

# PERSONNEL CHANGE REQUEST

**Name:** ALAN SMITH

**Department:** ROAD AND BRIDGE PCT 2

**Position:** DRIVER

**New Position**

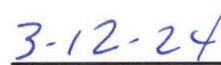
**(If applicable) OPERATOR**

<b>Current wage or salary</b>	<b>\$20.54</b>
<b>New wage or salary</b>	<b>\$21.36</b>
<b>Effective date of change</b>	<b>MARCH 25, 2024</b>



**Elected Official/Department Head**

**Signature**



**Date Signed**

February 27, 2024

FROM: Melanie Earle, Road and Bridge Warehouse Coordinator

TO: Joni Reed, County Treasurer

SUBJECT: EFFECTIVE DATE OF EMPLOYMENT STATUS CHANGE:

Please be advised of the employment status change of Alan Smith, Driver, for Panola County Road & Bridge Department, Pct. 2, to Operator, at the rate of \$21.36 per hour, effective March 25, 2024.

Melanie Earle

*Melanie Earle*

Road and Bridge

Warehouse Coordinator

# PANOLA COUNTY SHERIFF'S OFFICE

Office: 903-693-0333  
Fax: 903-693-9366



314 W. Wellington  
Carthage, Texas 75633

## Sheriff Cutter Clinton

February 29, 2024

The Honorable Rodger McLane  
Panola County Judge  
110 S. Sycamore  
Carthage, Texas 75633

Dear Judge McLane,

Please add the following item(s) to the next scheduled meeting of the Panola County Commissioner's Court:

Please record the resignation of Christian Chavez as a Detention Officer for the Panola County Sheriff's Office effective February 29, 2024.

Sincerely,

A handwritten signature in black ink that reads "Cutter Clinton". The signature is stylized with a large, sweeping initial "C" and a long horizontal line extending to the right.

Cutter Clinton  
Sheriff

CC/lw  
CC: Jennifer Stacy  
Joni Reed

**Honesty, Integrity, Service**

KELSEY LAKE

*Deputy Election Administrator*

*Deputy Election Registrar*



PANOLA COUNTY COURTHOUSE

110 S. SYCAMORE ST., ROOM 100

CARTHAGE, TX 75633

TELEPHONE (903) 693-0370

FAX (903) 693-7283

LORETTA MASON

*Election Administrator*

*Voter Registrar*

January 3, 2024

Panola County Commissioners' Court

RE: Early Voting

I am writing in regards to the temporary help for the May 4, 2024 Election. I am requesting that you allow me to hire Karen McClelland to work the May 4, 2024 Election. We will need her to start April 22, 2024 and end on May 8, 2024, at the rate of \$12.00 per hour.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Loretta Mason".

Loretta Mason

# PANOLA COUNTY SHERIFF'S OFFICE

Office: 903-693-0333  
Fax: 903-693-9366



314 W. Wellington  
Carthage, Texas 75633

March 6, 2024

## Sheriff Cutter Clinton

The Honorable Rodger McLane  
Panola County Judge  
110 S. Sycamore  
Carthage, Texas 75633

Dear Judge McLane,

Please add the following item(s) to the next scheduled meeting of the Panola County Commissioner's Court:

Please record the separation of Mitsy Owens as a Reserve Deputy Sheriff for the Panola County Sheriff's Office effective March 5, 2024.

Please record the change in position for Scott Jones from Deputy Sheriff to Assistant Jail Administrator Sergeant for the Panola County Sheriff's Office at a pay rate of \$25.70 per hour as well as the budgeted uniform allowance effective March 6, 2024.

Please record the change in status for Chris Adams from Deputy Sheriff to Assistant Jail Administrator Sergeant for the Panola County Sheriff's Office at a pay rate of \$25.70 per hour as well as the budgeted uniform allowance effective March 6, 2024.

Please record the employment of David Castleberry as a Detention Officer for the Panola County Sheriff's Office at a pay rate of \$16.81 per hour as well as the budgeted uniform allowance effective March 15, 2024.

Sincerely,

A handwritten signature in black ink that reads "Cutter Clinton".

Cutter Clinton  
Sheriff

CC/lw  
CC: Jennifer Stacy  
Joni Reed

**Honesty, Integrity, Service**

March 6, 2024

FROM: Melanie Earle, Road and Bridge Warehouse Coordinator

TO: Joni Reed, County Treasurer

SUBJECT: EFFECTIVE DATE OF EMPLOYMENT:

Please be advised of the effective date of employment for Robert Holcomb, Operator, for Panola County Road & Bridge Department, Pct.1, effective March 18, 2024, at the rate of \$22.29 per hour.

Melanie Earle

*Melanie Earle*

Road and Bridge

Warehouse Coordinator

# Donation

Date March 7, 2024

The undersigned has secured a contribution from Capco to Panola County for use in the Panola County Road and Bridge Fund. This contribution consists of:

\$ 35,000.00 and/or

material of the following type and amount Oil dirt & Rock

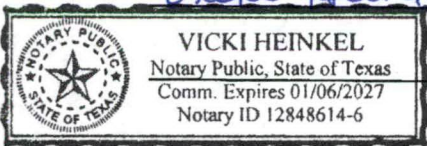
This donation is to be used as needed by the Panola County Road and Bridge Department to improve Panola County road number #301, or if no road is indicated, then it is to be used to improve any Panola County road as seen fit by the Department. This donation must be accepted by the Panola County Commissioners' Court according to Local Govt. Code sec. 81.032 and Transportation Code sec. 252.214 and any money will be held by the Panola County Treasurer pending approval of deposit in the Road and Bridge Fund. Any material will not be used prior to the approval of the Court.

I acknowledge that this is intended as a donation and that no person or corporation has been promised any other benefit because of the donation, nor have been induced or coerced in any way by any official or employee of Panola County. I further certify that this donation was given freely and voluntarily.

[Signature] Commissioner, Precinct# 3

Sworn and subscribed to this 7th day of March, 2024.

Vicki Heinkel, Notary Public, State of Texas, My commission expires 1-6-2027



(Panola County Commissioners' Court use only)

This item was accepted / disapproved (strike one) at a meeting of the Panola County Commissioners' Court on this 12th day of March, 2024.

County Judge [Signature]

# Racial Profiling Report | Full

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Agency Name: PANOLA CO. CONST. PCT. 2  
Reporting Date: 02/23/2024  
TCOLE Agency Number: 365102

Chief Administrator: BRACK A. LAGRONE

Agency Contact Information:  
Phone: (903) 263-3067  
Email: brack.lagrone@co.panola.tx.us

Mailing Address:  
110 S. SYCAMORE, ROOM 102-A  
CARTHAGE, TX 75633

This Agency filed a full report

PANOLA CO. CONST. PCT. 2 has adopted a detailed written policy on racial profiling. Our policy:

- 1) clearly defines acts constituting racial profiling;
- 2) strictly prohibits peace officers employed by the PANOLA CO. CONST. PCT. 2 from engaging in racial profiling;
- 3) implements a process by which an individual may file a complaint with the PANOLA CO. CONST. PCT. 2 if the individual believes that a peace officer employed by the PANOLA CO. CONST. PCT. 2 has engaged in racial profiling with respect to the individual;
- 4) provides public education relating to the agency's complaint process;
- 5) requires appropriate corrective action to be taken against a peace officer employed by the PANOLA CO. CONST. PCT. 2 who, after an investigation, is shown to have engaged in racial profiling in violation of the PANOLA CO. CONST. PCT. 2 policy;
- 6) requires collection of information relating to motor vehicle stops in which a warning or citation is issued and to arrests made as a result of those stops, including information relating to:
  - a. the race or ethnicity of the individual detained;
  - b. whether a search was conducted and, if so, whether the individual detained consented to the search;
  - c. whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;
  - d. whether the peace officer used physical force that resulted in bodily injury during the stop;
  - e. the location of the stop;
  - f. the reason for the stop.
- 7) requires the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:
  - a. the Commission on Law Enforcement; and
  - b. the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

The PANOLA CO. CONST. PCT. 2 has satisfied the statutory data audit requirements as prescribed in Article 2.133



(c), Code of Criminal Procedure during the reporting period.

Executed by: BRACK A. LAGRONE  
CONSTABLE

Date: 02/23/2024

# Total stops: 246

**Street address or approximate location of the stop**

City street	32
US highway	103
County road	19
State highway	75
Private property or other	17

**Was race or ethnicity known prior to stop?**

Yes	22
No	224

**Race / Ethnicity**

Alaska Native / American Indian	0
Asian / Pacific Islander	2
Black	58
White	165
Hispanic / Latino	21

**Gender**

<b>Female</b>	<b>80</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	20
White	53
Hispanic / Latino	7
<b>Male</b>	<b>166</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	2
Black	36
White	109
Hispanic / Latino	19

**Reason for stop?**

<b>Violation of law</b>	<b>13</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	3
White	9

Hispanic / Latino	1
<b>Preexisting knowledge</b>	<b>2</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	2
Hispanic / Latino	0
<b>Moving traffic violation</b>	<b>193</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	1
Black	52
White	124
Hispanic / Latino	16
<b>Vehicle traffic violation</b>	<b>38</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	1
Black	3
White	30
Hispanic / Latino	4
<b>Was a search conducted?</b>	
<b>Yes</b>	<b>12</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	10
Hispanic / Latino	0
<b>No</b>	<b>234</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	2
Black	56
White	155
Hispanic / Latino	21
<b>Reason for Search?</b>	
<b>Consent</b>	<b>6</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	5

Hispanic / Latino	0		
<b>Contraband</b>	<b>0</b>		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	0		
White	0		
Hispanic / Latino	0		
<b>Probable</b>	<b>4</b>		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	1		
White	3		
Hispanic / Latino	0		
<b>Inventory</b>	<b>2</b>		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	0		
White	2		
Hispanic / Latino	0		
<b>Incident to arrest</b>	<b>0</b>		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	0		
White	0		
Hispanic / Latino	0		
<b>Was Contraband discovered?</b>			
<b>Yes</b>	<b>12</b>	<b>Did the finding result in arrest?</b>	
		(total should equal previous column)	
Alaska Native / American Indian	0	Yes 0	No 0
Asian / Pacific Islander	0	Yes 0	No 0
Black	2	Yes 1	No 1
White	10	Yes 6	No 4
Hispanic / Latino	0	Yes 0	No 0
<b>No</b>	<b>0</b>		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	0		
White	0		
Hispanic / Latino	0		

<b>Description of contraband</b>	
<b>Drugs</b>	<b>9</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	7
Hispanic / Latino	0
<b>Weapons</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Currency</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Alcohol</b>	<b>2</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	2
Hispanic / Latino	0
<b>Stolen property</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Other</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Result of the stop</b>	
Verbal warning	<b>0</b>

Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Written warning</b>	<b>161</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	1
Black	32
White	95
Hispanic / Latino	33
<b>Citation</b>	<b>78</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	1
Black	24
White	44
Hispanic / Latino	9
<b>Written warning and arrest</b>	<b>2</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	2
Hispanic / Latino	0
<b>Citation and arrest</b>	<b>5</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	4
Hispanic / Latino	0
<b>Arrest</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Arrest based on</b>	
<b>Violation of Penal Code</b>	<b>6</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0

Black	1
White	5
Hispanic / Latino	0
<b>Violation of Traffic Law</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Violation of City Ordinance</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Outstanding Warrant</b>	<b>1</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	1
Hispanic / Latino	0

**Was physical force resulting in bodily injury used during stop?**

<b>Yes</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Resulting in Bodily Injury To:</b>	
Suspect	0
Officer	0
Both	0
<b>No</b>	<b>246</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	2
Black	58
White	165
Hispanic / Latino	21

