	<u>2,702</u>
Net Change in Fund Balances	-	-	4,794	4,794
FUND BALANCE, BEGINNING OF YEAR	<u>78,041</u>	<u>78,041</u>	<u>81,250</u>	<u>3,209</u>
FUND BALANCE, END OF YEAR	<u>\$ 78,041</u>	<u>\$ 78,041</u>	<u>\$ 86,045</u>	<u>\$ 8,004</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
VIT INTEREST SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Miscellaneous Revenue:				
Interest Earnings	\$ 20	\$ 20	\$ 166	\$ 146
Total Revenues	20	20	166	146
EXPENDITURES				
Current:				
Deputy Supplement	627	627	626	1
Social Security Taxes	48	48	37	11
Retirement	151	151	150	1
Workers Compensation	10	10	-	10
Unemployment Insurance	4	4	2	2
Other Post Employment	61	61	61	0
Total Expenditures	901	901	876	25
Net Change in Fund Balances	(881)	(881)	(710)	171
FUND BALANCE, BEGINNING OF YEAR	5,051	5,051	4,415	(636)
FUND BALANCE, END OF YEAR	\$ 4,170	\$ 4,170	\$ 3,705	\$ (465)

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
ELECTION SERVICES CONTRACT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
FEES OF OFFICE				
Election Services	\$ -	\$ -	\$ 5,435	\$ 5,435
Total Fees of Office	<u>-</u>	<u>-</u>	<u>5,435</u>	<u>5,435</u>
MISCELLANEOUS				
Interest Earnings	\$ -	\$ -	\$ 65	\$ 65
Total Revenues	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>5,500</u>
EXPENDITURES				
Current:				
Elections	-	20,315	20,315	-
Total Expenditures	<u>-</u>	<u>20,315</u>	<u>20,315</u>	<u>-</u>
Net Change in Fund Balances	-	(20,315)	(14,815)	5,500
FUND BALANCE, BEGINNING OF YEAR	<u>20,669</u>	<u>20,669</u>	<u>20,755</u>	<u>86</u>
FUND BALANCE, END OF YEAR	<u>\$ 20,669</u>	<u>\$ 354</u>	<u>\$ 5,940</u>	<u>\$ 5,586</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FARM TO MARKET AND LATERAL ROAD SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
PROPERTY TAXES				
Current	\$ 572,380	\$ 572,380	\$ 583,387	\$ 11,007
Delinquent	10,210	10,210	12,754	2,544
Total Property Taxes	<u>582,590</u>	<u>582,590</u>	<u>596,141</u>	<u>13,551</u>
MISCELLANEOUS				
Interest Earned	5,506	5,912	10,484	4,572
Miscellaneous	-	550	1,084	534
Total Miscellaneous	<u>5,506</u>	<u>6,462</u>	<u>11,568</u>	<u>5,106</u>
Total Revenues	<u>588,096</u>	<u>589,052</u>	<u>607,709</u>	<u>18,657</u>
EXPENDITURES				
Current:				
Public Transportation				
Salaries - Road and Bridge Department	119,255	119,255	84,336	34,919
Benefits Termination	1,568	1,568	-	1,568
Social Security Taxes	9,243	9,243	6,297	2,946
Group Insurance	24,192	24,192	24,020	172
Retirement and Death Benefits	29,022	29,022	20,257	8,765
Other Post Employment	11,684	11,684	8,155	3,529
Retiree Medical Insurance Trust	14,604	14,604	14,604	-
Workers Compensation	6,353	6,353	1,825	4,528
Optional Retirement	29,961	29,961	29,961	-
Unemployment Insurance	3,392	3,392	270	3,122
Repair and Maintenance	31,627	32,583	19,473	13,110
Parts and Repairs	20,000	60,000	33,587	26,413
Contingency	147,602	36,602	-	36,602
Conferences and Dues	900	900	-	900
Utilities	15,000	21,000	18,407	2,593
Contractor Service	8,000	19,000	5,056	13,944
Physicals and Drug	3,500	3,500	1,225	2,275
Rentals and Leases	5,000	5,000	4,038	962
Beaver Control	32,400	32,400	32,400	-
Liability and Other Insurance	204,145	254,145	199,528	54,617
Miscellaneous	1,250	1,250	860	390
Furniture and Equipment	1,000	3,000	1,431	1,569
Capital Outlay:				
Public Transportation	16,000	18,000	10,582	7,418
Total Expenditures	<u>735,698</u>	<u>736,654</u>	<u>516,312</u>	<u>220,342</u>
Net Change in Fund Balances	(147,602)	(147,602)	91,397	238,999
FUND BALANCE, BEGINNING OF YEAR	<u>1,742,353</u>	<u>1,742,353</u>	<u>1,882,448</u>	<u>140,095</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,594,751</u>	<u>\$ 1,594,751</u>	<u>\$ 1,973,845</u>	<u>\$ 379,094</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY SUPERVISION AND CORRECTION DEPARTMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Aid	\$ 139,018	\$ 150,752	\$ 150,752	\$ -
Community Corrections	56,500	50,930	50,930	-
C.S.R. Coordinator	-	4,898	4,898	-
CSCD Sex Offender	-	4,439	4,439	-
Indirect Services	-	6,810	6,810	-
Specialized Caseload-Sex Offender	-	21,638	21,638	-
Total Intergovernmental Receipts	195,518	239,467	239,467	-
FEEES OF OFFICE				
Probation Fees	167,437	277,645	277,645	-
Total Fees of Office	167,437	277,645	277,645	-
MISCELLANEOUS				
Interest Earned	100	807	807	-
Miscellaneous	-	151	151	-
Total Miscellaneous	100	958	958	-
Total Revenues	363,055	518,070	518,070	-
EXPENDITURES				
Current:				
Public Safety:				
Supervision	302,079	495,100	495,100	-
Community Corrections	44,988	29,641	29,641	-
Civil Supervision	-	147	147	-
C.S.R. Coordination	-	14,679	14,679	-
Indirect Services	-	15,397	15,397	-
Specialized Caseload	-	30,000	30,000	-
CSCD Sex Offender	-	9,679	9,679	-
Total Expenditures	347,067	594,643	594,643	-
Net Change in Fund Balances	15,988	(76,573)	(76,573)	-
FUND BALANCE, BEGINNING OF YEAR	162,967	162,967	162,967	-
FUND BALANCE, END OF YEAR	\$ 178,955	\$ 86,394	\$ 86,394	\$ -

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DRUG COURT GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Aid	\$ 100,272	\$ 92,238	\$ 92,238	\$ -
Total Intergovernmental Receipts	<u>100,272</u>	<u>92,238</u>	<u>92,238</u>	<u>-</u>
FEES OF OFFICE				
Drug Court Fees	-	3,820	3,820	-
Total Fees of Office	<u>-</u>	<u>3,820</u>	<u>3,820</u>	<u>-</u>
MISCELLANEOUS				
Interest Earned	-	343	343	-
Total Miscellaneous	<u>-</u>	<u>343</u>	<u>343</u>	<u>-</u>
Total Revenues	<u>100,272</u>	<u>96,401</u>	<u>96,401</u>	<u>-</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries - Officers	32,000	30,331	30,331	-
Social Security	2,837	2,485	2,485	-
Group Medical Insurance	9,600	9,798	9,798	-
Retirement	8,895	8,488	8,488	-
Unemployment Insurance	120	113	113	-
Workers Compensation	1,120	662	662	-
Prosecutor	5,000	5,005	5,005	-
Travel Per Diem	2,000	550	550	-
Registration Fees	500	275	275	-
Contractual & Professional Services	34,000	33,300	33,300	-
U/A Supplies	4,200	1,232	1,232	-
Total Expenditures	<u>100,272</u>	<u>92,238</u>	<u>92,238</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>4,163</u>	<u>4,163</u>	<u>-</u>
FUND BALANCE, BEGINNING OF YEAR	<u>85,995</u>	<u>85,995</u>	<u>85,995</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 85,995</u>	<u>\$ 90,158</u>	<u>\$ 90,158</u>	<u>\$ -</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
JUVENILE PROBATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS:				
C.C.A.P. Program Funding	\$ 176,788	\$ 183,244	\$ 183,244	\$ -
Commitment Reduction Program	8,643	8,643	8,643	-
Mental Health Services	9,622	9,622	9,622	-
Federal Title IV-E Funding	-	-	-	-
Total Intergovernmental Receipts	195,053	201,509	201,509	-
MISCELLANEOUS				
Interest Earned	1,100	1,984	1,984	-
Total Miscellaneous	1,100	1,984	1,984	-
Total Revenues	196,153	203,493	203,493	-
EXPENDITURES				
Current:				
Public Safety:				
Local Match Expenditures	184,176	190,345	190,345	-
TJPC/A	183,598	160,334	160,334	-
Federal Title IV-E Funding	25,000	-	-	-
Mental Health Services	9,622	7,922	7,922	-
Commitment Reduction Program	8,643	-	-	-
Capital Outlay:				
Public Safety:	25,000	33,044	33,044	-
Total Expenditures	436,039	391,644	391,644	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(239,886)	(188,151)	(188,151)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	183,108	183,108	183,108	-
Total Other Financing Sources (Uses)	183,108	183,108	183,108	-
Net Change in Fund Balances	(56,778)	(5,043)	(5,043)	-
FUND BALANCE, BEGINNING OF YEAR	389,643	389,643	389,643	-
FUND BALANCE, END OF YEAR	\$ 332,865	\$ 384,600	\$ 384,600	\$ -

