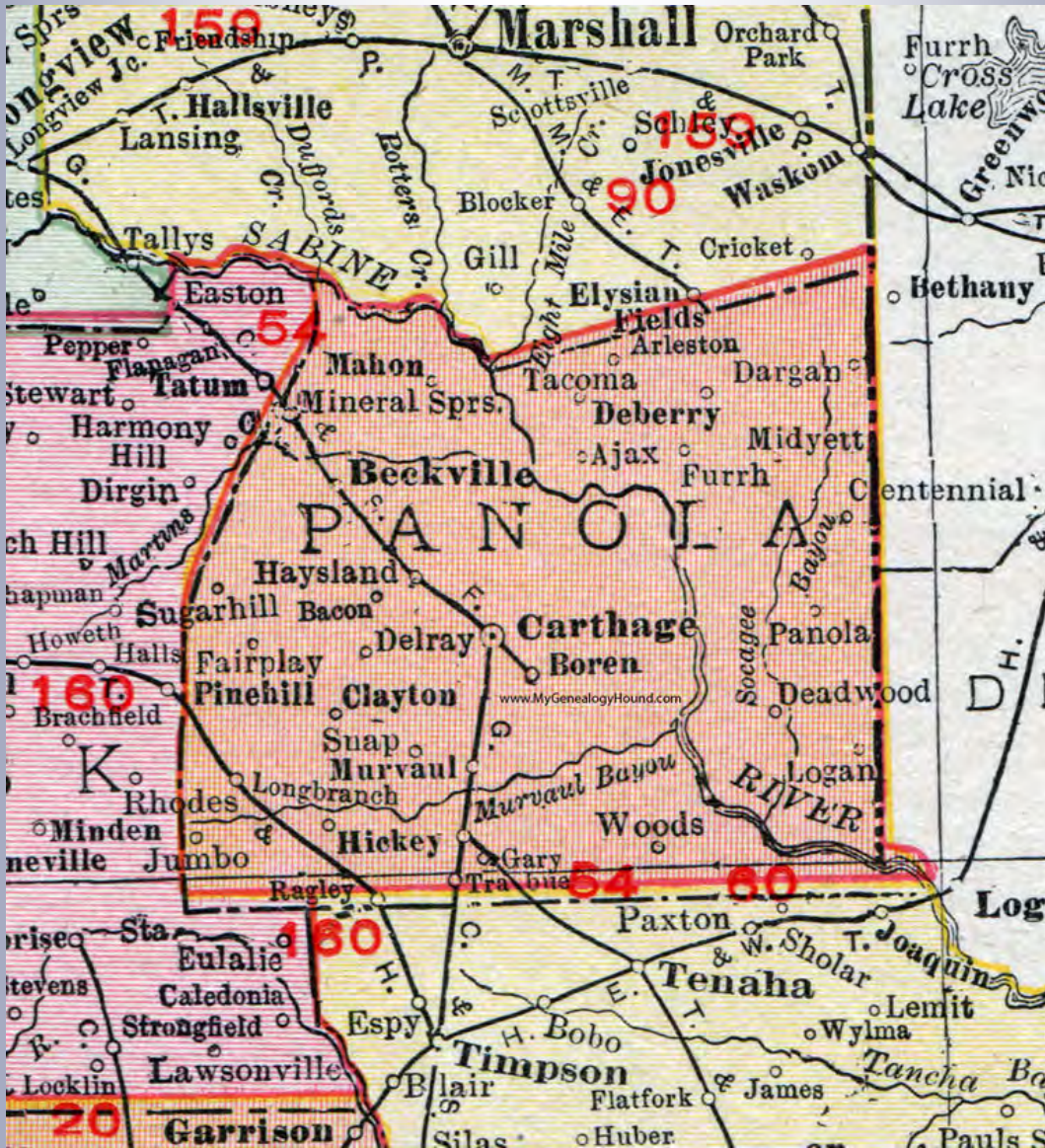


PANOLA COUNTY, TEXAS
AUDITOR'S 2022
ANNUAL COMPREHENSIVE
FINANCIAL REPORT



FISCAL YEAR ENDED
DECEMBER 31, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

PANOLA COUNTY, TEXAS

FOR THE YEAR ENDED DECEMBER 31, 2022

Prepared by:

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

**PANOLA COUNTY, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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INTRODUCTORY SECTION





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

June 8, 2023

Honorable District Judge LeAnn Rafferty
Honorable County Judge Rodger McLane,
Honorable County Commissioners,
and Taxpayers and Citizens of Panola County

Conforming to statutory requirements of the duties of the County Auditor, submitted herewith is the Annual Comprehensive Financial Report for Panola County, Texas, for the fiscal year ended December 31, 2022. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

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

The financial statements of Panola County have been audited by Gollob Morgan Peddy PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on Panola County's financial statements for the year ended December 31, 2022, and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

Budgets and Budgetary Controls

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

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

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

Each fund is budgeted on an annual basis, by the primary activities of salaries and benefits, supplies, other services and charges, and capital outlay. Commissioners’ Court may legally amend the budget. Budget to actual comparisons are provided in this report for all budgeted governmental funds. All transfers of appropriations are submitted and approved by the Court.

Financial Administration

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

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

The County Auditor is appointed for a two-year term by the State District Judge having jurisdiction within the County. The County Auditor is responsible for the accounting practices and audit control functions of

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

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

In 2022 Panola County was able to reduce the tax rate by \$.04 due to property values and mineral values increasing. The top ten taxpayers in Panola County continue to be comprised of oil and gas companies. Revenue sources are limited, while demand for services has increased.

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

1. All departments and agencies operated within budget appropriations.
2. Estimated revenue was achieved or exceeded. Interest rates began to climb in 2022.
3. Ad valorem taxes continued to be collected at a high percent.
4. The County Transportation Infrastructure Fund Grand Program contributed to maintaining Panola County roads during 2022.
5. American Rescue Plan Act contributed to new projects being discussed and started in 2022.

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

Long-term Financial Planning

The Commissioners' Court continues to be very active in budgeting financial resources to rehabilitate all County maintained infrastructure over a number of years in the most economical way. Various capital outlays for road and bridge equipment have been made and are planned to ensure that the department stays updated to meet future repair needs. In addition, the Commissioners' Court continued to fund the Other Post-Employment Benefits (OPEB) Trust Fund in compliance with Government Accounting Standards Board Statement 75 (GASB 75). Compliance with this accounting standard and funding in 2022 will minimize the cost to future taxpayers.