**Number of complaints of racial profiling**

Total	0
Resulted in disciplinary action	0
Did not result in disciplinary action	0

**Comparative Analysis**

Use TCOLE's auto generated analysis	<input checked="" type="checkbox"/>
Use Department's submitted analysis	<input type="checkbox"/>

**Optional Narrative**

N/A

Submitted electronically to the



The Texas Commission on Law Enforcement



# Lease Agreement



Customer: COUNTY OF PANOLA

Bill To: PANOLA, COUNTY OF  
110 S SYCAMORE ST  
CARTHAGE, TX 75633-2546

Install: COUNTY COURT AT LAW  
RM 300  
108 S SYCAMORE ST  
CARTHAGE, TX 75633 2524

Tax ID#

Negotiated Contract : 072816900

Solution			
Item	Product Description	Agreement Information	Requested Install Date
1. C415DN (XEROX C415DN)	- Carrier Deliv/instal - Customer Ed - Analyst Services	Lease Term: 60 months Purchase Option: FMV	2/28/2024

Monthly Pricing					
Item	Lease Minimum Payment	Meter	Print Charges		Maintenance Plan Features
			Volume Band	Per Print Rate	
1. C415DN	\$62.41	1: Black and White Impressions	1 - 2,500 2,501+	Included \$0.0155	- Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Color Impressions	All Prints	\$0.0996	
Total	\$62.41	Minimum Payments (Excluding Applicable Taxes)			

Authorized Signature	
<p>Customer acknowledges receipt of the terms of this agreement which consists of 2 pages including this face page</p> <p>Signer: Roger McLane      Phone: (903)261-7864</p> <p>Signature: <i>Roger McLane</i>      Date: <i>2-29-24</i></p>	<p>Thank You for your business! This Agreement is proudly presented by Xerox and</p> <p><b>Eric Willis</b> (936)569-1992</p> <p>For information on your Xerox Account, go to <a href="http://www.xerox.com/AccountManagement">www.xerox.com/AccountManagement</a></p>

Terms and Conditions

**INTRODUCTION:**

**1. NEGOTIATED CONTRACT.** The Products are subject solely to the terms in the Negotiated Contract identified on the face of this Agreement, and for any option you have selected that is not addressed in the Negotiated Contract, the then-current standard Xerox terms for such option.

**PRICING PLAN/OFFERING SELECTED:**

**2. FIXED PRICING.** If "Pricing Fixed for Term" is identified in Maintenance Plan Features, the maintenance component of the Minimum Payment and Print Charges will not increase during the initial Term of this Agreement.

**GENERAL TERMS & CONDITIONS:**

**3. REMOTE SERVICES.** Certain models of Equipment are supported and serviced using product information that is automatically collected by Xerox or transmitted to or from Xerox by the Equipment connected to your network ("Remote Product Info") via electronic transmission to a secure off-site location ("Remote Transmission"). Remote Transmission also enables Xerox to transmit Releases of Software to you and to remotely diagnose and modify Equipment to repair and correct malfunctions. Examples of Remote Product Info include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code information. Remote Product Info may be used by Xerox for billing, report generation, supplies replenishment, support services, recommending additional products and services, and product improvement/development purposes. Remote Product Info will be transmitted to and from you in a secure manner mutually agreeable to the parties.

Remote Transmission will not allow Xerox to read, view or download the content of any of your documents or other information residing on or passing through the Equipment or your information management systems. You grant the right to Xerox, without charge, to conduct Remote Transmission for the purposes described above. Upon Xerox's request, you will (a) provide contact information for Equipment such as name and address of your contact and IP and physical addresses/locations of Equipment and (b) ensure that any Maintenance Release or Update released by Xerox to provide security patches, releases and/or certificates for the Remote Transmission and/or Software is promptly enabled by Customer upon notification by Xerox or by the Equipment or when otherwise made available on xerox.com. You will enable Remote Transmission via a method mutually agreeable to both parties, and you will provide reasonable assistance to allow Xerox to provide Remote Transmission. Unless Xerox deems Equipment incapable of Remote Transmission, you will ensure that Remote Transmission is maintained at all times Maintenance Services are being performed. If you are unable to maintain Remote Transmission, or if Xerox disables Remote Transmission from any Equipment at your request, or if you disable Remote Transmission from any Equipment, Xerox reserves the right to charge you a per device fee for such affected Equipment due to the increased service visits that will be required in order to (x) obtain such information, (y) provide such transmissions, and (z) provide such Maintenance Services and Consumable Supplies that otherwise would have been provided remotely and/or proactively.

# Donation Acceptance

I/we, being desirous to contribute a donation to Panola County for the Panola County Sheriff's Department and/or General Fund hereby donate the following:

Dog Food

This donation is to be used by the Panola County Sheriff's Department to purchase dog food for the K-9 dog, or if no purpose is indicated, the purpose shall be determined by the Commissioners' Court. All purposes must be in accordance with current laws governing such funds. The Panola County Commissioners' Court according to Local Gov't. Code, Section 81.032, must accept this donation.

I/we acknowledge that this is given as a donation and that I/we have not been promised any other benefit because of the donation, nor have I/we been induced or coerced in any way by any official or employee of Panola County. I/we further certify that this donation is given freely and voluntarily.

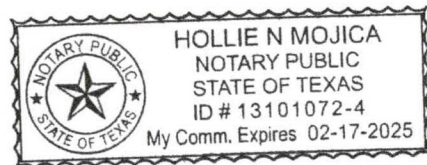
Date 2/27/24

Tractor Supply

(Signed) [Signature]

Sworn to and subscribed before me this 27 of FEBRUARY, 2024

[Signature]  
Notary Public, State of Texas  
My Commission Expires: 2-17-2025



## [Panola County Use Only]

This item was accepted/disapproved (strike one) at a meeting of the Panola County Commissioners' Court on this 12th day of March, 2024.

County Judge [Signature]  
Rodger G. McLane

**PANOLA COUNTY  
JUVENILE PROBATION DEPARTMENT  
SPECIAL REVENUE FUNDS AND ACCOUNT GROUPS**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2023**

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**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT  
FINANCIAL STATEMENTS  
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Member of  
American Institute of Certified Public Accountants  
Texas Society of Certified Public Accountants

Telephone: (903) 693-8522  
Email: rachael@robwilcpa.com

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
Panola County Juvenile Board  
Carthage, Texas

**Opinion**

I have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Panola County Juvenile Probation Department (Department), which comprise the statement of revenues, expenditures and changes in fund balances – budget and actual-regulatory basis for the year ended August 31, 2023 and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the revenue earned and expenditures incurred compared to budgeted revenues and expenditures of the Department's Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2023 in accordance with the financial reporting provisions of the Texas Juvenile Justice Department as described in Note 1.

**Basis for Opinion**

I conducted my audit in accordance with the auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Panola County Juvenile Probation Department, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Emphasis of Matter**

*Basis of Accounting*

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared by the Department in accordance with the financial reporting provisions of the Texas Juvenile Justice Department, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Texas Juvenile Justice Department. As a result, the financial statements may not be suitable for another purpose. My opinion is not modified with respect to this matter.

*Presentation*

As discussed in Note 1, the financial statements of the Department are intended to present the revenues earned and expenditures incurred and changes in fund balance, budget and actual, of only the Texas Juvenile Justice Grant Funds. They do not purport to, and do not, present fairly the financial position of the County as of August 31, 2023 or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Texas Juvenile Justice Department, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit is conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

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

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

#### **Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Panola County Juvenile Probation Department. The special revenue funds and account groups - combining balance sheet and special revenue funds - statements of revenues, expenditures and changes in fund balances - budget and actual are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 my opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated February 26, 2024, on my consideration of the Department's internal control over financial reporting and on my 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 my 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 and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's 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 Department's internal control over financial reporting and compliance.

#### **Restriction on Use**

This report is intended solely for the information and use of the Texas Juvenile Justice Department, Members of the Board of Panola County Juvenile Probation Department, Panola County Commissioners Court, management and others within the Department and is not intended to be and should not be used by anyone other than these specified parties.

*Rachael Payne*

Rachael Payne, CPA, PLLC  
Certified Public Accountant

Carthage, Texas  
February 26, 2024



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**PANOLA COUNTY**  
**TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE BY CONTRACT**  
**BUDGET AND ACTUAL - REGULATORY BASIS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

	Grant A-23-183			Grant RN-23-183		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Revenues:						
TJJD Funds	\$ 185,932	\$ 96,842	\$ (89,090)	\$ 1,341	\$ 1,341	\$ -
Total Revenues	185,932	96,842	(89,090)	1,341	1,341	-
Expenditures:						
Basic Probation Services	40,643	36,257	4,386	-	-	-
Community Programs	54,932	49,225	5,707	1,341	1,341	-
Pre Post-Adjudication	38,357	5,710	32,647	-	-	-
Commitment Diversion	46,000	-	46,000	-	-	-
Mental Health Services	6,000	5,650	350	-	-	-
Total Expenditures	185,932	96,842	89,090	1,341	1,341	-
Excess Revenues over Expenditures	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Additional Information:**

**Refunds Paid to TJJD.**

	\$ 89,090.00	\$ 0.06
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The accompanying notes are an integral part of these financial statements.

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**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. ENTITY**

The Texas Juvenile Justice Department Grant Funds of Panola County (the Funds) were established to account for juvenile probation services funded by the Texas Juvenile Justice Department (TJJJ) in Panola County, Texas.

The Funds provide separate accountability as required by TJJJ under the State Financial Assistance Contract. The Funds are used to account for each separate program, matching funds and all related expenditures incurred.

**B. BASIS OF ACCOUNTING**

The financial statements were prepared in conformity with the accounting practices prescribed by TJJJ, which prescribe policies and procedures for county probation departments and which constitute a comprehensive basis of accounting other than generally accepted accounting principles. These accounting practices include the following:

- The financial statements are reported using the accrual basis of accounting. Revenues are recorded when all eligibility requirements have been met and expenditures are recorded when incurred.
- The accompanying financial statements do not represent financial statements prepared in accordance with provisions for governmental funds as prescribed by the Governmental Accounting Standards Board.
- The accompanying financial statements are prepared in a format to facilitate uniform financial reporting by county probation departments.

**NOTE 2 - RECONCILIATION OF INTEREST EARNED**

Idle funds were maintained in an interest-bearing account. The reconciliation of interest earned on funds received from TJJJ is as follows:

	Interest Earned TJJJ Funds <u>FY 2023</u>	Interest Earned Title IV-E Funds <u>FY 2023</u>	<u>Total Interest</u>
Beginning balance, Sept 1, 2022	\$ 14,256	\$ 31,038	\$ 45,294
Interest earned on funds received from the period of 09/01/22 – 08/31/23	<u>293</u>	<u>5,578</u>	<u>5,871</u>
Total Interest at Aug. 31, 2023	\$ 14,549	\$ 36,616	51,165
Minus interest expenditures in FY 2023	<u>-</u>	<u>-</u>	<u>-</u>
Ending Balance, Aug 31, 2023	<u>\$ 14,549</u>	<u>\$ 36,616</u>	<u>\$ 51,165</u>

**NOTE 3 – OPERATING COST FOR A SECURE JUVENILE FACILITY**

The Department does not operate a secure juvenile facility.

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2023**

**NOTE 4 – FEDERAL FINANCIAL ASSISTANCE**

The Texas Juvenile Justice Department, along with the Texas Department of Family and Protective Services, administers the Title IV-E Program (CFDA 93.658). TJJD disburses funds to Panola County, Texas on a cost reimbursement basis. There were no Title IV-E Program revenues received in the year ending August 31, 2023.