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
HOT CHECK FEE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
FEES OF OFFICE				
Hot Check Fees	\$ 6,419	\$ 6,419	\$ 4,494	\$ (1,925)
Total Fees of Office	<u>6,419</u>	<u>6,419</u>	<u>4,494</u>	<u>(1,925)</u>
Total Revenues	<u>6,419</u>	<u>6,419</u>	<u>4,494</u>	<u>(1,925)</u>
EXPENDITURES				
Current:				
Legal:				
Court Coordinator & Specialist	342	342	342	
Secretaries	6,077	6,077	6,076	1
Social Security Taxes	-	-	-	-
Group Medical & Life Insurance	-	-	-	-
Retirement	-	-	-	-
Workers Compensation	-	-	-	-
Unemployment Insurance	-	-	-	-
Other Post Employment	-	-	-	-
Professional Liability Insurance	-	-	-	-
Cellular Phone	-	-	-	-
Miscellaneous	-	-	-	-
Total Hot Check Fee	<u>6,419</u>	<u>6,419</u>	<u>6,418</u>	<u>42</u>
Net Change in Fund Balances	-	-	(1,924)	(1,924)
FUND BALANCE, BEGINNING OF YEAR	<u>35,331</u>	<u>35,331</u>	<u>36,406</u>	<u>1,075</u>
FUND BALANCE, END OF YEAR	<u>\$ 35,331</u>	<u>\$ 35,331</u>	<u>\$ 34,482</u>	<u>\$ (849)</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
SHERIFF'S STATE FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
MISCELLANEOUS				
Forfeitures/Auction & Seizure	\$ -	\$ 2,000	\$ 10,644	\$ 8,644
Interest Earnings	-	-	432	432
Total Revenues	-	2,000	11,076	9,076
EXPENDITURES				
Current:				
Public Safety:				
Deputies and Patrol	-	-	-	-
Secretaries	1,921	1,921	1,921	0
Jail Administrator	-	-	-	-
Social Security Taxes	147	147	134	13
Group Medical & Life Benefits	-	-	-	-
Retirement & Death Benefits	462	462	461	1
Workers Compensation	25	25	3	22
Unemployment Insurance	10	10	6	4
Other Post Employment Benefits	186	186	186	0
Ammunition for Department	5,000	5,000	4,983	17
Conferences and Dues	-	-	-	-
Supplies and Equipment	1,000	1,000	-	1,000
Uniforms	4,000	4,000	-	4,000
Criminal Investigation	5,000	7,000	7,000	-
K/9 Drug Dog	-	-	-	-
Capital Outlay:				
Public Safety	25,000	25,000	-	25,000
Total Expenditures	42,751	44,751	14,695	5,056
Net Change in Fund Balances	(42,751)	(42,751)	(3,619)	39,132
FUND BALANCE, BEGINNING OF YEAR	47,441	47,441	92,091	44,650
FUND BALANCE, END OF YEAR	\$ 4,690	\$ 4,690	\$ 88,472	\$ 83,782

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
JAIL COMMISSARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
MISCELLANEOUS				
Commissary Profits	\$ -	\$ -	\$ 2,888	\$ 2,888
Interest Earnings	-	-	54	54
Total Revenues	<u>-</u>	<u>-</u>	<u>2,942</u>	<u>2,942</u>
EXPENDITURES				
Capital Outlay:				
Public Safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	2,942	2,942
FUND BALANCE, BEGINNING OF YEAR	<u>7,019</u>	<u>7,019</u>	<u>11,081</u>	<u>4,062</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 7,019</u></u>	<u><u>\$ 7,019</u></u>	<u><u>\$ 14,023</u></u>	<u><u>\$ 7,004</u></u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DISTRICT ATTORNEY FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
MISCELLANEOUS				
Forfeitures	\$ -	\$ -	\$ 10,644	\$ 10,644
Interest Earnings	-	-	81	81
Total Revenues	<u>-</u>	<u>-</u>	<u>10,725</u>	<u>10,725</u>
EXPENDITURES				
Current:				
Legal:				
Appointed Official	-	-	-	-
Court Coordinator and Spec.	-	-	-	-
Social Security Taxes	-	-	-	-
Group Insurance	-	-	-	-
Retirement	-	-	-	-
Workers Compensation	-	-	-	-
Unemployment Insurance	-	-	-	-
Other Post Employment	-	-	-	-
Parts, Repairs & Gas	-	-	-	-
Office Supplies	-	-	-	-
Advertising and Publications	500	500	-	500
Cellular Phone	1,200	1,200	875	325
Miscellaneous	2,000	2,000	855	1,145
Total Expenditures	<u>3,700</u>	<u>3,700</u>	<u>1,730</u>	<u>1,970</u>
Net Change in Fund Balances	(3,700)	(3,700)	8,995	12,695
FUND BALANCE, BEGINNING OF YEAR	<u>(920)</u>	<u>(920)</u>	<u>11,189</u>	<u>12,109</u>
FUND BALANCE, END OF YEAR	<u>\$ (4,620)</u>	<u>\$ (4,620)</u>	<u>\$ 20,184</u>	<u>\$ 24,804</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
STATE APPORTIONMENT - DISTRICT ATTORNEY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Comptroller Payments	\$ 27,499	\$ 27,499	\$ 27,500	\$ 1
Total Intergovernmental Receipts	<u>27,499</u>	<u>27,499</u>	<u>27,500</u>	<u>1</u>
MISCELLANEOUS				
Interest Earnings	-	-	13	13
Total Revenues	<u>27,499</u>	<u>27,499</u>	<u>27,513</u>	<u>14</u>
EXPENDITURES				
Current				
Public Safety:				
Appointed Official	6,600	6,600	6,600	-
Administrative Assistant	4,636	4,636	4,635	1
Secretaries	4,845	4,845	4,844	
Court Coordinator & Specialist	11,387	11,387	11,387	-
Social Security Taxes	31	31	31	
Total Expenditures	<u>27,499</u>	<u>27,468</u>	<u>27,498</u>	<u>1</u>
Net Change in Fund Balances	-	31	16	13
FUND BALANCE, BEGINNING OF YEAR	<u>644</u>	<u>654</u>	<u>661</u>	<u>7</u>
FUND BALANCE, END OF YEAR	<u>\$ 644</u>	<u>\$ 685</u>	<u>\$ 676</u>	<u>\$ (9)</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DISTRICT ATTORNEY LONGEVITY PAY SUPPLEMENT SPECIAL REVNUVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
State Longevity Funds	\$ 3,600	\$ 3,600	\$ 3,371	\$ (229)
MISCELLANEOUS				
Interest Earnings	-	-	1	1
Total Revenues	3,600	3,600	3,372	(228)
EXPENDITURES				
Current				
Legal	3,600	3,600	3,600	-
Total Expenditures	3,600	3,600	3,600	-
Net Change in Fund Balances	-	-	(228)	(228)
FUND BALANCE, BEGINNING OF YEAR	113	113	343	230
FUND BALANCE, END OF YEAR	\$ 113	\$ 113	\$ 115	\$ 2

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
CONSTABLE PCT. 1 & 4 STATE FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 1	\$ 1
Total Miscellaneous Receipts	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES				
Current				
Public Safety				
Furniture & Equipment	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	1	1
FUND BALANCE, BEGINNING OF YEAR	<u>187</u>	<u>187</u>	<u>188</u>	<u>1</u>
FUND BALANCE, END OF YEAR	<u>\$ 187</u>	<u>\$ 187</u>	<u>\$ 189</u>	<u>\$ 2</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
CONSTABLE PCT. 2 & 3 STATE FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 4	\$ 4
Total Miscellaneous Receipts	-	-	4	-
Total Revenues	-	-	4	-
EXPENDITURES				
Current				
Public Safety				
Uniforms	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	4	4
FUND BALANCE, BEGINNING OF YEAR	997	997	1,006	9
FUND BALANCE, END OF YEAR	\$ 997	\$ 997	\$ 1,010	\$ 13

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
SHERIFF FEDERAL FORFEITURES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Forfeitures	\$ -	\$ -	\$ 256	\$ 256
Interest Earned	-	-	-	1
Total Miscellaneous Receipts	<u>-</u>	<u>-</u>	<u>256</u>	<u>256</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>256</u>	<u>256</u>
EXPENDITURES				
Capital Outlay				
Legal	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	256	256
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256</u>	<u>\$ 256</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
CDA FEDERAL FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ -	\$ -	\$ 240	\$ 240
Total Miscellaneous Receipts	-	-	240	240
Total Revenues	-	-	240	240
EXPENDITURES				
Capital Outlay				
Legal	-	10,000	-	10,000
Total Expenditures	-	10,000	-	10,000
Net Change in Fund Balances	-	-	240	240
FUND BALANCE, BEGINNING OF YEAR	46,647	46,647	56,882	10,235
FUND BALANCE, END OF YEAR	\$ 46,647	\$ 46,647	\$ 57,122	\$ 10,475

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
MISCELLANEOUS				
Forfeitures	\$ -	\$ -	\$ 256	\$ 256
Interest Earned	-	-	1	1
Total Miscellaneous Receipts	<u>-</u>	<u>-</u>	<u>256</u>	<u>1</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>256</u>	<u>1</u>
EXPENDITURES				
Current				
Public Safety				
Uniforms	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	256	256
FUND BALANCE, BEGINNING OF YEAR	<u>32</u>	<u>32</u>	<u>32</u>	<u>(0)</u>
FUND BALANCE, END OF YEAR	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ 288</u>	<u>\$ 256</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
DEADWOOD WATER SUPPLY CORPORATION GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Federal Receipts	\$ -	\$ 7,000	\$ 7,000	\$ -
Total Intergovernmental Receipts	<u>-</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Public Facilities	-	7,000	7,000	-
Total Expenditures	<u>-</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
FAIRPLAY WATER SUPPLY CORPORATION GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Federal Receipts	\$ -	\$ 11,580	\$ 11,580	\$ -
Total Intergovernmental Receipts	<u>-</u>	<u>11,580</u>	<u>11,580</u>	<u>-</u>
MISCELLANEOUS				
Donations	-	3,000	3,000	-
Total Miscellaneous Receipts	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>14,580</u>	<u>14,580</u>	<u>-</u>
EXPENDITURES				
Current:				
Public Facilities	-	14,580	14,580	-
Total Expenditures	<u>-</u>	<u>14,580</u>	<u>14,580</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
CHILD PROTECTIVE SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Federal Receipts	\$ -	\$ -	\$ 2,370	\$ 2,370
Total Intergovernmental Receipts	-	-	2,370	2,370
MISCELLANEOUS				
Interest Earned	-	-	455	455
Donations	-	-	1,605	1,605
Total Miscellaneous Receipts	-	-	2,060	2,060
Total Revenues	-	-	4,430	4,430
EXPENDITURES				
Current				
Health & Paupers Care	28,000	58,000	53,345	4,655
Total Expenditures	28,000	58,000	53,345	4,655
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(28,000)	(58,000)	(48,915)	9,085
OTHER FINANCING SOURCES (USES)				
Transfers in	28,000	58,000	58,000	30,000
Total Other Financing Sources (Uses)	28,000	58,000	58,000	30,000
Net Change in Fund Balances	-	-	9,085	9,085
FUND BALANCE, BEGINNING OF YEAR	102,621	102,621	102,479	(142)
FUND BALANCE, END OF YEAR	\$ 102,621	\$ 102,621	\$ 111,564	\$ 8,943