Various costs associated with fringe benefit expenses for active and retired employees had a significant effect on the financial statements in 2022. The County continues to participate in the health insurance program provided through the Texas Association of Counties. This insurance pool allows the County to limit increases in premiums at an amount less than the national average.

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

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

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to Panola County, Texas, for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021.

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

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

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

Acknowledgements

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

Respectfully submitted,



Jennifer Stacy
County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Panola County
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

**PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2022**

DISTRICT COURT: 123rd Judicial District

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

COMMISSIONERS COURT:

The Honorable Rodger McLane, County Judge
The Honorable Billy Alexander, Commissioner Precinct #1
The Honorable David Cole, Commissioner Precinct #2
The Honorable Craig Lawless., Commissioner Precinct #3
The Honorable Dale LaGrone, Commissioner Precinct #4
Vicki Heinkel, Administrative Assistant

COUNTY COURT AT LAW:

The Honorable Terry Bailey, Judge
Rebecca Kise, Court Reporter

COUNTY AUDITOR:

Jennifer Stacy

ASSISTANT COUNTY AUDITORS:

Robyn Klysen, 1st Assistant
Christina Chatman
Janet Barnett

COUNTY CLERK:

Bobbie Davis

COUNTY SHERIFF:

Cutter Clinton

COUNTY SURVEYOR:

Don Austin

COUNTY TAX ASSESSOR-COLLECTOR:

Holly Gibbs

COUNTY TREASURER:

Joni Reed

**PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2022**

COUNTY VETERAN SERVICE OFFICER:

William Morris

JUSTICES OF THE PEACE:

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

CONSTABLES:

Jeff Ivy, Precincts #1 and #4
Charlie Blue, Precincts #2 and #3

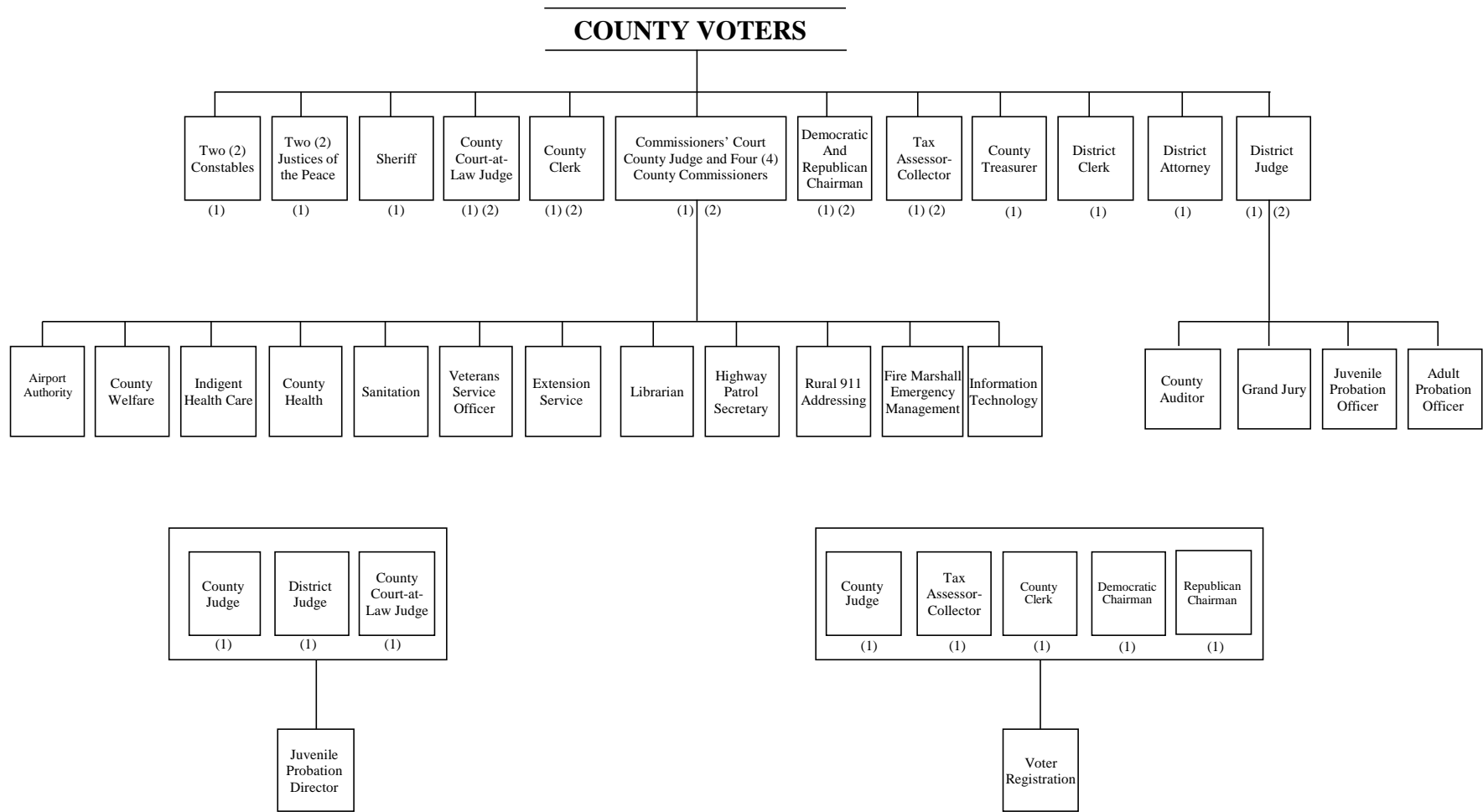
ELECTIONS ADMINISTRATOR:

Loretta Mason

FIRE MARSHALL/EMERGENCY MANAGEMENT COORDINATOR:

Bryan Murff

PANOLA COUNTY, TEXAS ORGANIZATIONAL CHART



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



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Panola County, Texas, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Panola County, Texas as of December 31, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 5-14; the budgetary comparison information contained in Schedules 1, and 2 on pages 54-59; the Schedule of Changes in the County's Net Pension Liability and Related Ratios on page 60; the Schedule of Employer Contributions on page 61; the Schedule of Changes in the County's OPEB Liability and Related Ratios – Health Plan on page 62, the Schedule of Employer Contributions – Health Plan on page 63, the Schedule of Changes in the County's Net OPEB Liability – Supplemental Death Benefits Plan on page 64 and the Notes to Required Supplementary Information on page 53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2023, on our consideration of Panola County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Panola County, Texas' internal control over financial reporting and compliance.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
June 8, 2023