**NOTE 5 – FINANCIAL MATCH REQUIREMENTS**

To receive Texas Juvenile Justice Department state funds, the juvenile probation departments are required to certify that the amount of local or county funds expended for juvenile services is at least equal to or greater than the amount spent in the 2006 county fiscal year, excluding construction and capital outlay expenses unless waived in accordance with the provisions of the State Financial Assistance Fund grant. A confirmation of local funds for the year ending August 31, 2023 is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY 2023	\$ 176,583
FY 2006	\$ 76,882

The juvenile probation department certified the financial match requirements were fulfilled in FY 2023.

**NOTE 6 – STATE FINANCIAL ASSISTANCE**

The Department did not receive any JJAEP Juvenile Reimbursement Grant funds, Grant W Juvenile Justice Alternative Education Program Discretionary Grant funds, Grant R – Regional Diversion Alternative (RDA) Program Reimbursement Grant funds, or Grant R – Travis County JPD Regionalization Program Reimbursement Grant funds during the fiscal year ended August 31, 2023, nor were any amounts available to be carried forward to the subsequent year.

**SUPPLEMENTARY INFORMATION**

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**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT  
SPECIAL REVENUE FUNDS AND ACCOUNT GROUPS  
COMBINING BALANCE SHEET  
AUGUST 31, 2023**

	Special Revenue Fund					Account Group	Totals (Memorandum Only)
	Fund 520  Panola Juvenile Probation	Fund 560 Grant A State Financial Assistance	Fund 585 Local Match Funding	Fund 552 Grant RN Risk & Needs- Risk & Needs Assessment	Fund 530 Title IV-E Program	Capital Assets	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 42,247	\$ 91,481	\$ 196,414	\$ -	\$ 42,332	\$ -	\$ 372,474
Investments	30,000	-	200,000	-	100,000	-	330,000
Interest Receivable	2,060	-	-	-	895	-	2,955
Capital Assets	-	-	-	-	-	47,685	47,685
<b>Total Assets</b>	<b>\$ 74,307</b>	<b>\$ 91,481</b>	<b>\$ 396,414</b>	<b>\$ -</b>	<b>\$ 143,227</b>	<b>\$ 47,685</b>	<b>\$ 753,114</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ -	\$ 762	\$ 1,577	\$ -	\$ -	\$ -	\$ 2,339
Due to TJJD	-	89,090	-	-	-	-	89,090
Accrued Payroll Liabilities Payable	-	581	1,277	-	-	-	1,858
Accrued Wages Payable	-	1,048	654	-	-	-	1,702
<b>Total Liabilities</b>	<b>-</b>	<b>91,481</b>	<b>3,508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,989</b>
<b>Fund Balance:</b>							
Investment in Capital Assets	-	-	-	-	-	47,685	47,685
<b>Fund Balance:</b>							
Restricted	74,307	-	392,906	-	143,227	-	610,440
<b>Total Liabilities and Fund Balance</b>	<b>\$ 74,307</b>	<b>\$ 91,481</b>	<b>\$ 396,414</b>	<b>\$ -</b>	<b>\$ 143,227</b>	<b>\$ 47,685</b>	<b>\$ 753,114</b>

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



**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT  
FUND 520 - PANOLA JUVENILE PROBATION SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED AUGUST 31, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Intergovernmental Receipts			
State Comptroller	\$ -	\$ -	\$ -
Total Intergovernmental Receipts	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous			
Interest Earned	2,800	21,313	18,513
Probation/Informal Adj. Fees	-	329	329
Total Miscellaneous Receipts	<u>2,800</u>	<u>21,642</u>	<u>18,842</u>
<b>Total Revenues</b>	<u>2,800</u>	<u>21,642</u>	<u>18,842</u>
<b>Expenditures:</b>			
Salaries & Fringe Benefits	-	-	-
Travel and Training	-	-	-
Operating Expenses	2,800	-	2,800
Inter-County Contracts	-	-	-
External Contracts	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>2,800</u>	<u>-</u>	<u>2,800</u>
Excess (Deficiency) Revenues over Expenditures	-	21,642	21,642
Fund Balance - Beginning of Year	<u>52,665</u>	<u>52,665</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 52,665</u>	<u>\$ 74,307</u>	<u>\$ 21,642</u>

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

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT**  
**FUND 560 - GRANT A - STATE FINANCIAL ASSISTANCE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Intergovernmental Receipts			
State Comptroller	\$ 185,932	\$ 96,842	\$ (89,090)
Total Intergovernmental Receipts	<u>185,932</u>	<u>96,842</u>	<u>(89,090)</u>
 Total Revenues	 <u>185,932</u>	 <u>96,842</u>	 <u>(89,090)</u>
 <b>Expenditures:</b>			
Salaries & Fringe Benefits	77,175	77,175	-
Travel and Training	5,000	5,000	-
Operating Expenses	11,400	5,664	5,736
Inter-County Contracts	83,357	5,710	77,647
External Contracts	9,000	3,293	5,707
Capital Outlay	-	-	-
Total Expenditures	<u>185,932</u>	<u>96,842</u>	<u>89,090</u>
 Excess (Deficiency) Revenues over Expenditures	 -	 -	 -
 Fund Balance - Beginning of Year	 -	 -	 -
 Fund Balance - End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

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

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT  
FUND 585 - LOCAL MATCH FUNDING SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED AUGUST 31, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
Revenues:			
Miscellaneous			
Miscellaneous Revenues	\$ -	\$ 45	\$ 45
Total Miscellaneous Receipts	<u>-</u>	<u>45</u>	<u>45</u>
 Total Revenues	 <u>-</u>	 <u>45</u>	 <u>45</u>
 Expenditures:			
Salaries & Fringe Benefits	162,000	157,881	4,119
Travel and Training	5,000	936	4,064
Operating Expenses	20,000	17,766	2,234
Inter-County Contracts	32,000	-	32,000
External Contracts	6,000	-	6,000
Capital Outlay	-	-	-
Total Expenditures	<u>225,000</u>	<u>176,583</u>	<u>48,417</u>
 Other Financing Sources			
Local Panola County Funding	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Total Other Financing Sources	<u>225,000</u>	<u>225,000</u>	<u>-</u>
 Excess (Deficiency) Revenues over Expenditures	 -	 48,462	 48,462
 Fund Balance - Beginning of Year	 <u>344,444</u>	 <u>344,444</u>	 <u>-</u>
 Fund Balance - End of Year	 <u>\$ 344,444</u>	 <u>\$ 392,906</u>	 <u>\$ 48,462</u>

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

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT  
 FUND 552 - GRANT RN - RISK & NEEDS - RISK & NEEDS ASSESSMENT  
 SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED AUGUST 31, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental Receipts			
State Comptroller	\$ 1,341	\$ 1,341	\$ -
Total Intergovernmental Receipts	<u>1,341</u>	<u>1,341</u>	<u>-</u>
 Total Revenues	 <u>1,341</u>	 <u>1,341</u>	 <u>-</u>
Expenditures:			
Regionalization:			
Salaries & Fringe Benefits	-	-	-
Travel and Training	-	-	-
Operating Expenses	-	-	-
Inter-County Contracts	-	-	-
External Contracts	1,341	1,341	-
Capital Outlay	-	-	-
Total Expenditures	<u>1,341</u>	<u>1,341</u>	<u>-</u>
 Excess (Deficiency) Revenues over Expenditures	 -	 -	 -
 Fund Balance - Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balance - End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

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

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT  
FUND 530 - TITLE IV-E PROGRAM SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED AUGUST 31, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Miscellaneous			
Interest Earned	\$ -	\$ 5,578	\$ 5,578
Total Miscellaneous Receipts	<u>-</u>	<u>5,578</u>	<u>5,578</u>
<b>Total Revenues</b>	<u>-</u>	<u>5,578</u>	<u>5,578</u>
<b>Expenditures:</b>			
Salaries & Fringe Benefits	-	-	-
Travel and Training	-	-	-
Operating Expenses	-	-	-
Inter-County Contracts	25,000	-	25,000
External Contracts	-	-	-
Capital Outlay	-	-	-
<b>Total Expenditures</b>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Excess (Deficiency) Revenues over Expenditures</b>	<b>(25,000)</b>	<b>5,578</b>	<b>30,578</b>
<b>Fund Balance - Beginning of Year</b>	<u>137,649</u>	<u>137,649</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 112,649</u>	<u>\$ 143,227</u>	<u>\$ 30,578</u>

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

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# Rachael Payne, CPA, PLLC

## Certified Public Accountant

P O Box 1107  
Carthage, Texas 75633

Member of  
American Institute of Certified Public Accountants  
Texas Society of Certified Public Accountants

Telephone: (903) 693-8522  
Email: rachael@robwilepa.com

### 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 *GOVERNMENTAL AUDITING STANDARDS*

Members of the Board  
Panola County Juvenile Board  
Carthage, Texas

I have audited, in accordance with the 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 aggregate statement of revenues, expenditures, and changes in fund balance – budget and actual – regulatory basis (the “aggregate financial statement”) of Texas Juvenile Justice Department (TJJD) Grant Funds of Panola County Juvenile Probation Department (Department) as of and for the year ended August 31, 2023, and the related notes to the aggregate financial statement, which collectively comprise the Department’s aggregate financial statement, and have issued my report thereon dated February 26, 2024.

#### **Report on Internal Control over Financial Reporting**

In planning and performing my audit of the aggregate financial statement and tests of compliance with provisions of laws, regulations, contracts and grant agreements, including the specific financial assurances contained in Section VIII.J. of the General Grant Requirements, I considered Panola County Juvenile Probation Department’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Panola County Juvenile Probation Department’s internal control. Accordingly, I do not express an opinion on the effectiveness of Panola County Juvenile Probation Department’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 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Panola County Juvenile Probation Department's aggregate financial statement is free from material misstatement, I 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or TJJD's audit instructions.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department'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 Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rachael Payne*

Rachael Payne, CPA, PLLC  
Certified Public Accountant  
Carthage, Texas

February 26, 2024



**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2023**

There were no findings or questioned costs in the current year.

**PANOLA COUNTY JUVENILE PROBATION DEPARTMENT  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2022**

There were no findings or questioned costs in the prior year.

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**PANOLA COUNTY  
COMMUNITY SUPERVISION &  
CORRECTIONS DEPARTMENT**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2023**

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**PANOLA COUNTY  
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2023**

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Member of  
American Institute of Certified Public  
Accountants  
Texas Society of Certified Public Accountants

Telephone: (903) 693-8522  
Email: rachael@robwilcpa.com

**INDEPENDENT AUDITOR'S REPORT**

To the Members of the Panola County  
Community Supervision & Corrections Department  
Carthage, Texas 75633

**Opinion**

I have audited the accompanying financial statements of the Panola County Community Supervision & Corrections Department (CSCD), which comprise the combined statement of financial position as of August 31, 2023, and the related statement of revenue, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the Panola County Community Supervision & Corrections Department as of August 31, 2023, and the respective revenue, expenditures and changes in fund balance for the year then ended, in accordance with the financial reporting provisions of the Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD) as described in Note 1.

**Basis for Opinion**

I conducted my audit in accordance with the auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Panola County Community Supervision & Corrections Department, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Emphasis of Matter**

*Basis of Accounting*

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared by the CSCD in accordance with the financial reporting provisions of the TDCJ-CJAD, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the TDCJ-CJAD. As a result, the financial statements may not be suitable for another purpose. My opinion is not modified with respect to this matter.