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
HEALTH CARE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL RECEIPTS				
Tobacco Settlement	\$ 12,000	\$ 14,503	\$ 28,783	\$ 14,280
Total Intergovernmental Receipts	12,000	14,503	28,783	14,280
MISCELLANEOUS				
Hospital Lease	1,200,000	1,220,342	1,220,342	0
Miscellaneous	-	-	990	990
Interest Earnings	20,000	17,497	17,806	309
Total Miscellaneous Revenue	1,220,000	1,237,839	1,239,138	1,299
Total Revenues	1,232,000	1,252,342	1,267,921	15,579
EXPENDITURES				
Current				
Health & Paupers Care	1,232,000	1,252,342	1,250,864	1,478
Total Expenditures	1,232,000	1,252,342	1,250,864	1,478
Net Change in Fund Balances	-	-	17,057	17,057
FUND BALANCE, BEGINNING OF YEAR	3,496,479	3,496,479	3,510,598	14,119
FUND BALANCE, END OF YEAR	\$ 3,496,479	\$ 3,496,479	\$ 3,527,655	\$ 31,176

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) BASIS AND ACTUAL
AIRPORT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Miscellaneous	\$ 154,100	\$ 90,232	\$ 90,232	\$ 0
Interest Earned	900	900	1,513	613
Total Revenues	155,000	91,132	91,746	614
EXPENDITURES				
Current				
Public Transportation	282,000	218,132	70,780	147,352
Total Expenditures	282,000	218,132	70,780	147,352
Net Change in Fund Balances	(127,000)	(127,000)	20,966	147,966
FUND BALANCE, BEGINNING OF YEAR	213,080	213,080	348,038	134,958
FUND BALANCE, END OF YEAR	\$ 86,080	\$ 86,080	\$ 369,004	\$ 282,924

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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.

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**PANOLA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 NON-MAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2016**

	<u>ROAD BOND 1971</u>	<u>PERMANENT IMPROVEMENT</u>	<u>JAIL IMPROVEMENT</u>	<u>NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL</u>
ASSETS:				
Cash and Cash Equivalents	\$ 64,090	\$ 51,680	\$ 52,664	\$ 168,434
Investments	218,000	170,000	162,000	550,000
Receivables (net of allowance for uncollectibles)				
Miscellaneous	151	121	115	387
Total Assets	<u>\$ 282,241</u>	<u>\$ 221,801</u>	<u>\$ 214,779</u>	<u>\$ 718,821</u>
LIABILITIES:				
Accounts Payable-Trade	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Committed	282,241	221,801	214,779	718,821
Total Fund Balances	<u>282,241</u>	<u>221,801</u>	<u>214,779</u>	<u>718,821</u>
Total Liabilities and Fund Balances	<u>\$ 282,241</u>	<u>\$ 221,801</u>	<u>\$ 214,779</u>	<u>\$ 718,821</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	ROAD BOND	PERMANENT	JAIL	NON-MAJOR
	1971	IMPROVEMENT	IMPROVEMENT	CAPITAL
				PROJECTS
				FUNDS
				TOTAL
REVENUES				
Miscellaneous	\$ 1,354	\$ 1,059	\$ 1,026	\$ 3,439
TOTAL REVENUES	1,354	1,059	1,026	3,439
EXPENDITURES				
Capital Outlay				
Recreation	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,354	1,059	1,026	3,439
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
NET CHANGE IN FUND BALANCES	1,354	1,059	1,026	3,439
FUND BALANCE-BEGINNING OF YEAR	280,887	220,742	213,753	715,382
FUND BALANCE-END OF YEAR	\$ 282,241	\$ 221,801	\$ 214,779	\$ 718,821

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
1971 ROAD BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ 1,250	\$ 1,250	\$ 1,354	\$ 104
Total Revenues	<u>1,250</u>	<u>1,250</u>	<u>1,354</u>	<u>104</u>
EXPENDITURES				
Current:				
Public Transportation	1,250	1,250	-	1,250
Total Expenditures	<u>1,250</u>	<u>1,250</u>	<u>-</u>	<u>1,250</u>
Net Change in Fund Balances	-	-	1,354	1,354
FUND BALANCE, BEGINNING OF YEAR	<u>279,531</u>	<u>279,531</u>	<u>280,888</u>	<u>1,357</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 279,531</u></u>	<u><u>\$ 279,531</u></u>	<u><u>\$ 282,241</u></u>	<u><u>\$ 2,710</u></u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ 1,000	\$ 1,000	\$ 1,059	\$ 59
Total Miscellaneous Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,059</u>	<u>59</u>
EXPENDITURES				
Capital Outlay:				
General Administration	1,000	1,000	-	1,000
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balances	-	-	1,059	1,059
FUND BALANCE, BEGINNING OF YEAR	<u>219,674</u>	<u>219,674</u>	<u>220,742</u>	<u>1,068</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 219,674</u></u>	<u><u>\$ 219,674</u></u>	<u><u>\$ 221,801</u></u>	<u><u>\$ 2,127</u></u>

PANOLA COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
JAIL IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MISCELLANEOUS				
Interest Earned	\$ 900	\$ 900	\$ 1,026	\$ 126
Total Miscellaneous Revenues	<u>900</u>	<u>900</u>	<u>1,026</u>	<u>126</u>
EXPENDITURES				
Capital Outlay:				
Public Safety	900	900	-	900
Total Expenditures	<u>900</u>	<u>900</u>	<u>-</u>	<u>900</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>1,026</u>	<u>1,026</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>1,026</u>	<u>1,026</u>
FUND BALANCE, BEGINNING OF YEAR	<u>212,726</u>	<u>212,726</u>	<u>213,753</u>	<u>1,027</u>
FUND BALANCE, END OF YEAR	<u>\$ 212,726</u>	<u>\$ 212,726</u>	<u>\$ 214,779</u>	<u>\$ 2,053</u>

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**PANOLA COUNTY, TEXAS
AGENCY FUNDS**

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

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

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

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

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

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

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

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

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

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

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**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2016</u>
AUTOMOBILE REGISTRATION FUND				
ASSETS				
Cash and Cash Equivalents	\$ 377,379	\$ 4,978,781	\$ 4,986,936	\$ 369,224
Total Assets	<u>\$ 377,379</u>	<u>\$ 4,978,781</u>	<u>\$ 4,986,936</u>	<u>\$ 369,224</u>
LIABILITIES				
Due to Other Governments	\$ 377,379	\$ 4,978,781	\$ 4,986,936	\$ 369,224
Total Liabilities	<u>\$ 377,379</u>	<u>\$ 4,978,781</u>	<u>\$ 4,986,936</u>	<u>\$ 369,224</u>
TAX ASSESSOR-COLLECTOR ADVALOREM TAX FUND				
ASSETS				
Cash and Cash Equivalents	\$ 2,827,504	\$ 64,869,019	\$ 65,368,231	\$ 2,328,292
Total Assets	<u>\$ 2,827,504</u>	<u>\$ 64,869,019</u>	<u>\$ 65,368,231</u>	<u>\$ 2,328,292</u>
LIABILITIES				
Due to Other Governments	\$ 2,827,504	\$ 64,869,019	\$ 65,368,231	\$ 2,328,292
Total Liabilities	<u>\$ 2,827,504</u>	<u>\$ 64,869,019</u>	<u>\$ 65,368,231</u>	<u>\$ 2,328,292</u>
COUNTY CLERK FUND				
ASSETS				
Cash and Cash Equivalents	\$ 131,148	\$ 6,466	\$ 31,456	\$ 106,157
Total Assets	<u>\$ 131,148</u>	<u>\$ 6,466</u>	<u>\$ 31,456</u>	<u>\$ 106,157</u>
LIABILITIES				
Court Ordered Deposits	\$ 29,539	\$ 6,367	\$ 25,327	\$ 10,579
Court Ordered Trust Funds	101,609	99	6,129	95,578
Total Liabilities	<u>\$ 131,148</u>	<u>\$ 6,466</u>	<u>\$ 31,456</u>	<u>\$ 106,157</u>

(Continued)

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2016</u>
DISTRICT CLERK FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 1,261,922	\$ 181,196	\$ 163,480	\$ 1,279,638
Investments	304,673	20,861	66,179	259,356
Total Assets	<u><u>\$ 1,566,595</u></u>	<u><u>\$ 202,057</u></u>	<u><u>\$ 229,659</u></u>	<u><u>\$ 1,538,993</u></u>
LIABILITIES				
Court Ordered Deposits	\$ 483,395	\$ 37,934	\$ 1,285	\$ 520,044
Court Ordered Trust Funds	1,083,200	164,123	228,374	1,018,949
Total Liabilities	<u><u>\$ 1,566,595</u></u>	<u><u>\$ 202,057</u></u>	<u><u>\$ 229,659</u></u>	<u><u>\$ 1,538,993</u></u>
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT FUND				
ASSETS				
Cash and Cash Equivalents	\$ 13,462	\$ 605,400	\$ 609,816	\$ 9,046
Total Assets	<u><u>\$ 13,462</u></u>	<u><u>\$ 605,400</u></u>	<u><u>\$ 609,816</u></u>	<u><u>\$ 9,046</u></u>
LIABILITIES				
Court Ordered Trust Funds	\$ 13,462	\$ 605,400	\$ 609,816	\$ 9,046
Total Liabilities	<u><u>\$ 13,462</u></u>	<u><u>\$ 605,400</u></u>	<u><u>\$ 609,816</u></u>	<u><u>\$ 9,046</u></u>

(Continued)