**PANOLA COUNTY, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

As management of Panola County, Texas (the County), we offer readers of the Panola County, Texas financial statements this narrative overview and analysis of the County’s financial activities for the fiscal year ended December 31, 2022. The intent of this discussion and analysis is to look at the County’s financial performance as a whole. Readers of this discussion and analysis should consider the information presented here in conjunction with additional information that we have furnished in our accompanying letter of transmittal, and in the basic financial statements and notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Panola County, Texas exceeded its liabilities and deferred inflows of resources at December 31, 2022 by \$58,478,689 (net position). Of this amount, \$15,305,195 (unrestricted net position) may be used to meet the County’s ongoing obligations to citizens and creditors.
- The County’s change in net position was an increase of \$8,001,711.
- At December 31, 2022, the County’s governmental funds reported combined ending fund balances of \$40,589,944, an increase of \$3,457,664 over the prior year. Of this amount, \$171,048 is nonspendable, \$18,079,339 is restricted, \$544,460 is committed, and \$21,795,097 is unassigned. Unassigned fund balance is available for spending at the County’s discretion.
- At December 31, 2022, unassigned fund balance for the general fund was \$21,795,097, or 128.61% of total general fund expenditures.
- The County issued no new debt during the year ended December 31, 2022.

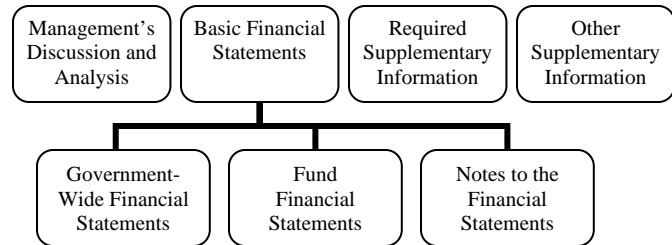
OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Components of the Financial Section



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

Government-Wide Financial Statements

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

PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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

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

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

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

The government-wide financial statements can be found on pages 17 - 18 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The County maintains 39 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge special revenue fund, and the American Rescue Plan Act special revenue fund, which are considered to be major funds. Data from the other 36 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for 20 of its governmental funds. The Required Supplementary Information contains budget comparisons for the General Fund and the Road and Bridge special revenue fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget, as both originally adopted and as finally amended.

The basic governmental fund financial statements can be found on pages 19 - 22 of this report.

PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

Fiduciary Funds

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

The basic fiduciary fund financial statement can be found on pages 23 - 24 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 – 54 of this report.

Other Information

In addition to the Basic Financial Statements and accompanying Notes, this report also presents Combining and Individual Fund Financial Statements and Schedules. These statements and schedules provide greater detail in connection with Governmental Funds and Fiduciary Funds. The Combining and Individual Fund Financial Schedules may be found on pages 73-106 of this report.

Single Audit

The County expended \$731,218 of State funds, which did not exceed the \$750,000 threshold required for a single audit in accordance with Texas Grant Management Standards. The County expended \$1,395,928 of Federal funds, primarily related to the Coronavirus State and Local Fiscal Recovery Funds grant, in excess of \$750,000 during the year ended December 31, 2022. As a result, a Federal single audit in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), was required. The Overall Compliance and Internal Controls section of this report, including the federal single audit begins on page 134.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Net position of the County as of December 31, 2022 and December 31, 2021 are summarized and analyzed on the following page.

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$58,478,689 as of December 31, 2022, and by \$46,843,012 as of December 31, 2021, an overall increase of \$11,635,677, which consists of the change in net position of \$8,001,711, and a prior period adjustment of \$3,633,966. The increase in net position was primarily the result of the Net Pension Asset and Net OPEB Asset. As of December 31, 2022, the County's total assets were \$107,767,604. Capital assets, which include land, buildings and improvements, machinery, equipment, furniture, and infrastructure less any related debt used to acquire those assets that is still outstanding, represent 42.99% of total net position.

An amount of \$15,305,195 of the County's net position is unrestricted net position. This amount may be used to meet the County's ongoing obligations.

PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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

	2021	
	2022	(As Restated)
Current and Other Assets	\$ 72,913,870	\$ 64,364,522
Net Pension Asset	6,324,317	-
Net OPEB Asset	3,388,958	-
Capital Assets	25,140,459	23,041,605
Total Assets	<u>107,767,604</u>	<u>87,406,127</u>
Total Deferred Outflows of Resources	<u>7,611,562</u>	<u>11,927,661</u>
Net Pension Liability	-	4,225,537
Net OPEB Liabilities	740,499	9,024,680
Long-Term Liabilities Outstanding	287,644	243,919
Unearned Revenue	3,185,738	2,319,493
Other Liabilities	801,168	295,882
Total Liabilities	<u>5,015,049</u>	<u>16,109,511</u>
Total Deferred Inflows of Resources	<u>51,885,428</u>	<u>32,747,299</u>
Net Position:		
Net Position, Investment in Capital Assets	25,094,155	23,041,605
Restricted	18,079,339	16,688,338
Unrestricted	15,305,195	10,747,035
Total Net Position	<u>\$ 58,478,689</u>	<u>\$ 50,476,978</u>

The change in net position for the County's activities for the year was an increase of \$8,001,711. Total revenues for Panola County were \$30,977,263 and \$29,814,823 in 2022 and 2021, respectively. Total expenses were \$22,975,552 and \$28,365,428 in 2022 and 2021, respectively. Key elements of these changes are summarized below:

- Program revenues include charges for services, fines and forfeitures, as well as both operating and capital grants and contributions. Program revenues from governmental activities decreased 20.5% or \$1,349,983, due primarily to the ending of Coronavirus State and Local Recovery funds, and a decrease in donations of road materials. Charges for services increased by \$189,551. Operating grants and contributions decreased by \$2,849,673. Capital grants and contributions increased \$1,310,169.
- General revenues consist of taxes and interest not allocable to specific programs, as well as miscellaneous transactions that are not attributable to a specific program. The largest of these, property taxes, increased by \$1,578,586, primarily due to an increase in new construction, and an overall increase in assessed values. Other revenues increased by \$1,203,807 principally due to an increase in interest income.
- Public safety, public transportation, and general administration are the three largest programs, in terms of expenses. These three activities accounted for 78.63% of total expenses.

PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

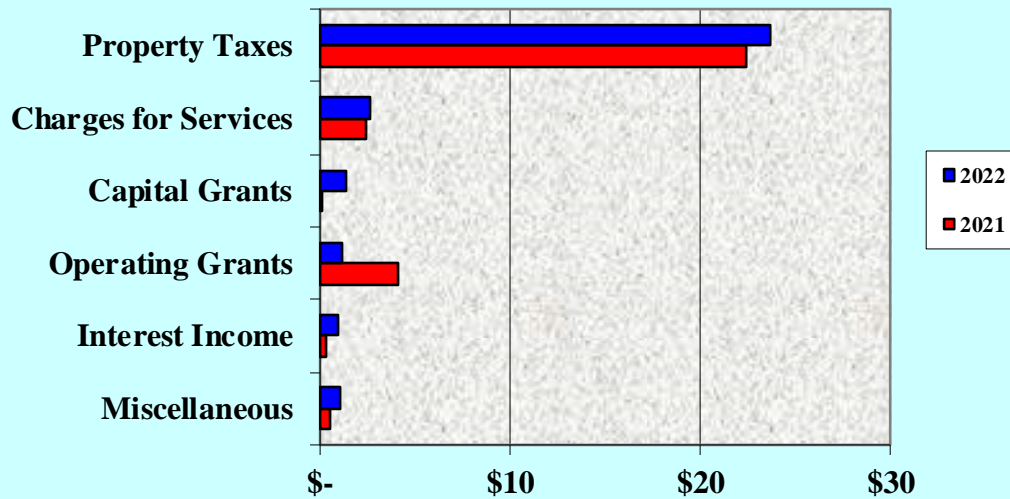
- Public transportation expenses decreased \$2,499,987, due to the County's change in OPEB liability, and other miscellaneous expenses.

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

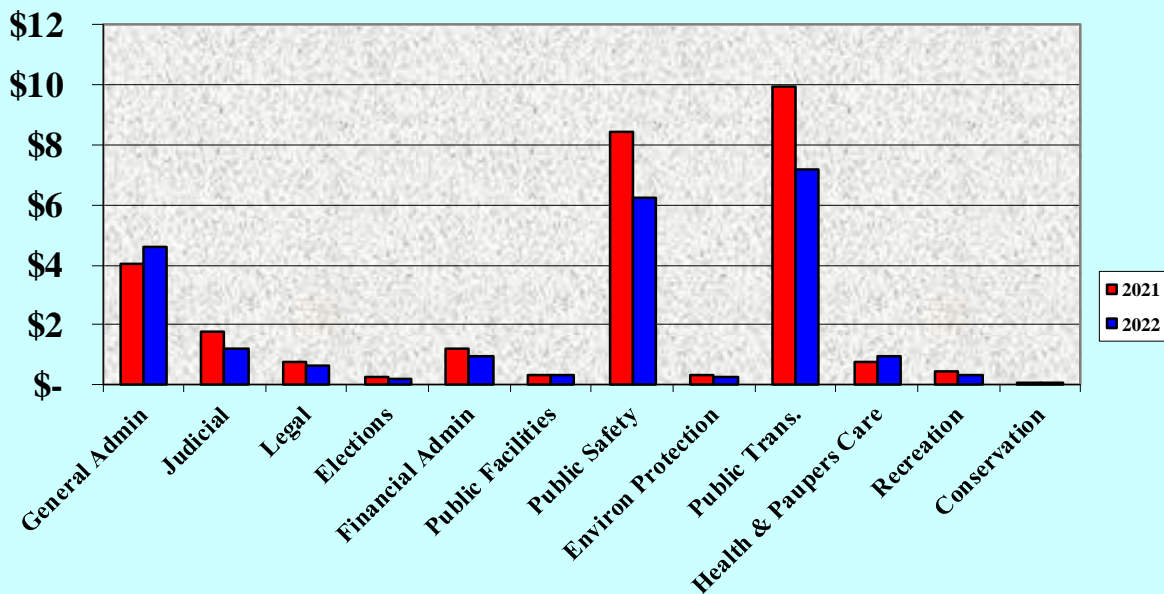
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,618,485	\$ 2,428,934
Operating Grants and Contributions	1,230,326	4,079,999
Capital Grants and Contributions	1,385,970	75,801
General Revenues:		
Property Taxes	23,692,769	22,384,183
Other	2,049,713	845,906
Total Revenues	<u>30,977,263</u>	<u>29,814,823</u>
Expenses:		
General administration	\$ 4,624,122	\$ 4,012,436
Judicial	1,221,702	1,756,897
Legal	628,235	796,328
Elections	203,709	240,177
Financial administration	943,309	1,178,392
Public facilities	313,614	321,607
Public safety	6,216,686	8,431,577
Environmental protection	291,329	342,370
Public transportation	7,149,014	9,962,334
Health & paupers care	924,692	789,163
Recreation	358,270	445,773
Conservation	100,870	88,374
	<u>22,975,552</u>	<u>28,365,428</u>
Increase in Net Position	8,001,711	1,449,395
Net Position - Beginning	<u>46,843,012</u>	<u>45,393,617</u>
Prior Period Adjustment	3,633,966	-
Net Position - Beginning, as restated	<u>50,476,978</u>	-
Net Position - Ending	<u>\$ 58,478,689</u>	<u>\$ 46,843,012</u>

**PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

**Governmental Activities - Revenues by Source
For the Years Ended December 31
(in millions)**



**Governmental Activities - Expenses by Function
For the Years Ended December 31
(in millions)**



**PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

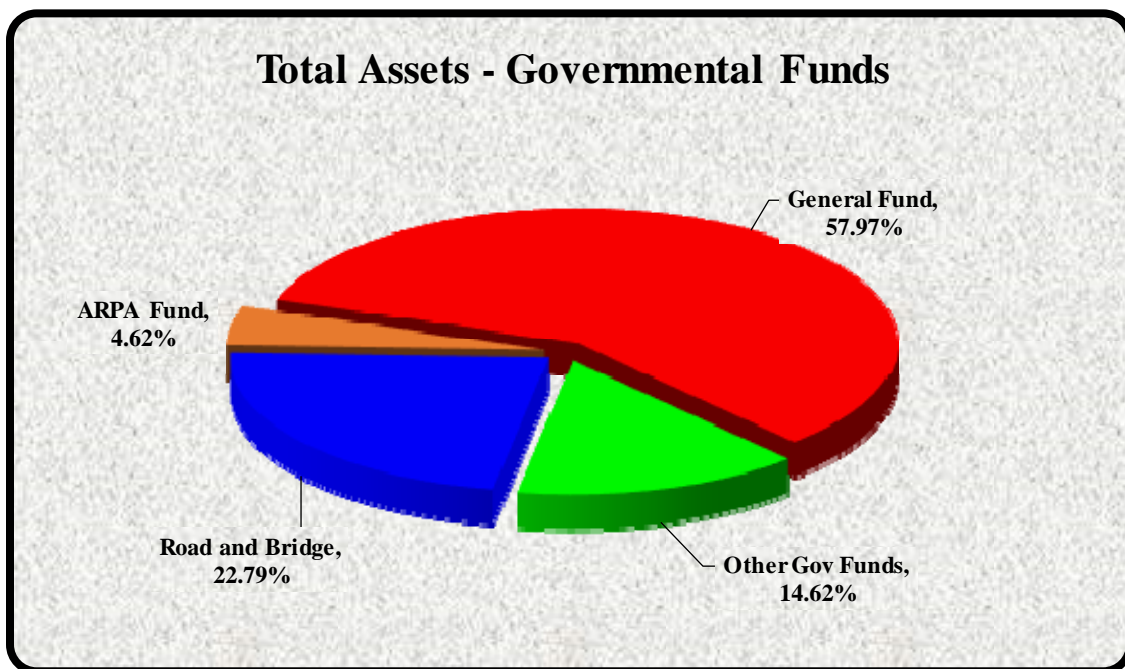
As of December 31, 2022, the County's governmental funds reported combined ending fund balances of \$40,589,944, an increase of \$3,457,664 over the prior year, due primarily to property tax revenues being higher than anticipated. Approximately 53.69% of this amount, \$21,795,097 constitutes unassigned fund balance, which is available for spending at the County's discretion.

The General Fund is the chief operating fund of the County. At December 31, 2022, 100% of the General Fund's total fund balance, or \$21,795,097 is unassigned. Total fund balance for the General Fund increased by \$1,921,230, or 9.66% from the prior year due to an increase in total assets in the amount of 4,270,740 and an increase in deferred inflows in the amount of \$2,012,935. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance, which equals total fund balance, represents 128.48% of total General Fund expenditures.

General Fund revenues exceeded budgeted amounts by approximately \$991,404, and actual expenditures were \$977,471 below budgeted expenditures.

Fund balance in the Road and Bridge Fund increased by \$1,027,314, due to a combination of property tax collections in excess of the amounts anticipated, lower expenditures due to donated road materials.

As shown below, as of December 31, 2022 total assets in the General Fund amounted to \$42,268,801, accounting for 57.99% of total governmental fund assets. The Road and Bridge and American Rescue Plan special revenue funds, the County's other major funds' total asset amount is \$19,984,995. Together, these major funds account for 80.76% of total governmental fund assets.



PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to a net increase in appropriations of \$155,276. Significant among the amendments were:

- Elections – Increased appropriations of \$25,587 as a result of an additional election required by the Secretary of State for a Constitutional Amendment and a runoff in May of 2022. Panola County had a total of 4 elections in 2022.
- Public Facilities – Increased appropriations of \$10,024 due to the replacement of 3 HVAC units and a sewer line in the Sheriff's Department.
- Public Safety – Increased appropriations of \$46,361 as a result insurance proceeds to repair a Sheriff's department unit.
- Health & Paupers Care – Increased appropriations of \$55,854 due to an increase in autopsies and an increase in attorney fees for CPS cases.
- Capital Outlay– Increased appropriations for additional capital outlay of \$134,256.
- General Administration – Decreased appropriations of \$128,248 to fund capital outlay increase.

General Fund revenues exceeded the final budget by \$991,404. The majority of this increase was attributable to delinquent property taxes exceeding the final budget by \$787,928 and interest earnings exceeding the budget by \$287,651.

General Fund expenditures were \$977,471 less than final budgeted expenditures. Major contributors to lower than budgeted expenditures are as follows:

- Expenditures for General Administration were \$198,592 less than final budgeted amounts due to lower than anticipated expenses for communications/telephone and computer services and supplies.
- Expenditures for Public Safety activities were \$440,787 less than final budgeted amounts due to vacant positions in both the Sheriff's Department and Corrections.
- Expenditures for Health and Paupers Care were \$91,342 below budgeted amounts due to lower expenditures needed for indigent health care.
- Expenditures for Legal expenditures were \$115,775 less than final budgeted amounts due to lower than expected expenditures for professional services, and witness expense.
- Expenditures for Building Maintenance were \$86,554 less than final budget amounts due to a conscious effort to control inventory for cleaning products.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2022, amounts to \$25,094,155 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, furniture, and infrastructure. The net increase in the County's investment in capital assets, after depreciation expense of \$1,638,126, for the current year was \$2,052,550.

This year's additions totaled \$3,623,261. Included in the additions were various purchases of buildings, construction, infrastructure, machinery and equipment.

Capital assets as of December 31, 2022 and 2021 are summarized on the following page.

Additional information on the County's capital assets can be found in Note III, D on page 34 of this report.

**PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

**Capital Assets
As of December 31**

	2022	2021 (As Restated)
Land	\$ 2,032,362	\$ 1,722,016
Construction in Progress	30,000	265,033
Buildings	21,537,680	21,140,050
Improvements other than buildings	328,503	328,503
Machinery and equipment	14,111,227	13,576,325
Infrastructure	16,099,649	14,243,718
Right-of-use asset	65,329	65,329
Total Capital Assets	54,204,750	51,340,974
Less: Accumulated Depreciation	(29,064,291)	(28,234,040)
Total Capital Assets	\$ 25,140,459	\$ 23,106,934

Long-Term Debt

As of December 31, 2022, the County has no outstanding bonded debt. The only debt outstanding is in the form of accrued compensated absences and the net pension and OPEB liability.