*Financial Statements of Department Only*

As discussed in Note 1, the financial statements present the operations of the Panola County Community Supervision & Corrections Department only, and are not intended to present fairly the financial position of Panola County, Texas and the results of its operations in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the TDCJ-CJAD, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

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

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



In performing an audit in accordance with generally accepted auditing standards, I:

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

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

### **Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the accompanying financial statements of the Panola County Community Supervision & Correction Department. The schedules of differences between audit report and CSCD reports, the special revenue funds and account groups – combined statement of financial position, the statement of financial position – Drug Court, the statement of revenues, expenditures and changes in fund balance – Drug Court, and the statement of revenues, expenditures and changes in fund balance – budget and actual – Drug Court are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 my opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated February 26, 2024, on my consideration of the Panola County Community Supervision & Corrections Department's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my 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 and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Panola County Community Supervision & Corrections Department's 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 Panola County Community Supervision & Correction Department's internal control over financial reporting and compliance.

### **Restriction on Use**

This report is intended solely for the information and use of management of Panola County Community Supervision & Corrections Department, others within the organization, and the Texas Department of Criminal Justice – Community Justice Assistance Division and is not intended to be and should not be used by anyone other than these specified parties.

*Rachael Payne*

Rachael Payne, CPA, PLLC  
Certified Public Accountant

Carthage, Texas  
February 26, 2024

**PANOLA COUNTY  
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
COMBINED STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2023**

	<b><u>ASSETS</u></b>		
	<u>Basic Supervision</u>	<u>Community Corrections</u>	<u>Total</u>
<b>Cash and Investments</b>			
Bank Balances	\$ 11,381	\$ 5,127	\$ 16,508
Total Cash and Investments	<u>11,381</u>	<u>5,127</u>	<u>16,508</u>
<b>Accounts Receivable</b>			
Community Supervision Fees	\$ 14,647	\$ -	\$ 14,647
Interest Receivable	113	-	113
Total Accounts Receivable	<u>14,760</u>	<u>-</u>	<u>14,760</u>
<b>Total Assets</b>	<u><u>\$ 26,141</u></u>	<u><u>\$ 5,127</u></u>	<u><u>\$ 31,268</u></u>

**LIABILITIES AND FUND BALANCE**

<b>Liabilities</b>			
Accounts Payable	\$ 9,001	\$ 3,707	\$ 12,708
Payroll Liabilities Payable	1,724	283	2,007
Accrued Wages Payable	2,457	462	2,919
Due To TDCJ-CJAD	-	675	675
Total Liabilities	<u>13,182</u>	<u>5,127</u>	<u>18,309</u>
Fund Balance	<u>12,959</u>	<u>-</u>	<u>12,959</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 26,141</u></u>	<u><u>\$ 5,127</u></u>	<u><u>\$ 31,268</u></u>

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

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**PANOLA COUNTY**  
**COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

	Basic Supervision	Community Corrections	Total
<b>REVENUE</b>			
State Aid	\$ 106,140	\$ 46,424	\$ 152,564
<b>Total State Aid</b>	<u>106,140</u>	<u>46,424</u>	<u>152,564</u>
Community Supervision Fees	176,400	-	176,400
Payment by Program Participants	24,093	-	24,093
Interest Income	2,707	-	2,707
Other Revenue	96	-	96
<b>Total Revenue</b>	<u>309,436</u>	<u>46,424</u>	<u>355,860</u>
<b>EXPENDITURES</b>			
Salaries and Fringe Benefits	272,101	46,056	318,157
Travel and Furnished Transportation	6,033	-	6,033
Contract Services for Offenders	17,275	-	17,275
Professional Fees	24,438	348	24,786
Supplies and Operating Expenses	5,166	4,342	9,508
Utilities	2,782	-	2,782
Equipment	8,006	1,419	9,425
<b>Total Expenditures</b>	<u>335,801</u>	<u>52,165</u>	<u>387,966</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(26,365)	(5,741)	(32,106)
<b>PRIOR YEAR ENDING</b>			
<b>FUND BALANCE</b>	39,324	6,416	45,740
Prior Year Refunds (BS only)	-	-	-
<b>Adjusted Beginning Fund Balance</b>	<u>39,324</u>	<u>6,416</u>	<u>45,740</u>
Refund Due to TDCJ-CJAD (CC only)	-	(675)	(675)
<b>AUDITED YEAR ENDING</b>			
<b>FUND BALANCE</b>	<u>\$ 12,959</u>	<u>\$ -</u>	<u>\$ 12,959</u>

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

**PANOLA COUNTY  
 COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
 INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE  
 FOR THE YEAR ENDED AUGUST 31, 2023  
 BASIC SUPERVISION PROGRAM**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TYPE OF REVENUE</b>			
Requested TDCJ-CJAD Funding (State Aid)	\$ 106,140	\$ 106,140	\$ -
Community Supervision Fees Collected	204,500	176,400	(28,100)
Payment by Program Participants	24,500	24,093	(407)
Interest Income	600	2,707	2,107
<b>Carry Over from Previous FY (Prior Year Ending Fund Balance)</b>	39,324	-	(39,324)
Other Revenue	-	96	96
<b>Total Revenue</b>	<u>375,064</u>	<u>309,436</u>	<u>(65,628)</u>
<b>TYPE OF EXPENDITURES</b>			
Salaries and Fringe Benefits	275,692	272,101	3,591
Travel and Furnished Transportation	14,588	6,033	8,555
Contract Services for Offenders	30,990	17,275	13,715
Professional Fees	28,849	24,438	4,411
Supplies and Operating Expenses	11,515	5,166	6,349
Utilities	3,830	2,782	1,048
Equipment	9,600	8,006	1,594
<b>Total Expenditures</b>	<u>375,064</u>	<u>335,801</u>	<u>39,263</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>(26,365)</u>	<u>\$ (26,365)</u>
<b>PRIOR YEAR ENDING FUND BALANCE</b>		<u>39,324</u>	
<b>AUDITED YEAR ENDING FUND BALANCE - ACTUALS</b>		<u>\$ 12,959</u>	

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

**PANOLA COUNTY**  
**COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT**  
**INDIVIDUAL STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE**  
**FOR THE YEAR ENDED AUGUST 31, 2023**  
**COMMUNITY CORRECTIONS PROGRAM:**  
**COMMUNITY CORRECTIONS SUPERVISION SERVICES**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TYPE OF REVENUE</b>			
Requested TDCJ-CJAD Funding (State Aid)	\$ 46,424	\$ 46,424	\$ -
<b>Carry Over from Previous FY (Prior Year Ending Fund Balance)</b>	<u>6,415</u>	<u>-</u>	<u>(6,415)</u>
<b>Total Revenue</b>	<u>52,839</u>	<u>46,424</u>	<u>(6,415)</u>
<b>TYPE OF EXPENDITURES</b>			
Salaries and Fringe Benefits	46,525	46,056	469
Travel and Furnished Transportation	-	-	-
Contract Services for Offenders	-	-	-
Professional Fees	349	348	1
Supplies and Operating Expenses	4,520	4,342	178
Utilities	-	-	-
Equipment	1,445	1,419	26
<b>Total Expenditures</b>	<u>52,839</u>	<u>52,165</u>	<u>674</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>(5,741)</u>	<u>\$ (5,741)</u>
<b>PRIOR YEAR ENDING FUND BALANCE</b>		<u>6,416</u>	
Refund to CJAD (CC only) - Actuals		<u>(675)</u>	
<b>Total Prior Period Adjustment &amp; Refunds - Actuals</b>		<u>(675)</u>	
<b>AUDITED YEAR ENDING FUND BALANCE - ACTUALS</b>		<u>\$ -</u>	

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

**PANOLA COUNTY COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The accompanying financial statements include the revenue of the Panola County Community Supervision and Corrections Department (CSCD) related to the receipt of funds administered by the Texas Department of Criminal Justice – Community Justice Assistance Division (TDCJ-CJAD) from state appropriations for the Basic Supervision fund, Community Corrections funds, local fees collected for the use of the CSCD, and the expenditure of those funds.

The Panola County Community Supervision and Corrections Department, a special purpose district of state government, was organized to provide certain adult probation services to judicial districts. The Department is not a department of Panola County, Texas, nor is it a department of the TDCJ-CJAD or an agency of the State of Texas.

**Basis of Accounting**

Since the Department receives funding from State government, it must comply with requirements of the State. Therefore, the financial statements were prepared using the basis of accounting prescribed by the TDCJ-CJAD, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Basis of accounting refers to the time at which revenues and expenditures are recognized in the accounts and reported in the financial statements. The accounts of Panola County CSCD are organized based on fund accounting, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in a fund based upon the source of the funds and the purposes for which they may be spent and the means by which the spending activities are controlled for the specific activities in accordance with laws, regulations, or other restrictions. Revenues and expenditures are accounted for using either the cash basis of accounting or the modified accrual basis of accounting until the last quarter when the modified accrual basis of accounting must be used.

The modified accrual basis of accounting is followed in that revenues are recorded when susceptible to accrual; i.e., earned, measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues received by October 31 for financial activity performed by August 31, are considered available. Also, purchases for which the commitment has been established by August 31, are considered liabilities regardless of whether possession of these goods has been received by August 31, provided that the liability purchase is received and is paid by October 31. Exception to this method of accounting is the recording of refunds to the State as reductions of Fund Balance.

Funds of the Panola County CSCD are grouped into the agency fund type for the purpose of operation on the Panola County, Texas accounting system. Agency funds are accounts established for deposit and disbursement of funds which are not controlled through the Panola County, Texas budget process and are held in a purely custodial capacity.

**Budgets (Accounting and Legal Compliance)**

The Board of Judges reviews the Community Supervision & Corrections Department's biennium budget in an open meeting and adopts the budget. The CSCD prepares and files the biennium budget in accordance with the *Financial Management Manual for TDCJ-CJAD Funding*. The Board of Judges authorizes the Director of the CSCD to submit routine budget amendments in accordance with the *Financial Management Manual for TDCJ-CJAD Funding*. Budget adjustments are brought to the Board of Judges for approval for line-item changes that exceed \$15,000 or 15%, whichever is greater, of the approved line-item amount (including interfund transfers to other programs or for cash-matching grants from other agencies).

Pursuant to Government Code, Section 76.004 and 76.002, the budgets governing the funding to the programs are prepared biennially, then approved by the district judge and the criminal court-at-law judge with jurisdiction over the department and by the TDCJ-CJAD.

Only budget adjustment requests, at year end, received by November 30<sup>th</sup> will be reviewed and approved/disapproved by TDCJ-CJAD. TDCJ-CJAD will not accept budget adjustments after November 30<sup>th</sup> for the previous fiscal year. Only budget adjustments approved by TDCJ-CJAD should be referred to in performing the financial audit.

**PANOLA COUNTY COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2023**

**NOTE 2 – PRIOR PERIOD ADJUSTMENTS**

There were no prior period adjustments made in the current fiscal year ended August 31, 2023.

**NOTE 3 – REFUNDS**

A Biennium Refund for the Community Corrections Program in the amount of \$675 to TDCJ-CJAD was reported during the fiscal year ended August 31, 2023.

**NOTE 4 – BUDGET VARIANCES**

There were no expenditure line-item amounts that exceed the 15% rule in fiscal year 2023.

**NOTE 5 – CASH, COLLECTIONS, CHANGE FUND, PETTY CASH AND INVESTMENTS**

Collection or clearing accounts are trust funds and must be covered by pledged collateral to cover the estimated highest daily balance of funds operated in conjunction with or through the County depository by the CSCD.