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2016</u>
JUVENILE PROBATION FUND				
ASSETS				
Cash and Cash Equivalents	\$ 120	\$ 40	\$ 120	\$ 40
Total Assets	<u>\$ 120</u>	<u>\$ 40</u>	<u>\$ 120</u>	<u>\$ 40</u>
LIABILITIES				
Court Ordered Trust Funds	\$ 120	\$ 40	\$ 120	\$ 40
Total Liabilities	<u>\$ 120</u>	<u>\$ 40</u>	<u>\$ 120</u>	<u>\$ 40</u>
CRIMINAL DISTRICT ATTORNEY FORFEITURE FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 89,512	\$ 9,811	\$ 22,227	\$ 77,096
Total Assets	<u>\$ 89,512</u>	<u>\$ 9,811</u>	<u>\$ 22,227</u>	<u>\$ 77,096</u>
LIABILITIES				
Court Ordered Trust Funds	\$ 89,512	\$ 9,811	\$ 22,227	\$ 77,096
Total Liabilities	<u>\$ 89,512</u>	<u>\$ 9,811</u>	<u>\$ 22,227</u>	<u>\$ 77,096</u>
CRIMINAL DISTRICT ATTORNEY RESTITUTION FUND				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 47,669	\$ 47,669	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 47,669</u>	<u>\$ 47,669</u>	<u>\$ -</u>
LIABILITIES				
Restitution Payable	\$ -	\$ 47,669	\$ 47,669	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 47,669</u>	<u>\$ 47,669</u>	<u>\$ -</u>

(Continued)

**PANOLA COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2016</u>
SHERIFF COLLECTIONS FUND				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 3,076	\$ 3,076	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 3,076</u>	<u>\$ 3,076</u>	<u>\$ -</u>
LIABILITIES				
Due to Other Governments	\$ -	\$ 3,076	\$ 3,076	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 3,076</u>	<u>\$ 3,076</u>	<u>\$ -</u>
JAIL INMATE FUND				
ASSETS				
Cash and Cash Equivalents	\$ 7,654	\$ 78,168	\$ 76,874	\$ 8,948
Total Assets	<u>\$ 7,654</u>	<u>\$ 78,168</u>	<u>\$ 76,874</u>	<u>\$ 8,948</u>
LIABILITIES				
Other Payables	\$ 7,654	\$ 78,168	\$ 76,874	\$ 8,948
Total Liabilities	<u>\$ 7,654</u>	<u>\$ 78,168</u>	<u>\$ 76,874</u>	<u>\$ 8,948</u>

(Continued)

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 4,708,701	\$ 70,779,626	\$ 71,309,886	\$ 4,178,440
Investments	304,673	20,861	66,179	259,356
Total Assets	\$ 5,013,374	\$ 70,800,487	\$ 71,376,065	\$ 4,437,796
LIABILITIES				
Due to Other Governments	3,204,883	69,850,876	70,358,243	2,697,516
Court Ordered Deposits	512,934	44,301	26,612	530,623
Court Ordered Trust Funds	1,287,903	779,473	866,667	1,200,709
Restitution Payable	-	47,669	47,669	-
Other Payables	7,654	78,168	76,873	8,949
Total Liabilities	\$ 5,013,374	\$ 70,800,487	\$ 71,376,064	\$ 4,437,796

(Continued)

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

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PANOLA COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
DECEMBER 31, 2016

CAPITAL ASSETS:

Land	\$	1,722,016
Construction in Progress		5,561
Buildings		20,906,963
Improvements Other Than Buildings		275,603
Machinery and Equipment		11,995,217
Infrastructure		10,371,442
		<hr/>
Total Capital Assets	\$	45,276,802
		<hr/> <hr/>

INVESTMENTS IN CAPITAL ASSETS:

Current Revenues - Current Year	\$	604,394
Current Revenues - Prior Years		34,237,702
Capital Assets of Former Panola General Hospital		3,879,706
General Obligation Debt - Prior Years		5,555,000
Certificates of Obligation - Prior Years		1,000,000
		<hr/>
	\$	45,276,802
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PANOLA COUNTY, TEXAS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 DECEMBER 31, 2016

	Total	Land	Construction in Progress	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure
GENERAL ADMINISTRATION							
County Clerk	\$ 31,371	\$ -	\$ -	\$ -	\$ -	\$ 31,371	\$ -
Total General Administration	31,371	-	-	-	-	31,371	-
JUDICIAL							
District Court	929,919	-	-	879,558	-	50,361	-
County Court at Law	929,921	-	-	879,561	-	50,360	-
District Clerk	16,623	-	-	-	-	16,623	-
Peace Justices	18,772	-	-	-	-	18,772	-
Total Judicial	1,895,235	-	-	1,759,119	-	136,116	-
LEGAL							
District Attorney	360,528	-	-	356,995	-	3,533	-
Total Legal	360,528	-	-	356,995	-	3,533	-
ELECTIONS							
Voter Registration	360,084	-	-	-	-	360,084	-
Total Elections	360,084	-	-	-	-	360,084	-
PUBLIC TRANSPORTATION							
Road and Bridge	19,978,104	571,783	-	11,778	-	9,023,101	10,371,442
Airport	606,825	188,639	5,561	315,909	-	96,716	-
Total Public Transportation	20,584,929	760,422	5,561	327,687	-	9,119,817	10,371,442
PUBLIC FACILITIES							
Courthouse	1,644,761	815,452	-	623,114	16,300	189,895	-
Miscellaneous & Non-Departmental	325,408	-	-	-	169,270	156,138	-
Total Public Facilities	1,970,169	815,452	-	623,114	185,570	346,033	-

(Continued)

PANOLA COUNTY, TEXAS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY, continued
 DECEMBER 31, 2016

	Total	Land	Construction in Progress	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure
PUBLIC SAFETY							
Sheriff	\$ 1,738,281	\$ -	\$ -	\$ 537,675	\$ -	\$ 1,200,606	\$ -
Constables	141,420	-	-	-	-	141,420	-
Corrections and Jail	11,433,079	60,754	-	11,211,314	-	161,011	-
Emergency Management	144,286	-	-	-	-	144,286	-
911 Rural Addressing	53,977	-	-	-	-	53,977	-
Probation Services - Adult	252,389	-	-	-	-	252,389	-
Probation Services - Juvenile	44,574	-	-	-	-	44,574	-
Total Public Safety	13,808,006	60,754	-	11,748,989	-	1,998,263	-
HEALTH AND WELFARE							
Hospital	3,879,706	32,138	-	3,757,535	90,033	-	-
Incinerator	401,782	53,250	-	348,532	-	-	-
Total Health and Welfare	4,281,488	85,388	-	4,106,067	90,033	-	-
CULTURE AND RECREATION							
Exposition Center	115,025	-	-	115,025	-	-	-
Library	1,869,967	-	-	1,869,967	-	-	-
Total Culture and Recreation	1,984,992	-	-	1,984,992	-	-	-
TOTAL CAPITAL ASSETS	\$ 45,276,802	\$ 1,722,016	\$ 5,561	\$ 20,906,963	\$ 275,603	\$ 11,995,217	\$ 10,371,442

(Continued)

PANOLA COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Capital Assets January 1, 2016	Additions	Deductions	Transfers	General Capital Assets December 31, 2016
GENERAL ADMINISTRATION					
County Clerk	\$ 31,371	\$ -	\$ -	\$ -	\$ 31,371
Total General Administration	<u>31,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,371</u>
JUDICIAL					
District Court	926,385	3,534	-	-	929,919
County Court at Law	926,387	3,534	-	-	929,921
District Clerk	16,623	-	-	-	16,623
Peace Justices	18,772	-	-	-	18,772
Total Judicial	<u>1,888,167</u>	<u>7,068</u>	<u>-</u>	<u>-</u>	<u>1,895,235</u>
LEGAL					
District Attorney	356,995	3,533	-	-	360,528
Total Legal	<u>356,995</u>	<u>3,533</u>	<u>-</u>	<u>-</u>	<u>360,528</u>
ELECTIONS					
Voter Registration	360,084	-	-	-	360,084
Total Elections	<u>360,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>360,084</u>
PUBLIC TRANSPORTATION					
Road and Bridge-Equipment	9,064,297	782,405	240,040	-	9,606,662
Road and Bridge-Land	-	-	-	-	-
Road and Bridge-Infrastructure	10,371,442	-	-	-	10,371,442
Airport	606,825	-	-	-	606,825
Total Public Transportation	<u>20,042,564</u>	<u>782,405</u>	<u>240,040</u>	<u>-</u>	<u>20,584,929</u>
PUBLIC FACILITIES					
Courthouse	1,628,461	16,300	-	-	1,644,761
Miscellaneous and Non- Departmental	325,408	-	-	-	325,408
Total Public Facilities	<u>1,953,869</u>	<u>16,300</u>	<u>-</u>	<u>-</u>	<u>1,970,169</u>

(Continued)

PANOLA COUNTY, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY, continued
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Capital Assets January 1, 2016	Additions	Deductions	Transfers	General Capital Assets December 31, 2016
PUBLIC SAFETY					
Sheriff	\$ 1,717,014	\$ 123,878	\$ 102,611	\$ -	\$ 1,738,281
Constables	135,464	5,956	-	-	141,420
Corrections and Jail	11,433,079	-	-	-	11,433,079
Emergency Management	144,286	-	-	-	144,286
911 Rural Addressing	53,977	-	-	-	53,977
Probation Services - Adult	252,389	-	-	-	252,389
Probation Services - Juvenile	36,669	21,470	13,565	-	44,574
Criminal Investigations	-	-	-	-	-
Total Public Safety	13,772,878	151,304	116,176	-	13,808,006
HEALTH AND WELFARE					
Hospital	3,879,706	-	-	-	3,879,706
Incinerator	401,782	-	-	-	401,782
Total Health and Welfare	4,281,488	-	-	-	4,281,488
CULTURE AND RECREATION					
Exposition Center	115,025	-	-	-	115,025
Library	1,869,967	-	-	-	1,869,967
Total Culture and Recreation	1,984,992	-	-	-	1,984,992
TOTAL GENERAL CAPITAL ASSETS	\$ 44,672,408	\$ 960,610	\$ 356,216	\$ -	\$ 45,276,802

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**STATISTICAL DATA SECTION
(UNAUDITED)**

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Panola County, Texas Statistical Section Overview