Additional information on the County's long-term debt can be found in Note III, J on page 48 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered in preparing the County's budget for 2023

- FY2022 total property assessed value increased 57% from the prior year. FY2022 had an increase in assessed value of 4.46%.
- Property tax receipts for FY2022 increased to \$23.56 million compared to \$22.81 million for FY2022.
- The County has consistently maintained an ad valorem tax collection rate over 94% for the last several years. In the current year the collection rate was 96%.
- The percentage increase in medical insurance premiums for employees was 1.9% for FY 2022 (FY 2021 decrease was 3%).
- Fluctuating energy costs have affected the price of fuel and road surfacing materials.
- Property and liability insurance costs increased 6.7% for FY 2022 compared to an increase of 10.78% for FY 2021.

Original budgeted revenues for FY 2022 are \$26.10 million, an increase of 35.62% over original budgeted revenues of \$24.10 million for FY 2022. Property taxes account for the bulk of the revenues, as approximately 87.53% of the total budgeted revenues for the General Fund are related to property taxes.

The tax rate for the new fiscal year was set at \$0.45926/\$100. The continued natural gas production value allows the County to maintain a relatively low tax rate for the maintenance and operations budget.

PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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

- Decreasing taxable value due to less drilling will possibly have an impact on the tax rate for the next year.
- Continued pressure from rising health insurance costs, demand for services, increased fuel costs and road maintenance costs will cause the County to adjust the tax rate in years to come.
- In spite of the demand for County services, the County enjoys a healthy tax base relying primarily on the natural gas field for a substantial amount of tax revenues. The County conservatively manages its resources and is in a sound financial position to meet the needs of citizens for years to come.
- American Rescue Plan Act funding in the amount of \$4.5 million will help contribute to building renovation projects.

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS



**PANOLA COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

EXHIBIT 1

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 13,470,527
Investments	46,929,593
Receivables (net of allowance for doubtful accounts)	
Property taxes	10,244,094
Due from Other Governments	1,776,378
Miscellaneous	311,680
Inventory	44,760
Net pension asset	6,324,317
Net OPEB asset	3,388,958
Other Assets	136,838
Capital assets (net of accumulated depreciation):	
Land	2,032,362
Construction in progress	30,000
Buildings	13,179,594
Improvements	232,961
Machinery and equipment	4,145,253
Infrastructure	5,474,768
Right of use assets	45,521
Total Assets	107,767,604
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	4,310,749
Deferred charge on OPEB Health Plan	3,169,183
Deferred charge on OPEB Supplemental Death Benefit	131,630
Total Deferred Outflows of Resources	7,611,562
LIABILITIES	
Accounts Payable	801,168
Unearned revenue - grants	3,185,738
Long-term debt:	
Portion due or payable within one year:	
Compensated absences	14,480
Lease liabilities	19,603
Portion due or payable after one year:	
Compensated absences	226,860
Other post employment benefit liability	740,499
Lease liabilities	26,701
Total Liabilities	5,015,049
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue - Advance Tax Collections	17,650,717
Unavailable Revenue	9,504,133
Deferred charge on TCDRS pension	11,093,557
Deferred charge on OPEB Health Plan	13,620,139
Deferred charge on OPEB Supplemental Death Benefit	16,882
Total Deferred Inflows of Resources	51,885,428
NET POSITION	
Net investment in capital assets	25,094,155
Restricted for:	
Road & Bridge maintenance	10,982,489
Law Library	94,462
Juvenile Delinquency Prevention	167
Courthouse Security	250,032
Records Management & Preservation	1,165,069
Court Technology	138,105
VIT Interest	2,440
Elections	25,872
Adult Probation	82,686
Juvenile Probation	515,605
Law Enforcement	87,054
District Attorney	163,393
American Rescue Plan	55,479
Child Protective Services	146,923
Health	3,925,896
Airport	443,667
Unrestricted	15,305,195
Total Net Position	\$ 58,478,689

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

EXHIBIT 2

**PANOLA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
Primary Government:					
Governmental activities:					
General administration	\$ 4,624,122	\$ 495,129	\$ -	\$ -	\$ (4,128,993)
Judicial	1,221,702	566,158	63,000	-	(592,544)
Legal	628,235	19,243	34,698	28,983	(545,311)
Elections	203,709	3,664	69,949	-	(130,096)
Financial administration	943,309	950,425	-	-	7,116
Public facilities	313,614	-	-	-	(313,614)
Public safety	6,216,686	274,479	367,755	37,561	(5,536,891)
Environmental protection	291,329	-	-	-	(291,329)
Public transportation	7,149,014	132,491	647,337	1,319,426	(5,049,760)
Health & paupers care	924,692	210	47,587	-	(876,895)
Recreation	358,270	176,686	-	-	(181,584)
Conservation	100,870	-	-	-	(100,870)
Total primary government	<u>\$ 22,975,552</u>	<u>\$ 2,618,485</u>	<u>\$ 1,230,326</u>	<u>\$ 1,385,970</u>	<u>\$ (17,740,771)</u>
General revenues:					
Property taxes					\$ 23,692,769
Miscellaneous					1,108,652
Interest earned					941,061
Total general revenues					<u>25,742,482</u>
Change in net position					8,001,711
Net position - beginning of year as previously reported					46,843,012
Prior period adjustment					3,633,966
Net position - beginning of year as restated					<u>50,476,978</u>
Net position - end of year					<u>\$ 58,478,689</u>