During the fiscal year ended August 31, 2023, the CSCD's state aid and net funds (revenues) received were deposited and held, and collection accounts' remaining net funds (revenues) were transferred into a special fund of the county treasury, on or before the next regular business day, or on or before the fifth business day after the day on which the money was received. All the CSCD's state aid and net funds (revenues) received were held, deposited, disbursed, invested, and otherwise cared for by the County on behalf of the CSCD as the CSCD directed (Government Code 509.011(c) and Local Government Code 113.022 and 140.003(f)).

All CSCD employees who have access to public funds are covered by a surety bond.

The Panola County CSCD did not have a change fund during the year ended August 31, 2023.

The Panola County CSCD did not maintain a petty cash fund during the year ended August 31, 2023.

The Department'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. The Department invested its idle funds during the year into demand deposit checking accounts and certificates of deposit. All funds were invested with the First State Bank & Trust of Carthage, Texas. First State Bank & Trust is the depository bank of Panola County. Accounts of Panola County (including the CSCD accounts) are covered aggregately by the Federal Deposit Insurance Corporation up to \$250,000 by type of account. During the fiscal year ended August 31, 2023, the County's deposits and investments were 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.



**PANOLA COUNTY COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2023**

**NOTE 6 – FUNDS COLLECTED BY THE CSCD FROM NON TDCJ-CJAD SOURCES WHICH ARE REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS**

During the year ended August 31, 2023, the Panola County Community Supervision & Corrections Department received the following funding from NON TDCJ-CJAD sources which are required to be reported on the TDCJ-CJAD quarterly financial reports:

Source	Amount Received	Restrictions for Use	Expended in Accordance With Restriction
<b>Community Supervision Fees</b>	<b>\$ 176,400</b>	Texas Code of Criminal Procedure Article 42A.652 (a); FMM for TDCJ-CJAD Funding restrictions	Yes
<b><u>Payments by Program Participants:</u></b>			
Probation Payments (UA Fees)	\$ 20,476	Government Code, Section 76.015; Section 19, Article 42.12 Code of Criminal Procedures; FMM for TDCJ-CJAD Funding restrictions	Yes
Probation Payments (SASSI Fees)	\$ 3,617	Government Code, Section 76.015; Section 19, Article 42.12 Code of Criminal Procedures; FMM for TDCJ-CJAD Funding restrictions	Yes
<b>Total Payments by Program Participants:</b>	<b>\$ 24,093</b>		
<b>Interest Income</b>	<b>\$ 2,707</b>	FMM for TDCJ-CJAD Funding restrictions	Yes
<b><u>Other Revenue:</u></b>			
ARTS Restitution	\$ 82	FMM for TDCJ-CJAD Funding restrictions	Yes
Unclaimed Funds	\$ 14	FMM for TDCJ-CJAD Funding restrictions	Yes
<b>Total Other Revenue:</b>	<b>\$ 96</b>		

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

The Panola County Community Supervision & Corrections Department had no known commitments and contingencies as of August 31, 2023.

**NOTE 8 – SUBSEQUENT EVENTS**

As of the date of the audit report, there were no known subsequent events which require disclosure in these financial statements.

**NOTE 9 – ACCRUED ANNUAL LEAVE**

Upon termination of employment, the Panola County Community Supervision & Corrections Department pays any accumulated unused annual/vacation leave in an amount not to exceed that accrued at the time of termination and only in an amount that does not exceed that employee's maximum allowable accrual for one year. Upon termination of employment, unused sick leave is cancelled without compensation. As of August 31, 2023, the Panola County Community Supervision & Corrections Department's liability for accrued annual/vacation leave amounted to \$16,550.

**SUPPLEMENTARY SCHEDULES**

**PANOLA COUNTY  
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
SCHEDULE OF DIFFERENCES BETWEEN  
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD  
BASIC SUPERVISION PROGRAM  
FOR THE YEAR ENDED AUGUST 31, 2023**

	Audit	Per CSCD Quarterly Report	Difference
<b>REVENUE</b>			
State Aid	\$ 106,140	\$ 106,140	\$ -
<b>Total State Aid</b>	<u>106,140</u>	<u>106,140</u>	<u>-</u>
Community Supervision Fees	176,400	176,400	-
Payment by Program Participants	24,093	24,093	-
Interest Income	2,707	2,707	-
Other Revenue	96	96	-
<b>Total Revenue</b>	<u>309,436</u>	<u>309,436</u>	<u>-</u>
<b>EXPENDITURES</b>			
Salaries and Fringe Benefits	272,101	272,101	-
Travel and Furnished Transportation	6,033	6,033	-
Contract Services for Offenders	17,275	17,275	-
Professional Fees	24,438	24,438	-
Supplies and Operating Expenses	5,166	5,166	-
Utilities	2,782	2,782	-
Equipment	8,006	8,006	-
<b>Total Expenditures</b>	<u>335,801</u>	<u>335,801</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(26,365)	(26,365)	-
<b>PRIOR YEAR ENDING</b>			
<b>FUND BALANCE</b>	39,324	39,324	-
Prior Year Refund	-	-	-
<b>Adjusted Beginning Fund Balance</b>	<u>39,324</u>	<u>39,324</u>	<u>-</u>
<b>AUDITED YEAR ENDING</b>			
<b>FUND BALANCE</b>	<u>\$ 12,959</u>	<u>\$ 12,959</u>	<u>\$ -</u>

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

**PANOLA COUNTY  
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
SCHEDULE OF DIFFERENCES BETWEEN  
AUDIT REPORT AND CSCD REPORTS AS SUBMITTED TO TDCJ-CJAD  
COMMUNITY CORRECTIONS PROGRAM:  
COMMUNITY CORRECTIONS SUPERVISION SERVICES  
FOR THE YEAR ENDED AUGUST 31, 2023**

	Audit	Per CSCD Quarterly Report	Difference
<b>REVENUE</b>			
State Aid	\$ 46,424	\$ 46,424	\$ -
<b>Total State Aid</b>	46,424	46,424	-
<b>Total Revenue</b>	46,424	46,424	-
<b>EXPENDITURES</b>			
Salaries and Fringe Benefits	46,056	46,056	-
Travel and Furnished Transportation	-	-	-
Contract Services for Offenders	-	-	-
Professional Fees	348	348	-
Supplies and Operating Expenses	4,342	4,342	-
Utilities	-	-	-
Equipment	1,419	1,419	-
<b>Total Expenditures</b>	52,165	52,165	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,741)	(5,741)	-
<b>PRIOR YEAR ENDING FUND BALANCE</b>			
	6,416	6,416	-
Refund Due to CJAD	(675)	(675)	-
<b>AUDITED YEAR ENDING FUND BALANCE</b>	\$ -	\$ -	\$ -

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

**PANOLA COUNTY**  
**COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT**  
**SPECIAL REVENUE FUNDS AND ACCOUNT GROUPS**  
**COMBINED STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2023**

	<u>Special Revenue Fund Type</u>	
	Basic Supervision Program Fund	Community Corrections Program Fund
<b><u>ASSETS</u></b>		
<b>Cash and Investments</b>		
Cash - demand deposits	\$ 11,381	\$ 5,127
Total Cash and Investments	<u>11,381</u>	<u>5,127</u>
<b>Accounts Receivable</b>		
Community Supervision fees receivable	14,647	-
Interest receivable	113	-
Total Accounts Receivable	<u>14,760</u>	<u>-</u>
<b>Capital Assets</b>		
Resources to be provided for retirement of long-term debt	-	-
	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 26,141</u>	<u>\$ 5,127</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
<b>Liabilities</b>		
Accounts payable	\$ 9,001	\$ 3,707
Payroll liabilities payable	1,724	283
Accrued wages payable	2,457	462
Accrued annual leave payable	-	-
Due to TDCJ-CJAD	-	675
Total Liabilities	<u>13,182</u>	<u>5,127</u>
<b>Fund Balance</b>		
Investment in General Fixed Assets	-	-
Fund Balance:		
Restricted	12,959	-
<b>Total Liabilities and Fund Balance</b>	<u>\$ 26,141</u>	<u>\$ 5,127</u>

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

**EXHIBIT "G"**

General Fixed Assets	Long- Term Debt	Totals (Memorandum Only)
\$ -	\$ -	\$ 16,508
-	-	16,508
-	-	14,647
-	-	113
-	-	14,760
135,333	-	135,333
-	16,550	16,550
<u>\$ 135,333</u>	<u>\$ 16,550</u>	<u>\$ 183,151</u>
\$ -	\$ -	\$ 12,708
-	-	2,007
-	-	2,919
-	16,550	16,550
-	-	675
-	16,550	34,859
135,333	-	135,333
-	-	12,959
<u>\$ 135,333</u>	<u>\$ 16,550</u>	<u>\$ 183,151</u>

**PANOLA COUNTY  
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
STATEMENT OF FINANCIAL POSITION  
DRUG COURT  
AUGUST 31, 2023**

**ASSETS**

<b>Cash and Investments</b>		
Cash - demand deposits	\$	34,689
Total Cash and Investments		34,689
 <b>Total Assets</b>	 \$	 34,689

**LIABILITIES AND FUND BALANCE**

<b>Liabilities</b>		
Total Liabilities	\$	-
 <b>Fund Balance</b>		 34,689
 <b>Total Liabilities and Fund Balance</b>	 \$	 34,689

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

**PANOLA COUNTY  
 COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 DRUG COURT  
 FOR THE YEAR ENDED AUGUST 31, 2023**

<b>REVENUE</b>	
Drug Court Fees	\$ 2,269
Interest Income	1,202
Total Revenue	3,471
 <b>EXPENDITURES</b>	
Total Expenditures	-
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	
	3,471
 <b>FUND BALANCE, SEPTEMBER 1, 2022</b>	
	31,218
 <b>FUND BALANCE, AUGUST 31, 2023</b>	
	\$ 34,689

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



**PANOLA COUNTY  
 COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET, ACTUAL AND VARIANCE  
 DRUG COURT  
 FOR THE YEAR ENDED AUGUST 31, 2023**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
Drug Court Fees	\$ -	\$ 2,269	\$ 2,269
Interest Income	-	1,202	1,202
Total Revenue	<u>-</u>	<u>3,471</u>	<u>3,471</u>
<b>EXPENDITURES</b>			
Contract Services	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	3,471	3,471
<b>FUND BALANCE, SEPTEMBER 1, 2022</b>	<u>31,218</u>	<u>31,218</u>	<u>-</u>
<b>FUND BALANCE, AUGUST 31, 2023</b>	<u>\$ 31,218</u>	<u>\$ 34,689</u>	<u>\$ 3,471</u>

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

# Rachael Payne, CPA, PLLC

## Certified Public Accountant

P O Box 1107  
Carthage, Texas 75633

Member of  
American Institute of Certified Public  
Accountants  
Texas Society of Certified Public Accountants

Telephone: (903) 693-8522  
Email: rachael@robwilcpa.com

### 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*

To the Members of the Panola County  
Community Supervision & Corrections Department  
Carthage, Texas

I 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 Panola County Community Supervision and Corrections Department as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Panola County Community Supervision and Corrections Department's basic financial statements, and have issued my report thereon dated February 26, 2024.

#### **Report on Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Panola County Community Supervision and Corrections Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Panola County Community Supervision and Corrections Department's internal control. Accordingly, I do not express an opinion on the effectiveness of Panola County Community Supervision and Corrections Department'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.

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

To the Members of the  
Panola County  
Community Supervision & Corrections Department  
Page 2 of 2

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Panola County Community Supervision and Corrections Department's financial statements are free from material misstatement, I 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

This report is intended solely for the information and use of the Panola County Community Supervision and Corrections Department, others within the organization, and the Texas Department of Criminal Justice-Community Justice Assistance Division, and is not intended to be and should not be used by anyone other than these specified parties.