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

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

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Net Investment in Capital Assets	\$ 22,458,568	\$ 23,279,430	\$ 23,542,376	\$ 24,340,108	\$ 24,022,953	\$ 23,802,873	\$ 22,812,862	\$ 21,868,287	\$ 18,861,947	\$ 16,661,147
Restricted for Debt Service	-	-	-	-	-	-	224,103	161,924	93,036	2,610
Restricted for Capital Projects	-	-	-	-	-	-	-	491,596	3,212,248	4,750,323
Restricted for Other Purposes	-	-	-	-	-	-	-	15,994	-	-
Unrestricted	43,672,173	40,913,998	42,577,083	39,042,172	37,884,578	35,513,233	33,209,420	29,525,131	26,134,625	13,814,903
Total governmental activities net position	\$ 66,130,741	\$ 64,193,428	\$ 66,119,459	\$ 63,382,280	\$ 61,907,531	\$ 59,316,106	\$ 56,246,385	\$ 52,062,932	\$ 48,301,856	\$ 35,228,983

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental Activities:										
General administration	\$ 3,628,899	\$ 3,188,949	\$ 4,219,943	\$ 3,654,495	\$ 3,447,218	\$ 3,727,822	\$ 3,267,777	\$ 2,814,331	\$ 3,358,623	\$ 3,096,305
Judicial	1,440,455	1,313,677	1,288,251	1,226,565	1,136,940	1,091,066	1,120,449	1,134,624	953,205	931,862
Legal	646,121	618,330	589,841	507,415	467,497	483,307	490,452	350,538	377,261	346,592
Elections	216,421	213,282	206,776	189,931	186,869	153,511	163,105	167,952	137,636	139,319
Financial administration	1,003,659	900,619	913,259	852,036	794,223	786,036	766,574	755,563	630,297	648,448
Public facilities	420,136	493,979	695,814	582,996	435,721	417,517	297,677	258,652	238,315	225,256
Public safety	6,866,996	6,892,775	6,724,721	6,351,980	5,889,883	5,713,426	5,572,574	5,364,448	4,175,436	4,183,927
Environmental protection	405,004	417,769	397,717	426,905	392,801	363,458	361,383	363,925	339,837	307,438
Public transportation	6,523,876	6,450,555	6,713,665	6,918,240	6,378,730	6,279,662	6,333,001	5,642,668	5,825,025	5,604,489
Health and Paupers care	1,995,250	2,640,645	1,519,237	1,568,289	1,233,431	931,689	2,402,045	734,454	618,051	581,604
Recreation	445,229	428,808	409,735	381,777	363,850	384,378	320,529	305,744	278,591	263,934
Conservation	112,210	108,927	102,973	94,640	87,261	93,050	92,987	90,679	73,981	76,901
Debt Service - Interest	-	-	-	-	-	17,694	69,800	119,877	167,161	138,052
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	\$ 23,704,256	\$ 23,668,315	\$ 23,781,932	\$ 22,755,269	\$ 20,814,424	\$ 20,442,616	\$ 21,258,353	\$ 18,103,455	\$ 17,173,419	\$ 16,544,127
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 325,813	\$ 358,984	\$ 378,308	\$ 355,323	\$ 320,353	\$ 339,152	\$ 348,974	\$ 383,448	\$ 421,277	\$ 380,871
General administration	487,141	435,198	396,268	453,591	464,969	460,165	453,019	116,763	136,563	139,673
Judicial	19,934	28,229	29,702	32,428	37,505	37,671	45,235	77,514	134,391	61,487
Legal	5,435	-	7,050	1,150	4,450	-	5,061	2,400	22,203	200
Elections	832,349	854,162	854,313	822,522	830,492	807,132	758,081	338,835	291,567	266,226
Financial administration	-	-	-	-	-	-	-	8,658	1,053	-
Public facilities	298,428	374,660	431,121	463,719	453,190	482,476	520,674	531,439	501,528	428,739
Public safety	-	-	-	-	-	-	-	-	871	14,425
Environmental protection	141,950	130,661	139,891	139,815	38,894	182,614	176,809	748,835	795,779	808,936
Public transportation	-	1,110	965	1,006	1,375	1,525	1,400	5,351	19,966	114,372
Health and Paupers care	182,318	187,112	162,407	156,724	152,856	144,471	136,592	136,024	121,372	114,718
Recreation	-	850	400	400	1,265	1,950	4,132	-	-	-
Conservation	-	-	-	-	-	-	-	-	-	-
Total Charges for Services	\$ 2,293,369	\$ 2,370,966	\$ 2,400,425	\$ 2,426,678	\$ 2,305,349	\$ 2,457,156	\$ 2,449,977	\$ 2,349,267	\$ 2,446,570	\$ 2,329,647

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Operating Grants and Contributions										
Judicial	\$ 88,806	\$ 85,500	\$ 84,102	\$ 77,250	\$ 75,000	\$ 80,489	\$ 85,889	\$ 74,192	\$ 67,116	\$ 33,766
Legal	30,871	30,343	33,500	33,020	38,199	74,543	63,391	4,320	4,080	3,840
Elections	2,390	4,656	362	5,829	-	988	47,669	12,337	-	10,561
Financial administration	-	-	-	-	-	-	-	-	-	-
Public facilities	3,000	-	-	-	-	-	-	-	-	103,960
Public safety	546,400	686,415	684,681	638,384	573,135	652,019	662,193	963,272	904,822	806,355
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	29,575	29,575	29,676	30,441	29,620	30,041	30,222	30,279	30,284	30,276
Health and Paupers care	1,251,495	2,010,776	1,011,544	934,370	590,633	271,457	1,980,960	69,548	101,349	72,308
Recreation	-	-	-	-	-	-	-	-	-	-
Total Operating Grants and Contributions	\$ 1,952,537	\$ 2,847,265	\$ 1,843,865	\$ 1,719,294	\$ 1,306,587	\$ 1,109,537	\$ 2,870,324	\$ 1,153,948	\$ 1,107,651	\$ 1,061,066
Program Revenues, Continued:										
Capital Grants and Contributions										
Legal	\$ 27,232	\$ 24,735	\$ 37,913	\$ 23,342	\$ 15,657	\$ -	\$ -	\$ -	\$ -	\$ -
Public Facilities	18,580	97,636	149,126	144,321	163,133	144,558	31,650	-	-	-
Public Safety	30,000	73,023	44,351	30,000	40,092	78,382	200,468	-	-	-
Total Capital Grants and Contrib	\$ 75,812	\$ 195,394	\$ 231,390	\$ 197,663	\$ 218,882	\$ 222,940	\$ 232,118	\$ -	\$ -	\$ -
Total Governmental Activities Program Revenues	\$ 4,321,718	\$ 5,413,625	\$ 4,475,680	\$ 4,343,635	\$ 3,830,818	\$ 3,789,633	\$ 5,552,419	\$ 3,503,215	\$ 3,554,221	\$ 3,390,713
Net (Expense) Revenue Governmental Activities:	\$ (19,382,538)	\$ (18,254,690)	\$ (19,306,252)	\$ (18,411,634)	\$ (16,983,606)	\$ (16,652,983)	\$ (15,705,234)	\$ (14,600,240)	\$ (13,619,198)	\$ (13,153,414)

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 20,760,794	\$ 21,094,822	\$ 21,072,209	\$ 18,908,177	\$ 18,374,211	\$ 18,742,731	\$ 18,542,362	\$ 16,744,039	\$ 15,328,340	\$ 12,714,869
Interest Income	196,890	199,770	232,059	409,659	454,697	483,015	470,991	826,889	962,442	1,572,387
Gain on Sale of Capital Assets	-	-	-	(73,459)	236,219	-	-	90,507	-	-
Miscellaneous	362,167	731,188	739,163	642,006	509,904	496,958	729,736	699,881	1,232,637	641,846
Total Governmental Activities	\$ 21,319,851	\$ 22,025,780	\$ 22,043,431	\$ 19,886,383	\$ 19,575,031	\$ 19,722,704	\$ 19,743,089	\$ 18,361,316	\$ 17,523,419	\$ 14,929,102
Increase in Net Position Before Transfers	1,937,313	3,771,090	2,737,179	1,474,749	2,591,425	3,069,721	4,037,155	3,761,076	3,904,221	1,775,688
Transfers	-	-	-	-	-	-	-	-	-	(9,168,652)
Change in Net Position	\$ 1,937,313	\$ 3,771,090	\$ 2,737,179	\$ 1,474,749	\$ 2,591,425	\$ 3,069,721	\$ 4,037,155	\$ 3,761,076	\$ 3,904,221	\$ (7,392,964)
Governmental Activities										
Total Primary Government	\$ 1,937,313	\$ 3,771,090	\$ 2,737,179	\$ 1,474,749	\$ 2,591,425	\$ 3,069,721	\$ 4,037,155	\$ 3,761,076	\$ 3,904,221	\$ (7,392,964)
% Change from Prior Year	(48.79%)	37.77%	85.60%	(43.09%)	(15.58%)	(23.96%)	7.34%	(3.67%)	152.81%	N/A

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TABLE 3

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
Unassigned	11,431,684	12,628,900	13,701,192	14,386,419	12,914,895	11,152,902	11,572,586	9,427,291	6,918,110	5,354,493
Total General Fund	11,431,684	12,628,900	13,701,192	14,386,419	12,914,895	13,152,902	11,572,586	9,427,291	6,918,110	5,354,493
All Other Governmental Funds:										
Nonspendable, Reported in:										
Special Revenue Funds	68,066	6,740	20,014	17,036	29,129	16,053	24,346	15,994	47,998	35,022
Restricted, Reported in:										
Special Revenue Funds	14,260,720	13,524,120	12,896,767	11,505,906	10,942,194	10,575,529	10,582,426	9,980,628	9,315,359	8,496,426
Debt Service Fund	-	-	-	-	-	207,556	201,590	161,924	93,036	2,610
Capital Projects Funds	-	-	-	-	-	-	-	-	2,734,465	8,844,339
Committed, Reported in:										
Capital Projects Funds	718,821	715,382	711,931	702,640	2,032,738	520,303	647,974	491,596	477,783	461,548
Total All Other Governmental Funds	15,047,607	14,246,242	13,628,712	12,225,582	13,004,061	11,319,441	11,456,336	10,650,142	12,668,641	17,839,945
Total Governmental Funds	\$ 26,479,291	\$ 26,875,142	\$ 27,329,904	\$ 26,612,001	\$ 25,918,956	\$ 24,472,343	\$ 23,028,922	\$ 20,077,433	\$ 19,586,751	\$ 23,194,438
% Change from Prior Year	(1.47%)	(1.66%)	2.70%	2.67%	5.91%	6.27%	14.70%	2.51%	(15.55%)	N/A