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

**PANOLA COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	AMERICAN RESCUE PLAN SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 5,257,019	\$ 821,723	\$ 3,241,217	4,150,568	\$ 13,470,527
Investments	28,274,472	12,521,714	-	6,133,407	46,929,593
Receivables :					-
Current Taxes	6,905,460	2,623,603	-	241,283	9,770,346
Delinquent Taxes	820,048	311,562	-	32,240	1,163,850
Allowance for uncollectible taxes	(517,436)	(154,668)	-	(17,998)	(690,102)
Due from Other Governments	1,254,808	476,741	-	44,829	1,776,378
Miscellaneous	263,880	16,815	-	30,986	311,681
Inventory	-	-	-	44,760	44,760
Other Assets	10,550	-	126,288	-	136,838
Total Assets	<u>\$ 42,268,801</u>	<u>\$ 16,617,490</u>	<u>\$ 3,367,505</u>	<u>\$ 10,660,075</u>	<u>\$ 72,913,871</u>
LIABILITIES					
Accounts Payable-Trade	632,357	136,317	-	32,494	801,168
Unearned Revenue - Grants	-	-	3,185,738	-	3,185,738
Total Liabilities	<u>\$ 632,357</u>	<u>\$ 136,317</u>	<u>\$ 3,185,738</u>	<u>\$ 32,494</u>	<u>\$ 3,986,906</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue	12,297,608	4,917,575	-	435,534	17,650,717
Deferred Revenue - Advanced Tax Collections	7,543,739	2,897,738	-	244,827	10,686,304
Total Deferred Inflows of Resources	<u>19,841,347</u>	<u>7,815,313</u>	<u>-</u>	<u>680,361</u>	<u>28,337,021</u>
FUND BALANCES					
Nonspendable	-	-	126,288	44,760	171,048
Restricted	-	8,665,860	55,479	9,358,000	18,079,339
Committed	-	-	-	544,460	544,460
Unassigned	21,795,097	-	-	-	21,795,097
Total Fund Balances	<u>21,795,097</u>	<u>8,665,860</u>	<u>181,767</u>	<u>9,947,220</u>	<u>40,589,944</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 42,268,801</u>	<u>\$ 16,617,490</u>	<u>\$ 3,367,505</u>	<u>\$ 10,660,075</u>	<u>\$ 72,913,871</u>

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

EXHIBIT 4

**PANOLA COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (EXHIBIT 1)
DECEMBER 31, 2022**

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

Total fund balances governmental funds (Exhibit 3)	\$ 40,589,944
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,140,459
Net OPEB Liability created by contributions made by the County to its health plan and its related deferred inflows of resources are not reported in the funds.	(7,124,922)
Net OPEB Liability - Supplemental death benefits and related deferred out flows and inflows of resources are not reported in the funds.	(562,827)
Net Delinquent Property Taxes Receivable is a "long-term asset" and not available to pay for current period expenditures and therefore is deferred in the funds.	1,182,171
The Net Pension Liability and related deferred outflows and deferred inflows of resources are not reported in the funds.	(458,491)
Long-term liabilities (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds.	(241,340)
Long-term liabilities (Lease liabilities) are not due and payable in the current period and therefore are not reported in the funds	<u>(46,305)</u>
Net position of governmental activities	<u><u>58,478,689</u></u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	AMERICAN RESCUE PLAN SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 16,666,473	\$ 6,363,854	\$ -	\$ 622,291	\$ 23,652,618
Licenses	-	361,270	-	-	361,270
Intergovernmental Receipts	542,454	698,283	1,319,426	416,659	2,976,822
Fees of Office	889,130	-	-	464,566	1,353,696
Fines	-	386,940	-	2,331	389,271
Miscellaneous	958,735	483,397	49,025	753,872	2,245,029
Total revenues	<u>19,056,792</u>	<u>8,293,744</u>	<u>1,368,451</u>	<u>2,259,719</u>	<u>30,978,706</u>
EXPENDITURES					
Current:					
General Administration	4,708,062	-	-	120,095	4,828,157
Judicial	1,563,894	-	-	-	1,563,894
Legal	586,264	-	-	41,971	628,235
Elections	217,158	-	-	-	217,158
Financial Administration	1,148,884	-	-	-	1,148,884
Public Facilities	323,337	-	-	-	323,337
Public Safety	6,460,300	-	-	773,267	7,233,567
Environmental Protection	283,785	-	-	-	283,785
Public Transportation	-	5,588,804	-	661,302	6,250,106
Health and Paupers Care	621,612	-	161,662	73,783	857,057
Recreation	378,802	-	-	-	378,802
Conservation	109,562	-	-	-	109,562
Capital Outlay	544,408	1,677,626	1,031,476	510,317	3,763,827
Total expenditures	<u>16,946,068</u>	<u>7,266,430</u>	<u>1,193,138</u>	<u>2,180,735</u>	<u>27,586,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,110,724</u>	<u>1,027,314</u>	<u>175,313</u>	<u>78,984</u>	<u>3,392,335</u>
OTHER FINANCING SOURCES (USES)					
Effect of adoption of GASB 87	65,329	-	-	-	65,329
Transfers in	-	-	-	254,823	254,823
Transfers (out)	(254,823)	-	-	-	(254,823)
Total other financing sources (uses)	<u>(189,494)</u>	<u>-</u>	<u>-</u>	<u>254,823</u>	<u>65,329</u>
Net change in fund balances	1,921,230	1,027,314	175,313	333,807	3,457,664
Fund balances - beginning of year	<u>19,873,867</u>	<u>7,638,546</u>	<u>6,454</u>	<u>9,613,413</u>	<u>37,132,280</u>
Fund balances - end of year	<u>\$ 21,795,097</u>	<u>\$ 8,665,860</u>	<u>\$ 181,767</u>	<u>\$ 9,947,220</u>	<u>\$ 40,589,944</u>

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

EXHIBIT 6

**PANOLA COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (EXHIBIT 2)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Net change in fund balances - total governmental funds	\$	3,457,664
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. (See Note 2)		2,033,525
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. (Increase) Decrease in compensated absences		2,579
Delinquent property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.		40,152
Lease payments are recorded as an expenditure when paid in the funds, but are a reduction of lease liabilities in the statement of financial position		19,024
OPEB expense relating to GASB 75 is recorded in the statement of activities but not in the funds.		(941,428)
Pension expense relating to GASB 68 is recorded in the statement of activities but not in the funds.		<u>3,390,195</u>
Change in net position of governmental activities		<u><u>8,001,711</u></u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Pension (and Other Employee Benefit) Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
ASSETS		
Cash	1,961,672	\$ 9,344,115
Cerificates of deposit	35,200,000	178,415
Interest receivable	165,093	-
Total Assets	<u>\$ 37,326,765</u>	<u>\$ 9,522,530</u>
 LIABILITIES		
Accounts payable	7,404	\$ -
Due to other governments	-	7,510,290
Due to others	-	1,880,201
Total Liabilities	<u>7,404</u>	<u>9,390,491</u>
 NET POSITION		
Restricted for:		
Post employment benefits other than penisons	37,319,361	-
Individuals and organizations	-	132,039
Total net position	<u>\$ 37,319,361</u>	<u>\$ 132,039</u>

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -continued

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

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

Fiduciary fund level financial statements include fiduciary funds which are classified into pension (and other employee benefit) trust funds, external investment, private purpose trust and custodial funds. The County has only custodial funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Custodial funds do not involve a formal trust agreement. Custodial fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The County reports ten custodial funds as fiduciary funds.