*Rachael Payne*  
Rachael Payne, CPA, PLLC  
Certified Public Accountant

Carthage, Texas  
February 26, 2024

**PANOLA COUNTY  
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2023**

**Reportable Conditions**

None noted.

**Statement of Corrective Action Taken**

None.

**PANOLA COUNTY  
COMMUNITY SUPERVISION & CORRECTIONS DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE PRIOR YEAR ENDED AUGUST 31, 2022**

There were no findings or questioned costs reported for the prior year ended August 31, 2022.

### XIII. TDCJ-CJAD INDEPENDENT AUDIT COMPLIANCE CHECKLIST

**The Compliance Checklist FORMAT AND CONTENT are NOT TO BE ALTERED.**

Indicate whether these compliance requirements have been met by answering "YES," "NO," or "N/A" (Not Applicable). If "N/A" is blocked out, then answers must be either "YES" or "NO". *Contact your Fiscal Auditor if you have any questions.*

YES NO N/A

#### **FINANCIAL POLICIES AND PROCEDURES** (Questions 1-4)

*An explanation is required to be reported in the Notes to the Financial Statements or in the Schedule of Findings and Questioned Costs if questions 1- 4 are answered NO.*

#### **Duties of the Fiscal Officer, FMM Fiscal Officer, Texas Government Code, Section 76.004** (Question 1)

Texas Government Code, Section 76.004, effective September 1, 2001 allows the judge(s) as described by Government Code section 76.002 the option to appoint a fiscal officer, other than the county auditor, to be responsible for the following: Managing and protecting funds, fees, state aid, and receipts to the same extent that a county auditor manages county funds and funds of other local entities; Ensuring that financial transactions of the department are lawful and allowable; and Prescribing accounting procedures for the department.

1.                Did the fiscal officer follow the applicable laws, guidelines, and duties as specified on Fiscal Officer section of the Financial Management Manual for TDCJ-CJAD Funding?

#### **Credit (Procurement) Cards, FMM Internal Controls, Separation of Duties, Credit Cards,** (Question 2)

CSCDs may obtain a credit card in the CSCD's name for official use only. Charges to the CSCD credit card for personal items shall not be allowed, even if promptly reimbursed. If a credit card is maintained by the CSCD for official expenditures, the CSCD shall maintain a written policy regarding credit card use by employees.

2.                If the CSCD has a credit (procurement) card for official CSCD use, does the CSCD have a written policy regarding credit card use by employees and is the CSCD following the policy?

#### **Equipment, FMM Disposal of Surplus Property / Allowable and Unallowable Expenditures, Equipment,** (Question 3)

Equipment items purchased valued at \$1,000 or more and has a useful life of more than three years must be tagged and included on an inventory list. Inventory tags indicating CSCD ownership must be placed on all equipment purchased with CSCD funds. Periodic inventory testing must be performed by the CSCD, and an updated annual inventory kept on file for auditing purposes.

3.                Was equipment physically inventoried and adequately supported with an inventory form?

#### **Cash Matching for Grants; FMM Grants, Donations, Fees** (Question 4)

With prior TDCJ-CJAD approval, CSCDs may use Basic Supervision, CC, DP, or TAIP funds as required cash matching for grants from other governmental agencies, non-profit organizations, or private foundations, etc., for the purpose of expanding an existing program (CC, DP, or TAIP cash matching) or for funding an accepted Strategic Plan program (Basic Supervision or CC cash matching). All expenditures from the CSCD's matching funds shall be in accordance with the Financial Management Manual for TDCJ-CJAD Funding (see the Allowable and Unallowable Expenditures section of this manual).

4.                Was cash matching properly authorized, budgeted, and expended?

**FINANCIAL STATEMENTS** (Questions 5-11)

*An explanation is required in the corresponding note of the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs if questions 5, 7, 9, and 11 are answered NO. All sources identified in questions 6, 8, & 10-11 are required to be reported on their designated line item of the audited financial statements and in their corresponding note. See note for further instructions.*

5.    Were expenditures and revenues supported by adequate documentation?

**Interfund Transfers; FMM Financial Reports, Additional Reporting Requirements** (Questions 6-7)

CSCDs cannot end a fiscal year with a negative fund balance in any program. Any negative fund balances in CC, DP, or TAIP must be covered by an interfund transfer from Basic Supervision.

Basic Supervision can transfer funds to CC, DP, and TAIP. CC can transfer funds to DP and TAIP. Basic Supervision cannot receive funds from any programs unless those programs are returning funds they received from Basic earlier in the fiscal year. Transfers from DP and TAIP can only go to CC if returning funds received from CC earlier in the fiscal year. Transfers between CCs are not allowed; they should be done by increasing/decreasing state aid. Apart from returning unused funds, transfers cannot come from DP (even to/from another DP program) unless approved by the TDCJ-CJAD Division Director.

6.    Did the CSCD have any interfund transfers and/or DP fund transfers in the fiscal year audited?

7.    If any, were all interfund transfers and/or DP fund transfers noted during the audit allowable?

**Deobligations, Government Code, Chapter 509, Section 509.011 (h), FMM Deobligations** (Questions 8-9)

Government Code, Chapter 509, Section 509.011 (h), allows CSCDs to deobligate any unencumbered state funds held by the department during a fiscal year (Basic Supervision, CC, DP, and TAIP). Deobligations are a reduction to state aid for funds that are in excess of the amount needed to operate the programs for the remainder of the year and are not to be reported as a refund.

8.    In the fiscal year audited, did any deobligation of funds occur because of an excess of funds allocated to programs?

9.    Were the appropriate budget adjustments made for any reallocated funds?

**Budget Variances, FMM Budgets** (Question 10)

*All budget variances identified in the budget variance statements are to be reported in the Budget Variances note of the notes to the financial statements, see note for further instructions. If any budget variances in excess of the 15% rule, they are required to be reported in the Schedule of Findings and Questioned Costs.*

Expenditure line-item differences over 15% of the last TDCJ-CJAD approved budget within each individual program for the fiscal year audited.

10.    Were any unfavorable budget variances in excess of the 15% rule identified in the Individual Statement of Revenues, Actual, and Variance for the fiscal year audited?

**Prior Period Adjustments, FMM Financial Reports, Additional Reporting Requirements** (Question 11)

Adjustment to beginning fund balance because of corrections and/or reporting adjustments to the general ledger of prior fiscal years, **not prior quarters of the current fiscal year**. This amount does not include prior-year refunds.

11.    If the CSCD had any **prior period adjustments** resulting from accounting corrections or reporting adjustments to the general ledger for the prior fiscal year(s), were they properly reported as prior period adjustments on the quarterly financial report in the corresponding quarter during which they were identified?

**BASIS OF ACCOUNTING** (Questions 12-14)

*An explanation is required in the Basis of Accounting portion of the Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs if questions 12-14 are answered NO.*

**Basis of Accounting Requirements, FMM Fiscal Officer, Duties of the Fiscal Officer and Financial Reports**  
(Questions 12-14)

FMM, Fiscal Officer, Duties of the Fiscal Officers: Managing and protecting funds, fees, state aid, and other receipts of money. Each program is to be maintained utilizing a separate self-balancing set of financial books and accounting records in accordance with proper fund accounting.

FMM Financial Reports, Basis of Accounting: Although CSCDs are encouraged to use the modified accrual basis of accounting for each quarter, the first, second, and third quarter reports may be prepared on the cash basis method of accounting. The fourth quarter report, which closes out the fiscal year, must be prepared on the modified accrual basis of accounting.

For the CSCD to report an accrual, as of August 31<sup>st</sup> on the fourth quarter report, TDCJ-CJAD requires that the expenditures be paid, and the item received by October 31<sup>st</sup>.

12.   Was separate accountability maintained for TDCJ-CJAD funds, i.e., fund accounting of self-balancing funds?
13.   Was the modified accrual basis of accounting used in preparing the fourth quarter reports for submission to TDCJ-CJAD?
14.   Were proper cutoff procedures observed at the end of each fiscal period? *The cutoff date for revenues recognition and expenditures payments of the fiscal year audited is **October 31<sup>st</sup>, of the fiscal year audited.***

**FUNDS COLLECTED FROM NON TDCJ-CJAD SOURCES WHICH ARE REQUIRED TO BE REPORTED ON THE TDCJ-CJAD QUARTERLY FINANCIAL REPORTS** (Questions 15-24)

*An explanation is required in the Funds Collected from Non TDCJ-CJAD Sources Which are Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports note of the Notes to Financial Statements and in the Schedule of Findings and Questioned Costs, if questions 15-16, or 24, are answered NO or 18-19, or 22-23 answered YES.*

*If any of the fees identified in questions 17, 20, and 21 were collected, they **are required** to be reported in the Funds Collected from Sources Other Than TDCJ-CJAD Which are Required to be Reported on the TDCJ-CJAD Quarterly Financial Reports note of the Notes to Financial Statements.*

15.   Were TDCJ-CJAD funds and locally generated revenues expended in accordance with the Financial Management Manual for TDCJ-CJAD funding (FMM), TDCJ-CJAD Standards, Special Grant Conditions, and applicable laws?
16.   Were locally generated funds, and other collections, documented with a proper receipt system, and can they be traced to probationers' accounts, bank deposits, and statements?

**Administrative Fees, Texas Government Code Section 76.015c, FMM Statutory Requirements** (Questions 17-19)

Government Code Chapter 76 Community Supervision and Corrections Departments Section 76.015c states: A department may assess a reasonable administrative fee of not less than \$25 and not more than \$60 per month on an individual who participates in a program operated by the department or receives services from the department and who is not paying a monthly fee under Article 42A.652, Code of Criminal Procedure (i.e. Community Supervision Fees).



YES NO N/A

17.    Did the CSCD collect any **administrative fees of \$25-\$60** from **offender and/or non-offender individuals** who either participate in a TDCJ-CJAD funded program or receive services from the department and who are not paying a monthly fee under Articles 42A Code of Criminal Procedure (i.e., Community Supervision Fees)?
18.    If collected, when the CSCD assessed the administrative fee, did the CSCD assess less than \$25 or more than \$60 for the fee?
19.    If collected, did the CSCD assess administrative fees of \$25-\$60 for those individuals who also pay a monthly supervision fee under Articles 42A.652 Code of Criminal Procedure?

**Fees for Pretrial Intervention Programs; Texas Code of Criminal Procedure Chapter 102.012, FMM Statutory Requirements (Question 20)**

Code of Criminal Procedure Chapter 102 Subchapter A General Costs Article 102.012, Fees for Pretrial Intervention Program states: (a) A court that authorizes a defendant to participate in a pretrial intervention program established under Section [76.011](#), Government Code, may order the defendant to pay to the court a supervision fee in an amount not more than \$60 per month as a condition of participating in the program. (b) In addition to or in lieu of the supervision fee authorized by Subsection (a), the court may order the defendant to pay or reimburse a community supervision and corrections department for any other expense that is: (1) incurred as a result of the defendant's participation in the pretrial intervention program, other than an expense described by Article [102.0121](#); or (2) necessary to the defendant's successful completion of the program.

20.    Did the CSCD collect fees for **pretrial intervention programs** in the fiscal year audited?

**Administrative Fees (i.e., Transaction Administrative Fees); Texas Code of Criminal Procedure, Article 102.072, FMM Statutory Requirements (Questions 21-24)**

Texas Code of Criminal Procedure, Article 102.072; Administrative Fee states: An officer listed in Article [103.003](#) or a community supervision and corrections department may assess an administrative fee for each transaction made by the officer or department relating to the collection of fines, fees, restitution, or other costs imposed by a court. The fee may not exceed \$2 for each transaction. This article does not apply to a transaction relating to the collection of child support. A "transaction" is defined as an event that involves the collection of money for one or more purposes that results in a preparation of a single receipt. CSCDs shall not prepare separate receipts for money received during a single event for multiple purposes (i.e. to collect multiple \$2 administrative fees).