TABLE 4

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES										
Property Taxes	\$ 20,757,166	\$ 21,028,302	\$ 21,053,992	\$ 18,828,094	\$ 18,364,115	\$ 18,708,889	\$ 18,316,629	\$ 16,745,188	\$ 15,320,932	\$ 12,723,922
Licenses	352,249	335,099	377,382	401,952	367,773	416,086	413,439	449,020	448,726	455,247
Intergovernmental	1,116,535	1,365,622	1,384,707	1,289,263	1,236,451	1,362,230	1,367,929	1,297,019	1,317,459	1,274,882
Fees of Office	1,196,135	1,346,858	1,366,538	1,347,853	1,354,699	1,325,782	1,333,598	1,316,252	1,351,374	1,218,383
Fines	348,600	295,881	275,040	300,696	311,936	309,141	295,442	267,732	316,701	325,430
Miscellaneous	1,867,254	3,001,123	2,043,236	2,056,617	1,964,666	1,399,682	3,423,614	1,783,828	2,373,096	2,257,336
Total Revenues	25,637,939	27,372,885	26,500,895	24,224,475	23,599,640	23,521,810	25,150,651	21,859,039	21,128,288	18,255,100
EXPENDITURES										
General Administration	6,582,858	6,952,902	6,970,773	3,992,090	3,582,755	3,798,181	3,231,245	2,831,669	3,581,289	3,067,307
Judicial	1,395,577	1,342,386	1,244,293	1,183,353	1,169,242	1,098,165	1,072,245	1,111,988	940,346	879,692
Legal	654,074	649,523	589,841	507,415	497,360	503,153	488,344	358,200	392,174	345,467
Elections	186,710	160,810	158,049	141,204	160,792	135,413	139,068	146,889	118,052	114,875
Financial Administration	1,017,607	955,794	913,259	852,036	851,633	824,190	762,011	763,587	661,127	643,287
Public Facilities	419,018	476,331	693,744	582,006	438,005	418,341	295,300	257,823	231,189	489,745
Public Safety	6,466,865	6,626,369	6,242,852	5,866,187	5,733,918	5,473,887	5,138,215	7,262,290	3,019,226	4,482,400
Environmental Protection	398,730	411,495	391,443	420,631	386,527	357,184	355,109	357,651	333,563	301,164
Conservation	113,739	112,089	102,973	94,640	91,770	96,046	92,668	91,964	76,540	76,719
Public Transportation	4,311,552	4,160,966	4,298,754	4,382,791	4,249,786	4,268,009	3,784,509	4,603,800	4,374,680	4,565,117
Health & Paupers Care	1,927,757	2,573,604	1,451,601	1,500,653	1,165,795	864,053	2,334,409	666,818	291,280	513,968
Culture & Recreation	412,922	411,917	372,336	359,961	385,146	398,531	318,498	308,098	76,540	263,064
Debt Service - Principal	-	-	-	-	-	1,340,000	1,285,000	1,240,000	1,190,000	72,920
Debt Service - Interest	-	-	-	-	-	26,465	78,308	128,041	174,995	104,773
Capital Outlay	2,146,382	2,993,461	2,353,074	3,648,463	3,440,298	2,476,771	2,824,234	1,239,539	810,738	831,170
Total Expenditures	26,033,791	27,827,647	25,782,992	23,531,430	22,153,027	22,078,389	22,199,163	21,368,357	16,271,739	16,751,668
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(395,892)	(454,762)	717,903	693,045	1,446,613	1,443,421	2,951,488	490,682	4,856,549	1,503,432
OTHER FINANCING SOURCES (USES)										
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	-	-
Financing Agreement	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Bonds	241,108	203,100	198,000	254,757	2,423,518	266,000	567,482	523,977	-	5,055,000
Transfers In	(241,108)	(203,100)	(198,000)	(254,757)	(2,423,518)	(266,000)	(567,482)	(523,977)	-	4,174,944
Transfers Out	-	-	-	-	-	-	-	-	-	(11,464,748)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	(2,234,804)
NET CHANGE IN FUND BALANCES	\$(395,892)	\$(454,762)	\$717,903	\$693,045	\$1,446,613	\$1,443,421	\$2,951,488	\$490,682	\$4,856,549	\$(731,372)
Debt Service as a percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	6.61%	6.55%	6.80%	8.83%	1.12%

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		
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
2010	3,906,344,700	1,022,545,130	162,767,220	4,766,122,610	0.3887
2009	3,989,087,500	1,143,264,835	151,231,090	4,981,121,245	0.3632
2008	4,443,456,210	995,452,149	129,631,210	5,309,277,149	0.3096
2007	3,845,247,267	634,948,073	123,038,850	4,357,156,490	0.3441

Source: Panola County Appraisal District

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Panola County Direct Rates</u>					
GENERAL	0.58220	0.46980	0.45580	0.48420	0.32210
SPECIAL REVENUE	0.01610	0.01390	0.01360	0.01520	0.13900
DEBT SERVICE	-	-	-	-	-
TOTAL DIRECT RATE	<u>0.59830</u>	<u>0.48370</u>	<u>0.46940</u>	<u>0.49940</u>	<u>0.46110</u>
<u>Overlapping Rates</u>					
City and Town Rates:					
CARTHAGE	0.57440	0.52000	0.52000	0.50000	0.48000
BECKVILLE	0.53320	0.45603	0.45867	0.42723	0.38552
School Districts Rates:					
CARTHAGE ISD	1.14000	1.14000	1.14000	1.14000	1.14000
GARY ISD	1.37000	1.29000	1.29000	1.29000	1.24000
BECKVILLE ISD	1.34000	1.25655	1.12000	1.10000	1.10000
ELYSIAN FIELDS ISD	1.35000	1.32000	1.28300	1.23700	1.22500
TATUM ISD	1.20000	0.17000	1.17000	1.17000	1.17000
TENAHA ISD	1.16300	1.19249	1.18760	1.18000	1.18658
JOAQUIN ISD	1.59730	1.55970	1.45550	1.60600	1.54530
Other Special District Rates:					
PANOLA JR. COLLEGE	0.24334	0.20787	0.21483	0.21483	0.14519
PANOLA COUNTY ESD	0.02130	0.02130	0.02130	0.02130	0.02130
PANOLA GWCD	0.01100	0.01000	0.00970	0.00970	0.00855

Source: Various taxing entities

TABLE 6

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
0.29650	0.24926	0.23612	0.19374	0.21039
0.13090	0.11112	0.09938	0.08962	0.10140
-	0.02832	0.02770	0.02624	0.03231
<u>0.42740</u>	<u>0.38870</u>	<u>0.36320</u>	<u>0.30960</u>	<u>0.34410</u>
0.46000	0.46000	0.41000	0.41000	0.39000
0.36430	0.31239	0.26044	0.22289	0.26684
1.14000	1.14000	1.14000	1.14000	1.14000
1.22900	1.18251	1.20459	1.13855	1.12310
1.10000	1.06320	1.04000	1.05586	1.10865
1.21500	1.20000	1.20000	1.22110	1.26990
1.04000	1.04000	1.04000	1.04000	1.04000
1.17937	1.21930	1.20438	1.41210	1.39762
1.54700	1.55800	1.34110	1.12050	1.11010
0.13407	0.11813	0.10579	0.09593	0.10477
0.02130	0.01844	0.01605	0.01393	0.01515
0.00739	0.00612	0.00637	0.00637	

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TABLE 7

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

Name of Taxpayer	Fiscal Year 2016		Fiscal Year 2007	
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Anadarko E&P Onshore LLC (MIN)	\$ 272,407	7.96 %	\$ -	-
Devon Energy Production Co LP	101,146	2.95 %	-	-
DCP East Tx Gathering LP-Plant	172,493	5.04 %	-	-
Markwest Energy E TX Gas CO LP	174,734	5.10 %	-	-
Anadarko E&P Onshore LLC (MI)	188,712	5.51 %	-	-
Enbridge P/L ETX G&P-Beckville	70,128	2.05 %	-	-
Markwest-Carthage Plant & East	123,430	3.61 %	-	-
Samson Lone Star Inc.	60,029	1.75 %	-	-
ETC Tiger Pipeline	55,280	1.61 %	-	-
XTO Energy Inc (MIN)	50,499	1.48 %	-	-
Devon Energy Production Co LP	-	-	663,209	15.17 %
Anadarko E&P Company LP	-	-	412,415	9.43 %
Chevron USD Inc	-	-	298,058	6.82 %
BP America Production Corp.	-	-	134,626	3.08 %
Lacy Operations Ltd.	-	-	133,446	3.05 %
Exxon Mobile Corp.	-	-	135,140	3.09 %
XTO Energy Inc (MIN)	-	-	120,609	2.75 %
EOG Resources Inc.	-	-	94,049	2.15 %
Samson Lone Star Inc.	-	-	80,264	1.84 %
Markwestern Eastern TX Gas Co LP	-	-	61,575	1.41 %
Total	\$ 1,268,858		\$ 2,133,391	
Total Assessed Value and Percentage of Total	\$ 3,423,639	37.06 %	\$ 4,371,813	48.80 %

Source: Panola County Appraisal District

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

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Current Tax Collection</u>	<u>Percent Of Levy Collected</u>	<u>Collections in Subsequent Years (2)</u>	<u>Total Collections</u>
2016	21,338,275	20,783,808	97.40%	300,574	21,084,382
2015	21,460,930	20,940,280	97.57%	264,740	21,205,020
2014	21,378,495	20,839,267	97.48%	306,048	21,145,315
2013	19,264,186	18,740,914	97.28%	255,731	18,996,645
2012	18,757,346	18,339,364	97.77%	305,231	18,644,595
2011	19,145,073	18,724,040	97.80%	361,453	19,085,493
2010	18,747,490	18,284,461	97.53%	401,196	18,685,657
2009	17,125,293	16,760,071	97.87%	332,846	17,092,917
2008	15,591,091	15,348,762	98.45%	218,939	15,567,701
2007	12,929,930	12,724,856	98.41%	187,262	12,912,118

Source: Tax Rolls

Notes:

(1) Delinquent taxes are reported by levy year.