The "transaction" administrative \$2 fee is required to be budgeted and reported as Other Revenue in Basic Supervision.

21.    Did the CSCD collect **administrative fees** (i.e. **transaction administrative fees**) for each transaction made by the department relating to the collection of fines, fees, restitutions, or other costs imposed by a court during the fiscal year audited?
22.    If collected, did any single **transaction administrative fee** exceed the allowable \$2?
23.    If collected, during each transaction, does the CSCD issue separate receipts for each fine, fee, restitution, or other cost paid while charging the \$2 **transaction administrative fee** for each receipt?
24.    If collected, was the **transaction administrative fee** budgeted and recorded as Other Revenue in Basic Supervision and accounted for on a consistent basis (FMM Statutory Requirements)?

**CASH, COLLECTIONS, CHANGE FUND, PETTY CASH** (Questions 25-28)

*An explanation is required to be reported in the Cash, Collections, Change Fund, Petty Cash & Investments note of the Notes to the Financial Statements and included in the Schedule of Findings and Questioned Costs if questions 25-28, 30, 34-35, and 36 are answered NO. All change fund and petty cash funds are required to be reported in the Cash, Collections, Change Fund, and Petty Cash & Investments note of the Notes to the Financial Statements.*

**Deposits and Disbursement Requirements, (Questions 25-28)**

Government Code, Section 509.011 (c) Each department, county, or municipality shall deposit all state aid received from the division in a special fund of the county treasury or municipal treasury, as appropriate, to be used solely for the provision of services, programs, and facilities under this chapter or Subchapter H, Chapter 351, Local Government Code.

Local Government Code, Section 140.003 (f) Each specialized local entity (CSCD) shall deposit in the county treasury of the county in which the entity has jurisdiction the funds the entity receives. The county shall hold, deposit, disburse, invest, and otherwise care for the funds on behalf of the specialized local entity (CSCD) as the entity (CSCD) directs. If a specialized local entity has jurisdiction in more than one county, the district judges having jurisdiction in those counties, by a majority vote, shall designate from among those counties the county responsible for managing the entity's funds.

Local Government Code, Section 113.022 (a) A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. However, in a county with fewer than 50,000 inhabitants, the commissioner's court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 15 days after the date the funds are received. (b) A county treasurer shall deposit the money received under Subsection (a) in the county depository in accordance with Section 116.113(a). In all cases, the treasurer shall deposit the money on or before the seventh business day after the date the treasurer receives the money.

Local Government Code, Section 113.001. COUNTY TREASURER AS CHIEF CUSTODIAN OF MONEY. The county treasurer, as chief custodian of county funds, shall keep in a designated depository and shall account for all money belonging to the county.

Local Government Code, Section 116.113. DEPOSIT OF FUNDS. (a) Immediately after the commissioner's court designates a county depository, the county treasurer shall transfer to the depository all of the county's funds and the funds of any district or municipal subdivision of the county that does not select its own depository. The treasurer shall also immediately deposit with the depository to the credit of the county, district, or municipality any money received after the depository is designated.

Local Government Code, Section 116.115. CLEARINGHOUSE FOR MULTIPLE DEPOSITORIES. If the funds of a county are deposited with more than one depository, the commissioner's court shall by order name one of the depositories to act as a clearinghouse for the others. All county orders for payment are finally payable at the depository named as the clearinghouse.

- 25.    Were all the CSCD's state aid and net funds (revenues) received, deposited, and held in a special fund of the county treasury (county's bank account) during the fiscal year audited?
- 26.    Were all the CSCD's state aid and net funds (revenues) received: held, deposited, disbursed, invested, and otherwise cared for by the county on behalf of the CSCD, as the CSCD directed during the fiscal year audited?
- 27.    Were all the CSCD's state aid and net funds (revenues) received deposited in the county treasury (county's bank account) within the time period required by Local Government Code 113.022 during the fiscal year audited?
- 28.    Were all the CSCD's collection accounts' remaining net funds (revenues) transferred to the county treasury (county's bank account) within the time period required by Local Government Code 113.022 during the fiscal year audited?

**Change Fund, Local Government Code, Chapter 130, Section 130.902 (a), FMM Fiscal Change Fund (Questions 29-30)**

Local Government Code, Chapter 130, Section 130.902 (a) The commissioner's court of a county may set aside from the general fund of the county an amount approved by the county auditor for use as a change fund by any county or district official who collects public funds. The fund may be used only to make change in connection with collections that are due and payable to the county, the state, or another political subdivision of the state that are often made by the official. (b) The bond of that official who receives such a change fund must cover the official's responsibility for the correct accounting and disposition of the change fund.

29.    Did the CSCD maintain a **change fund** authorized by the fiscal officer in the fiscal year audited? Change Funds are not to be confused with petty cash funds (*FMM Fiscal Officer*).

30.    Was the **change fund only** used to make change in connection with collections that are due and payable to the CSCD?

**Petty Cash Utilizing CSCD Funds, Local Government Code, Section 130.909, FMM Petty Cash (Questions 31-35)**

Local Government Code, Section 130.909. (a) The commissioner's court of a county may set aside from the general fund of the county, for the establishment of a petty cash fund for any county or district official or department head approved by the commissioner's court, an amount approved by: (1) the county auditor, for a county with a population of 3.3 million or more; or (2) the commissioner's court, for a county with a population of less than 3.3 million (FMM, State Payments, Financial Reports, Community Corrections Facility, and Fiscal Officer).

31.    Did the CSCD maintain **petty cash** in the fiscal year audited?

32.    Was the petty cash fund maintained by **utilizing the CSCD's funds** authorized by the county auditor?

33.    Was the petty cash fund maintained by **utilizing NON-CSCD revenues** (i.e. vending machine revenues)?

34.    Were **petty cash funds utilizing CSCD's funds** used only for specific purposes for allowable items as listed in the Financial Management Manual for TDCJ-CJAD Funding?

35.    Were **petty cash funds utilizing CSCD's funds** expended only for emergency situations authorized by a written policy and approved by the CSCD director?

**Employee Surety Bond Coverage, FMM Employee Surety Bond Coverage (Question 36)**

CSCD directors shall ensure that all public funds are protected by requiring that all employees with access to funds are covered by Employee Surety Bond coverage and that all funds maintained on CSCD premises are protected by appropriate insurance or bonding. Funds on CSCD premises shall not exceed insurance/bond limits of coverage. CSCDs that have been authorized to have a change fund shall have Employee Surety Bond coverage on the employee who maintains and administers the change fund or petty cash fund, and the coverage shall include the employee's responsibility for the correct accounting and disposition of the change fund or petty cash fund.

36.    Were all employees who had access to public funds and/or maintained and administered public funds, change funds and petty cash, which cover the employees' responsibility for the correct accounting and disposition of the change fund and petty cash, covered by an employee surety bond?

**SCHEDULE OF DIFFERENCES** (Question 37)

*An explanation is required to be reported in the Schedule of Differences, Notes to the Financial Statements and in the Schedule of Findings and Questioned Costs if question 37 is answered NO.*

37.                Were revenues and expenditures as reported to TDCJ-CJAD on the quarterly financial reports in agreement with the CSCD's accounting records (CSCD's actuals), the last approved budget, and with audited financial statements?

**COMPLIANCE** Standards for Financial Audits; Chapter 4, Item 4.25 Government Auditing Standards (Questions 38-42)

*An explanation is required to be reported in the Report on Compliance and Internal Control and in the Schedule of Findings and Questioned Costs If questions 38-42 are answered YES.*

- 38.                Were there any instances of deficiencies in internal control noted by the auditor?
- 39.                Were there any instances of non-compliance noted by the auditor?
- 40.                Were there any instances of fraud noted by the auditor?
- 41.                Were there any instances of waste noted by the auditor?
- 42.                Were there any instances of abuse noted by the auditor?

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS** Standards for Financial Audits; Chapter 4, Item 4.05, Government Auditing Standards (Questions 43-44)

*An explanation is required to be reported in Schedule of Findings and Questioned Costs for Prior Year if questions 43-44 are answered NO.*

- 43.                Do any action plans exist for significant findings from prior year audits?
- 44.                If action plans exist from prior year audit findings, are they compliant?

**OTHER MATTERS**


- 45.                Was an on-site visit to the CSCD headquarters conducted by the CPA or CPA firm staff during the duration of the audit?
- 46.                Was a management letter noting certain immaterial instances of noncompliance issued to the CSCD?

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## Expenditure Statement for Counties

<b>Name of County:</b>	Panola	
<b>Contact Person:</b>		
Primary contact for questions regarding the information reported on this expenditure statement.		
<b>Name:</b>	Jennifer Stacy	
<b>Title:</b>	County Auditor, Panola County	
<b>Mailing Address:</b>	110 S. Sycamore St. RM 213A	
<b>Phone Number:</b>	(903) 693-0320	
<b>Email:</b>	jstacy@co.panola.tx.us	
<p>Provide prior <b>calendar year</b> unreimbursed health care expenditures for your county within the categories defined below.</p> <p>According to 25 Tex. Admin. Code § 102.3, <b>unreimbursed health care expenditures</b> are defined as actual expenditures made by the county, which are directly attributable to the provision of health care services to the general public, either directly or by contract or agreement with a third-party provider, and for which no reimbursement is made by or expected from any third-party source or fund. Furthermore, an additional 15% is added to the total to account for general administrative and overhead costs not directly related to the provision of health care.</p> <p>In addition to payments made from the county's customary operating accounts, unreimbursed expenditures can include 1) payments made from a trust fund or reserve account intended for the provision of health care services and 2) payments made in the prior calendar year using the pro rata shares from past tobacco settlement distributions. Unreimbursed expenditures cannot include contractual allowances or discounts for health care services required under a third party payer agreement.</p> <p>Any <u>unreimbursed expenditures claimed on the prior calendar year expenditure statement that were later reimbursed by monies other than tobacco settlement funds, should be subtracted</u> from the amount of unreimbursed expenditures reported on the current year expenditure statement.</p>		
<b>Category A. Unreimbursed County Expenditures for Indigent Health Care Services</b>		
These expenditures must be for unreimbursed health care services provided to the indigent population.		43,086.66
<b>Category B. Unreimbursed County Expenditures for Jail Health Care Services</b>		
These expenditures must be for unreimbursed health care services provided to adults or juveniles in the detained or incarcerated population.		147,888.07
<b>Category C. Unreimbursed County Expenditures for General Public Health Care Services</b>		
These expenditures must be for unreimbursed health care services such as a hospital district may provide. These are typically diagnostic and treatment services for individuals. Expenditures for environmental services (e.g. mosquito control, water testing, and septic tank inspection) and population-based services not involving direct contact with an individual health care recipient (e.g. restaurant inspections) must be excluded.		
1) Health care clinic, laboratory, and case management services.		6,000.00
2) Dental care services.		
3) Outreach and prevention efforts related to tobacco use, including but not limited to media campaigns, education, counseling, and production and distribution of promotional literature.		
4) Other health care outreach and prevention efforts, including but not limited to media campaigns, education, counseling, and production and distribution of promotional literature. Typical target areas for these efforts include health hazards affecting the general public.		
5) Medical transportation.		
6) Behavioral or psychiatric health care services.		
7) Capital expenditures for health care services.		

**Texas Department of State Health Services Tobacco Settlement Distribution Program**

<b>Category C. continued</b>		<b>Name of County:</b> Panola	
<b>8)</b> Overhead costs for a health care facility. Limited to non-labor expenditures required to operate a health care facility (e.g. utilities, internet service, building insurance).			
<b>9)</b> Emergency medical services.			
<b>10)</b> Medical supplies or equipment used for the provision of health care services to the general public.			
<b>11)</b> Other services provided by the county that are also within the scope of services that hospital districts are authorized by law to provide. These will typically be diagnostic and treatment services. <b>Please describe services below:</b>			
<b>12)</b> Intergovernmental transfer (IGT) payment(s) made by the county to a hospital(s) in its jurisdiction in exchange for indigent health care services. <b>Name of Hospital(s) below:</b>			
<b>13)</b> If the county sold or leased its public health care facility(ies) and included a contractual obligation on the part of the purchaser or lessee to provide health care services to the indigent population, the county may claim one or both of the following: <b>a)</b> Unreimbursed payments not funded by taxes made by the county to said public health care facility(ies). Payments may be for ongoing operations, indigent care obligations, or other statutorily authorized expenditures. <b>b)</b> The value of health care services for indigent residents performed by said public health care facility(ies) as if they had been reimbursed at the Medicaid rate. <b>Name of Public Health Care Facility(ies) below:</b>		1,211,392.75	
UT Health Carthge			
<b>14)</b> If the county made unreimbursed payments to a public hospital (see exception below) owned by the county and that is not located within a hospital district, enter the information below. The payments must be directly attributable to the provision of health care services to the general public. <b>Exception: Do not include payments to non-hospital health care facilities (e.g. clinics). Report those expenditures on line 1 in category C.</b>			
	<b>Public Hospital Name</b>	<b>City Where Located</b>	<b>Prior Year Payments</b>
<b>Total</b>			<b>0.00</b>
<b>Subtotal, All Category C Expenditures</b>			<b>1,217,392.75</b>
<b>Total Expenditures to be claimed:</b> (are calculated by multiplying the sum of Cat. A+B+C by 1.15).			
<b>Total Expenditures to be claimed: (Cat. A+B+C)</b>		<b>1,408,367.48</b>	<b>x 1.15 =</b>
			<b>1,619,622.60</b>
This is to certify that the above unreimbursed expenditures are eligible for pro rata payment in accordance with the Agreement Regarding Disposition of Settlement Proceeds between the State of Texas and American Tobacco Company, et al.			
<b>Printed Name and Title of County's Authorized Representative:</b>		<b>Email Address and Telephone Number:</b>	
Jennifer Stacy		jstacy@co.panola.tx.us 903-693-0320	
<b>Signature of Authorized Representative:</b>		<b>Date:</b>	
		3/7/24	

APPROVED 03-12-2024

Rodger G. McLane  
County Judge

*Rodger G. McLane*

**PANOLA COUNTY OFFICIAL/EMPLOYEE  
REQUEST FOR ATTENDANCE**

**AT A CONFERENCE**

NAME: Robert Duncan

POSITION: Airport Manager

DEPARTMENT: Panola County Airport

DATE: 02-27-2024

CONFERENCE: Texas Aviation Conference

LOCATION: Galveston, Texas

DATES: April 24 to April 26

NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE: 3

Does the conference meet your educational requirements for the year? n/A

If not, how much of your requirements will be met by this conference? n/A

How much of your requirements have been met already, not counting this conference? n/A

How many days have you been away from your job this year for conferences, not counting this conference? n/A

Do you have sufficient funds in your budget for this conference? Yes

Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

New updates on Aviation in Texas & the U.S., FAA Updates, Airport Funding projects, & Aviation Education.

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APPROVED 03-12-2024

Rodger G. McLane  
County Judge

*Rodger G. McLane*

**PANOLA COUNTY OFFICIAL / EMPLOYEE REQUEST FOR CONFERENCE**

\_\_\_\_\_ **ONLINE**

**IN PERSON**

**NAME:** Lindsey Smith

**POSITION:** District Clerk

**DEPARTMENT:** District Clerk

**DATE:** 02/26/2024

**CONFERENCE:** Region VI County & District Clerk's Association

**LOCATION:** Canton

**DATES:** 04/19/2024 **TO** \_\_\_\_\_

**NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE:** 1

**Does this conference meet your educational requirements for the year?** No

**If not, how much of your requirements will be met by this conference?** TBD

**How much of your requirements have been met already, not counting this conference?** 0

**How many days have you been away from your job this year for conferences, not counting this conference?** 1

**Do you have sufficient funds in your budget for this conference?** yes

**Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)**

To gain knowledge from topics presented  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

APPROVED 03-12-2024

Rodger G. McLane  
County Judge

*Rodger G. McLane*

**PANOLA COUNTY OFFICIAL / EMPLOYEE REQUEST FOR CONFERENCE**

\_\_\_\_ ONLINE

IN PERSON

NAME: Richard Mojica

POSITION: Corporal / K-9 Handler - Patrol - Interdiction

DEPARTMENT: Panola County Sheriff's Office

DATE: February 23-24, 2024 (2/21/2024)

CONFERENCE: E-collar & Problem Solving w/ Justin Rigney

LOCATION: Texas K9 Solutions - Winona, TX

DATES: February 23 TO February 24, 2024

NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE: \_\_\_\_\_

Does this conference meet your educational requirements for the year? No

If not, how much of your requirements will be met by this conference? None

How much of your requirements have been met already, not counting this conference? 1

How many days have you been away from your job this year for conferences, not counting this conference? 0

Do you have sufficient funds in your budget for this conference? \_\_\_\_\_

Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

This class will help me understand how to correct issues with my K9 if I ever need it. There will be plenty of good training there, hands on Problem Solving and e-collar issues.

APPROVED 03-12-2024  
Rodger G. McLane  
County Judge

*Rodger G. McLane*

**PANOLA COUNTY OFFICIAL/EMPLOYEE**

**REQUEST FOR ATTENDANCE  
AT A CONFERENCE**

NAME: HOLLY GIBBS

POSITION: TAX ASSESSOR/COLLECTOR

DEPARTMENT: TAX ASSESSOR/COLLECTOR

DATE: 03/04/24

CONFERENCE: TACA CONFERENCE

LOCATION: DALLAS TX

DATES: 06/02/24 to 06/05/24

NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE: 3

Does the conference meet your educational requirements for the year?           

If not, how much of your requirements will be met by this conference?           

How much of your requirements have been met already, not counting this conference?  
          

How many days have you been away from your job this year for conferences, not counting this conference?           

Do you have sufficient funds in your budget for this conference?           

Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

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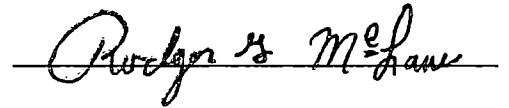
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APPROVED 03-12-2024

Rodger G. McLane  
County Judge



**PANOLA COUNTY OFFICIAL/EMPLOYEE  
REQUEST FOR ATTENDANCE AT A CONFERENCE**

NAME: James McBrayer

POSITION: Patrol Deputy

DEPARTMENT: Panola County Sheriff's Office

DATE: 3/4/2024

CONFERENCE: Interdiction Academy

LOCATION: Prosper, Texas

DATES: 3/19/2024 to 3/19/2024

NUMBER OF DAYS OUT OF THE OFFICE FOR THIS CONFERENCE: 2

Does the conference meet your educational requirements for the year? Yes

If not, how much of your requirements will be met by this conference? 8 hours

How much of your requirements have been met already, not counting this conference?

92

How many days have you been away from your job this year for conferences, not counting this conference? 5

Do you have sufficient funds in your budget for this conference? Yes

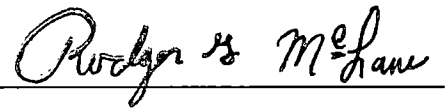
Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

The course entails a well-structured curriculum that primarily focuses on crimes pertaining to the transportation of Narcotics, Illicit Currency, Weapons, and Human Smuggling.

By participating in this course, students will gain invaluable knowledge and skills in utilizing highly advanced roadside interviewing skills, which serve as a powerful tool for deciphering and understanding human behaviors commonly exhibited by deceptive individuals.

APPROVED 03-12-2024

Rodger G. McLane  
County Judge



**PANOLA COUNTY OFFICIAL/EMPLOYEE  
REQUEST FOR ATTENDANCE AT A CONFERENCE**

NAME: Quade Davis  
POSITION: Patrol Sergeant  
DEPARTMENT: Panola County Sheriff's Office  
DATE: 3/4/2024

CONFERENCE: Interdiction Academy  
LOCATION: Prosper, Texas  
DATES: 3/19/2024 to 3/19/2024

NUMBER OF DAYS OUT OF THE OFFICE FOR THIS CONFERENCE: 2

Does the conference meet your educational requirements for the year? Yes

If not, how much of your requirements will be met by this conference? 8 hours

How much of your requirements have been met already, not counting this conference?  
200

How many days have you been away from your job this year for conferences, not counting this conference? 5

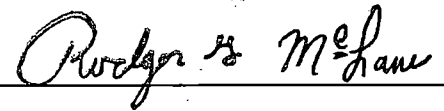
Do you have sufficient funds in your budget for this conference? Yes

Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

The course entails a well-structured curriculum that primarily focuses on crimes pertaining to the transportation of Narcotics, Illicit Currency, Weapons, and Human Smuggling.

By participating in this course, students will gain invaluable knowledge and skills in utilizing highly advanced roadside interviewing skills, which serve as a powerful tool for deciphering and understanding human behaviors commonly exhibited by deceptive individuals.

APPROVED 03-12-2024  
 Rodger G. McLane  
 County Judge



**PANOLA COUNTY OFFICIAL / EMPLOYEE REQUEST FOR CONFERENCE**

\_\_\_\_\_ **ONLINE**                                  x \_\_\_\_\_ **IN PERSON**

**NAME:**            Colton McNair

**POSITION:**    Mental Health Officer

**DEPARTMENT:** Panola County Sheriff's Office

**DATE:**            3/6/2024

**CONFERENCE:** Sex Offender Registration Regional Training

**LOCATION:**      Carrollton, Texas - Carrollton Police Department

**DATES:**         3/20/24                                  TO 3/21/24

**NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE:**    2

Does this conference meet your educational requirements for the year? yes

If not, how much of your requirements will be met by this conference? 8

How much of your requirements have been met already, not counting this conference? 107

How many days have you been away from your job this year for conferences, not counting this conference? 0

Do you have sufficient funds in your budget for this conference? Yes (free class

**Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 This class will help the deputy learn to identify the forms and data that is required to register a sex offender  
 and have their information available on the Sex Offender Registry for law enforcement access  
 and to have their allowable information made public if applicable.

APPROVED 03-12-2024  
Rodger G. McLane  
County Judge

*Rodger G. McLane*

**PANOLA COUNTY OFFICIAL / EMPLOYEE REQUEST FOR CONFERENCE**

         ONLINE

IN PERSON

NAME: Colton McNair

POSITION: Deputy Sheriff

DEPARTMENT: Panola Co. Sheriff's Office

DATE: March 7, 2024

CONFERENCE: CIT Conference

LOCATION: South Padre, Texas

DATES: April 17, 2024 to April 20, 2024

NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE: 4

Does this conference meet your educational requirements for the year?         

If not, how much of your requirements will be met by this conference?         

How much of your requirements have been met already, not counting this conference?         

How many days have you been away from your job this year for conferences, not counting this conference?         

Do you have sufficient funds in your budget for this conference? yes

Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

Relatable training for job duties  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_