(2) Property taxes become due January 1 and become delinquent on July 1. The amount collected from January 1 - June 30 is the "Current Tax Collection." For fiscal year 2016, the amount that was collected from July 1 - December 31 is represented in the "Collections in Subsequent Years" column.

TABLE 8

Percent Of Total Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
98.81%	253,894	1.19%
98.81%	255,910	1.19%
98.91%	232,880	1.09%
98.61%	267,541	1.39%
99.40%	112,751	0.60%
99.69%	59,580	0.31%
99.67%	61,833	0.33%
99.81%	32,376	0.19%
99.85%	23,390	0.15%
99.86%	17,812	0.14%

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Other Obligations				
2016	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2010	\$ 1,340,000	\$ 201,590	\$ -	\$ 1,138,410	0.04%	0.20%	50.08
2009	2,625,000	161,924	-	2,463,076	0.10%	0.46%	107.77
2008	3,865,000	93,036	-	3,771,964	0.15%	0.75%	166.86
2007	5,055,000	2,610	-	5,052,390	0.19%	1.00%	222.68

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 179.

(2) See the schedule of Demographic Statistics found on page 191 for personal income and population data.

TABLE 10

**PANOLA COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
AS OF DECEMBER 31, 2016
(UNAUDITED)**

<u>Jurisdiction</u>	<u>Net Debt Outstanding Amount (1)</u>	<u>Applicable to Panola County Percent (2)</u>	<u>Amount Applicable to Panola County</u>
Cities:			
Carthage	\$ 15,263,159	100.00%	\$ 15,263,159
Total Cities	<u>15,263,159</u>		<u>15,263,159</u>
School Districts:			
Carthage ISD	31,608,957	100.00%	31,608,957
Gary ISD	8,955,000	100.00%	8,955,000
Beckville ISD	2,256,150	100.00%	2,256,150
Elysian Fields ISD	8,545,000	52.55%	4,490,398
Tatum ISD	25,530,663	2.27%	579,546
Tenaha ISD	3,683,429	4.75%	174,963
Joaquin ISD	13,720,986	5.05%	692,910
Total School Districts	<u>94,300,185</u>		<u>48,757,923</u>
Panola Junior College	<u>33,061,183</u>	100.00%	<u>33,061,183</u>
Subtotal, Overlapping Debt	142,624,527		97,082,265
Panola County (Direct Debt)	<u>-</u>		<u>-</u>
Total Direct and Overlapping Debt	<u>\$ 142,624,527</u>		<u>\$ 97,082,265</u>

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

Sources:

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

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	902,812,617	1,129,611,684	1,163,580,582	724,256,955	769,022,995	851,899,527	\$ 1,017,277,980	\$ 1,035,079,648	1,143,71,855	\$ 988,691,307
Total net debt applicable to limit			-	-	-	-	1,340,000	2,625,000	3,865,000	5,055,000
Legal debt margin	902,812,617	1,129,611,684	1,163,580,582	724,256,955	769,220,995	851,899,527	\$ 1,015,937,980	\$ 1,032,454,648	1,139,406,855	\$ 983,636,307
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.25%	0.34%	0.51%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	\$ 3,423,639,047
Add back: exempt real property	187,611,420
Total assessed value	\$ 3,611,250,467
Debt limit 25% of assessed value of real property (Article 3, Section 52, Constitution of the State of Texas)	\$ 902,812,617
Amount of Debt applicable to debt limit	-
Legal Debt Margin	\$ 902,812,617

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

TABLE 12

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>College & School Enrollment</u>
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
2010	23,826	883,688	37,089	7.30%	6,181
2009	23,678	799,987	33,786	7.30%	5,806
2008	23,537	871,091	37,009	4.00%	5,732
2007	23,351	751,002	32,161	3.90%	5,342

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

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TABLE 13

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

TYPE OF EMPLOYER	Fiscal Year 2016		Fiscal Year 2007	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Natural Resource and Mining	945	11.67 %	860	10.15 %
Construction	1,401	17.30 %	1,726	20.37 %
Manufacturing	903	11.15 %	922	10.88 %
Trade, Transportation, Utilities	1,343	16.59 %	1,474	17.40 %
Information	42	0.52 %	39	0.46 %
Financial Activities	243	3.00 %	246	2.90 %
Professional Business Services	510	6.30 %	505	5.96 %
Education Health Services	838	10.35 %	686	8.10 %
Leisure Hospitality	405	5.00 %	500	5.90 %
Other Services	132	1.63 %	165	1.95 %
Federal	71	0.88 %	72	0.85 %
State	55	0.68 %	69	0.81 %
Local	1,209	14.93 %	1,208	14.26 %
Total	8,097	100.00 %	8,472	100.00 %

Source: Texas Workforce Commission

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

Function/Program	Fiscal Year					
	2016	2015	2014	2013	2012	2011
General Administration	16	16	17	17	17	17
Judicial	17	17	17	16	16	16
Elections	2	2	2	2	2	2
Financial Administration	14	13	13	13	13	13
Legal	7	6	6	6	6	6
Public Facilities	1	1	1	1	1	1
Public Safety	75	85	84	83	79	79
Public Transportation	46	47	47	47	47	47
Culture and Recreation	6	6	6	6	6	6
Conservation-Agriculture	3	3	3	3	3	3
Totals	187	196	196	194	190	190

Source: Panola County Payroll History Report

TABLE 14

2010	2009	2008	2007
17	17	17	17
16	16	16	16
2	2	2	2
13	13	13	13
6	6	6	6
1	1	1	1
79	79	66	65
47	47	47	46
6	6	6	6
3	3	3	3
190	190	177	175

TABLE 15

PANOLA COUNTY, TEXAS
CAPITAL ASSETS BY FUNCTION/PROGRAM
DECEMBER 31, 2016
(UNAUDITED)

Function/Program	Fiscal Year										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
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	3	3	3	3	3	3	3	3	3	3	
Facilities	1	1	1	1	1	1	1	1	1	1	
Elections											
Equipment	2	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	45	45	45	45	45	45	45	45	45	41	
Equipment	14	14	14	13	13	13	13	13	13	13	
Facilities	2	2	2	2	2	2	2	2	1	1	
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	609	614	614	614	
Number of Bridges	15	15	12	12	12	12	12	12	12	12	
Facilities	5	5	5	5	5	5	5	5	5	5	
Equipment & Vehicles	137	137	137	138	138	138	138	141	141	134	
Tracts of Land	6	6	5	5	5	5	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	

Source: Panola County Capital Asset Inventory Listing

TABLE 16

PANOLA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
DECEMBER 31, 2016
(UNAUDITED)

Function/Program	Fiscal Year											
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007		
General Administration												
Official Public Records Filed	5,701	7,058	7,639	8,699	7,386	8,080	9,245	9,564	10,804	10,325		
Vital Statistics Filed	71	72	68	281	251	464	382	247	233	324		
Judicial												
Number of Civil Cases	501	703	525	685	437	793	719	679	742	696		
Number of Criminal Cases	754	813	849	880	828	842	854	1,669	1,031	431		
Legal												
Number of Convictions - Misdemeanors	248	270	181	270	240	204	379	432	N/A	N/A		
Number of Convictions - Felony	171	245	120	212	131	174	276	381	95	94		
Elections												
Number of Registered Voters	10,475	15,647	15,775	15,708	15,894	15,667	15,779	15,648	15,658	16,197		
Number of Elections	3	1	4	1	4	1	3	3	3	2		
Financial Administration												
Number of mineral tax items	2,479,260	2,713,861	2,634,028	2,667,048	2,686,143	2,701,012	2,566,302	2,546,560	2,443,147	1,849,374		
Number of real estate tax items	177,353	177,271	176,480	175,413	173,608	174,490	171,175	170,678	168,619	136,656		
Number of registered vehicles	28,593	29,519	30,460	31,046	32,122	32,547	31,404	30,880	28,813	28,345		
Public Facilities												
Number of repair jobs	85	80	71	88	52	95	51	54	30	31		
Public Safety												
Number of emergency responses	4,223	4,418	4,013	4,719	4,567	4,917	4,924	4,852	3,526	5,054		
Number of book-ins	1,106	1,233	1,410	1,285	1,242	932	1,328	1,522	1,706	1,756		
Environmental Protection												
Number of solid waste transfers(tons)	12,465	12,235	13,026	13,034	12,170	12,176	12,457	12,588	12,557	12,606		
Number of Diversions (tons)	428	387	308	389	340	621	650	510	512	711		
Public Transportation												
Miles of road resurfaced	19	9	7	21	11	12	13	14	11	17		
Number of repairs	340	390	350	380	107	416	401	387	361	338		
Health and Paupers Care												
Number of autopsies performed	34	31	40	29	21	32	27	28	23	37		
Number of indigent admissions	575	688	322	479	738	686	671	771	503	666		
Recreation												
Number of patrons to Library	11,979	11,113	8,921	13,779	12,591	11,669	10,617	9,329	8,294	10,635		
Number of books in library	48,819	45,270	50,727	57,548	52,323	58,434	53,485	53,201	49,907	51,083		
Number of programs	116	69	83	83	52	49	51	60	77	48		
Conservation												
Number of programs	78	275	149	70	285	189	171	30	42	51		
Number of radio programs	31	75	100	52	64	55	135	130	67	-		
County Extension mailouts & emails	10,850	23,500	18,906	8,534	10,584	10,400	10,234	5,102	4,152	5,955		

Source: Individual County Departments

**PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2016
(Unaudited)**

Insurer or Name of Company	Number	Policy Period	
		From	To
The St. Paul Ins. Co.	810-1171X911	1/1/2016	12/31/2016
The St. Paul Ins. Co.	ZAS-14T88141	1/1/2016	12/31/2016
The St. Paul Ins. Co.	H6301171X911	1/1/2016	12/31/2016
The St. Paul Ins. Co.	ZAS-14P02174	1/1/2016	12/31/2016
The St. Paul Ins. Co.	ZAS-14T88141	1/1/2016	12/31/2016
The St. Paul Ins. Co.	ZAS-14T88141	1/1/2016	12/31/2016
The St. Paul Ins. Co.	H6301171X911	1/1/2016	12/31/2016
The St. Paul Ins. Co.	ZAS-14P02174	1/1/2016	12/31/2016
EBCO	UA00134783-13	12/31/2015	12/31/2016
Texas Association of Counties	#1830	1/1/2016	12/31/2016
Texas Association of Counties	#1830	1/1/2016	12/31/2016
Texas Association of Counties - BCBS	62946	12/1/2016	11/30/2016
The CIMA Companies, Inc.	SPS900305	7/1/2015	7/31/2016

- (1) 2016 Funding
- (2) As prescribed by law Art. #8309H
- (3) As prescribed by law - Texas Unemployment Compensation Act
- (4) For covered expenses - Lifetime maximum \$2,000,000

TABLE 17

<u>Building and/or Department & Description</u>	<u>Amount of Coverage</u>	<u>Premiums & Funding</u>
Physical Damage-Comp. Limit PD; 500 Deduct; Bodily Injury - Limit; Comp. Auto liab. Ins. 1,000	\$ 2,000,000	\$ 109,405
General Liability; 2,000,000	2,000,000	56,262
Commercial Property and Equipment	2,817,502	69,057
Commercial Umbrella Liability- 1,000,000 each occurrence Aggregate 1,000,000; Retention 10,000	2,000,000	22,961
Law Enforcement Professional Liability; Each Person 1,000,000 Aggregate 3,000,000; Each occurrence 1,000,000	2,000,000	130,531
2,000,000 Limit Each 2,000,000 Aggregate 25,000 retention; Public Officials and Employees Legal Liability	2,000,000	40,641
Crime - Employee Theft, Forgery	2,000,000	INC. IN PKG.
General Liability - Cyberfirst Liab.	2,000,000	2,888
Property Damage 1,000,000; General Liability- Airport 1,000,000 each occurrence, 2,000,000 aggregate	2,000,000	2,850
Workers Compensation Self-Funded Insurance through Texas Association of Counties	(2)	116,066
Unemployment Insurance Self-Funded through Texas Association of Counties	(3)	20,357
Employee Group Ins - TAC Health and Employee Benefit Pool 500 deductible - 2,000 co-ins; Emp Life Ins 10,000 & Acc Death/ Dsmb 10,000	(4)	3,460,917
Volunteers Insurance Service Association (VIS) Work Release Volunteer Accident Insurance	25,000	1,978

**PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2016
(Unaudited)**

<u>Insurer or Name of Company</u>	<u>Number</u>	<u>Policy Period</u>	
		<u>From</u>	<u>To</u>
Safeco Ins.	32S45483	1/1/2015	1/1/2019
Safeco Ins.	32S171170	1/1/2013	1/1/2017
	32S161126	1/1/2015	1/1/2017
Safeco Ins.	32S168657	1/1/2015	1/1/2019
	32S168658	1/1/2015	1/1/2019
Safeco Ins.	32S388163	1/1/2013	1/1/2017
	32S388164	1/1/2013	1/1/2017
Safeco Ins.	32S159904	1/1/2015	1/1/2019
	32S161129	12/31/2016	12/31/2019
Safeco Ins.	32S519863	11/15/2016	1/1/2019
Safeco Ins.	32S171102	12/31/2014	12/31/2018
RISC	MG844735	1/14/2016	1/14/2017
Safeco Ins.	32S159840	1/1/2015	1/1/2019
Safeco Ins.	32S160605	1/1/2015	1/1/2019
RISC	MG844798	1/14/2016	1/14/2017
Travelers	6608010A867TCT	8/27/2016	8/27/2017
Safeco Ins.	32S163144	12/31/2016	12/31/2018
Safeco Ins.	32S171039	1/1/2015	5/1/2017
Safeco Ins.	32S171038	1/1/2015	1/1/2019
Safeco Ins.	32S162405	6/1/2016	6/1/2017
Safeco Ins.	32S171003	2/28/2015	2/28/2017
	32S159929	2/28/2015	2/28/2017
	32S474684	6/29/2015	2/28/2017
Safeco Ins.	32S454765	1/1/2015	1/1/2019
Safeco Ins.	32S429390	3/15/2016	3/15/2017
	32S434402	5/5/2016	5/5/2017

TABLE 17 (cont.)

<u>Building and/or Department & Description</u>	<u>Amount of Coverage</u>	<u>Premiums & Funding</u>
County Judge	\$ 1,000	\$ 325
Commissioner Precinct 1	3,000	355
	3,000	185
Commissioner Precinct 2	3,000	355
	3,000	355
Commissioner Precinct 3	3,000	325
	3,000	325
Commissioner Precinct 4	3,000	355
	3,000	270
County Clerk	150,000	970
Deputy County Clerks	160,000	1,988
County Clerk Errors & Omissions	500,000	650
County Court at Law Judge	1,000	355
District Clerk - Bond	25,000	1,244
District Clerk Errors & Omissions	500,000	2,342
Crime - Money & Securities - District Clerk	20,000	264
Justice of the Peace Pct 1&4	5,000	185
Justice of the Peace Pct 2&3	1,000	213
Criminal District Attorney	5,000	355
Elections Administrator	1,000	100
Auditor	5,000	185
1st Assistant Auditor	5,000	185
2nd Assistant Auditor	5,000	150
County Treasurer	1,000	325
Assistant Treasurer/Chief Deputy	25,000	125
Deputy Treasurer	25,000	125

**PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2016
(Unaudited)**

Insurer or Name of Company	Number	Policy Period	
		From	To
Safeco Ins.	32S376159	12/31/2012	1/1/2017
Safeco Ins.	32S376165	12/31/2012	1/1/2017
Safeco Ins.	01FL0122506	1/1/2013	1/1/2017
Safeco Ins.	32S401920	12/31/2016	12/31/2017
Safeco Ins.		1/1/2016	12/31/2016
Safeco Ins.	32S171169	1/1/2013	1/1/2017
Safeco Ins.	32S388169	1/1/2013	1/1/2017
The Travelers	660287X6078TIL15	12/30/2015	12/30/2016
The Travelers	660226X9543TIL15	12/30/2015	12/30/2016
Safeco Ins.	32S171012	1/1/2015	1/1/2019
Safeco Ins.	32S159887	09/01/16	09/01/17
Safeco Ins.	32S171050	8/29/2016	8/29/2017
Safeco Ins.	32S423142	1/7/2016	1/7/2017
	32S504311	5/10/2016	5/10/2017
Safeco Ins.	32S388257	1/1/2016	1/1/2014
	32S388262	1/1/2016	1/1/2017
	32S377966	8/22/2016	8/22/2017
Safeco Ins.	32S419755	11/8/2016	11/8/2017
	32S160070	12/31/2016	12/31/2017
Safeco Ins.	32S171051	12/31/2014	12/31/2018

TABLE 17 (cont.)

<u>Building and/or Department & Description</u>	<u>Amount of Coverage</u>	<u>Premiums & Funding</u>
Tax Assessor/Collector (Ad Valorem Tax Office)	\$ 100,000	\$ 1,332
Tax Assessor for PC Auto Tax	100,000	1,500
Tax Assessor/Collector (Deputies) Crime Bond	35,000	1,287
Sheriff	30,000	205
Reserve Deputies - Thirteen @ 2,000	24,000	100
Constable Precinct 2	1,000	355
Constable Precinct 1	1,000	185
123rd Judicial District Adult Probation	10,000	250
123rd Judicial District Juvenile Probation	10,000	250
County Surveyor	1,000	355
Special Prosecutor	2,500	100
Court Coordinator LE & Forfeiture Spec.	2,000	100
Asst. District Attorney	5,000	100
Asst. District Attorney	5,000	100
Reserve Constable Deputy Pct. 1 - Three @ 2,000	6,000	300
Reserve Constable Deputy Pct. 2 - Two @ 2,000	4,000	100
Public Official Schedule	1,244	25,000

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**OVERALL COMPLIANCE AND
INTERNAL CONTROLS SECTION**

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Morgan LaGrone, CPA, PLLC

Certified Public Accountant

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116 S Marshall
Henderson TX 75654

INDEPENDENT AUDITOR'S 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*

Panola County Commissioners' Court
Panola County, 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, ("County") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 23, 2017.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

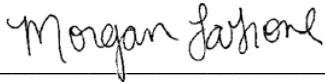
MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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.



Morgan LaGrone
Certified Public Accountant

Henderson, Texas
June 23, 2017

Panola County, Texas
Summary of Auditor's Results and
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted?

 Yes X No

2. State Awards

Internal control over major programs:

Material weaknesses identified? Yes X No

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

Type of auditor's report issued on compliance for major programs: Not Applicable - Single Audit Not Required

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

 Yes X N/A

Identification of major programs:

Name of State Program or Cluster
 Not Applicable

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

\$ 750,000

Auditee qualified as low-risk auditee?

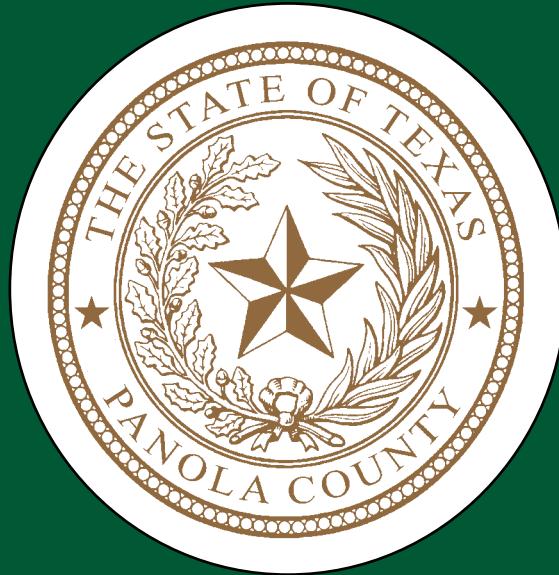
 Yes X N/A

B. Financial Statement Findings

NONE

C. State Award Findings and Questioned Costs

NONE



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