The government reports the following major governmental funds:

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

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

American Rescue Plan Special Revenue Fund – The American Rescue Plan special revenue fund is used to account for monies received from the federal government under the American Rescue Plan Act (ARPA). The primary source of revenues is the federal government and are used as allowed by ARPA for COVID relief and infrastructure.

Additionally, the government reports the following fund types:

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

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

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

Custodial funds – Custodial funds are used to account for situations in which the County acts in a custodial capacity for individuals, firms, and State and local governments. Funds on hand in the County's custodial funds may be funds held for legal reasons, tax collections for other governmental entities, or fees collected on behalf of the State or other governmental entities.

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

1. Deposits and Investments

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

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

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

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

2. Excess of expenditures over appropriations

For the year ended December 31, 2022, there were no funds in which expenditures exceeded appropriations.

3. Receivables and Payables

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

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

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

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

4. Inventories

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

The inventory amount of \$44,760 in the Airport Special Revenue Fund consists of jet fuel held for consumption stated at cost on a first-in, first-out basis. Reported inventories are offset by non-spendable fund balance, which indicates that they are "not in spendable form" even though they are a component of net current assets. The costs of jet fuel inventories are reported as expenditures/expenses when consumed rather than when purchased.

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

5. Capital Assets

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

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

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

6. Deferred Outflows/Inflows of Resources

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

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

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

7. Net Position

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

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

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

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

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

8. Long-Term Obligations

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

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

As of December 31, 2022, long-term debt outstanding consists of compensatory time payable, net pension liability, and net OPEB liability.

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

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

9. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

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

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

10. Estimates

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

11. Leases

Leases are recognized in accordance with GASB Statement No. 87, leases. A lessor is required to recognize a lease receivable and a deferred inflow in resources. A lease receivable is recognized at the net present value of the leased asset at a borrowing rate either explicitly described in the agreement or implicitly determined by the County and is reduced by the principal payments. The deferred inflow of resources is recognized in an amount equal to the sum of lease payments relating to a future period which were received prior to the lease commencement. These deferred inflows of resources are amortized equal to the amount of equal to the amount of the annual payments.

A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments and is adjusted over time by interest and payments. Future lease payments include fixed payments, variable payments based on index or rate, reasonably certain residual guarantees. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement and is subsequently amortized over the life of the lease.

In the government-wide, proprietary, and fiduciary fund financial statements, deferred inflows related to leases and any respective right-to-use assets are reported in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources. Under modified accrual accounting, lease payments are considered capital outlay and proceeds of lease contracts, and thereafter are recorded as principal and interest payments.

The County has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the County will report inflows of cash for lessor leases and outflows of cash for lessee leases.

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

E. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Compensated Absences

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

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

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

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

4. Proprietary funds operating and nonoperating revenues and expenses

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

F. Implementation of New Standards

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

GASB Statement No. 87, Leases ("GASB 87"), requires the reporting of lease liabilities that were previously not reported, and for lessors and lessees to report leases under a single model. In addition, the statement requires enhanced disclosures related to the timing significance and purpose of a government's leasing arrangements. The County adopted this guidance as of January 1, 2022.

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

There were no material cumulative effect adjustments recorded to net position upon adoption. For lessee leases, right-of-use assets and liabilities were recognized on the commencement date of the lease based on the present value of lease payments over the lease term. For lessor leases, lease receivables and deferred inflows were recognized on the commencement date of the lease based on the present value of lease payments over the lease term. At inception of the year of adoption, the County recognized right-of-use assets of \$65,329 with a corresponding lease liability of \$65,329. As of December 31, 2022, the following lease amounts are reported: lease liabilities in the amount of \$19,603 and \$26,701 included in current and long-term lease liabilities, respectively.

In February 2020 GASB issued Statement No. 92 Omnibus 2020 which includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The issues covered by the statement include clarification of the effective date of GASB 87 for interim periods, reporting of intra-entity transfers between a primary government and a component unit defined benefit pension plan, and the applicability of certain pension and other postemployment benefit pronouncements to specific criteria. The County adopted this guidance as of January 1, 2022. There was no material effect on the financial statements.

G. Future Implementation of New Standards

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$2,018,853 difference are as follows:

Capital outlay	\$	3,713,246
Disposal of capital assets		(41,595)
Depreciation expense		<u>(1,638,126)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	<u>2,033,525</u>

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Authorized Investments

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

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

B. Deposits and Investments

During the 2022 fiscal year, all deposits and investments were comprised of bank demand deposits and bank time deposits. The County’s demand deposits, and time deposits are fully covered by federal depository insurance and collateral held by the County’s agent, First State Bank & Trust Co., in the name of the County.

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. Specific policies applicable to deposits and investments of the County and the risks of such are described below.

Interest rate risk. This is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a specific policy regarding interest rate risk, as it does not contemplate the investment of funds in such instruments. During the year, the County was not exposed to interest rate risk.

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At December 31, 2022, and throughout the year, the County’s only investments were certificates of deposit and was not exposed to credit risk.

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

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

The County was not exposed to custodial credit risk.

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

C. Receivables

Receivables at December 31, 2022 for the County’s individual major funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible, are as follows:

	General Fund	Road Fund	Governmental Funds	Total
Current Property Taxes	\$ 6,905,460	\$ 2,623,603	\$ 241,283	\$ 9,770,346
Delinquent Property Taxes	820,048	311,562	32,240	1,163,850
Due from Other Governments	1,254,808	476,741	44,829	1,776,378
Miscellaneous	<u>263,880</u>	<u>16,814</u>	<u>30,986</u>	<u>311,680</u>
Total Gross Receivables	\$ 9,244,196	\$ 3,428,720	\$ 349,338	\$ 13,022,254
Less: Allowance for Uncollectible Taxes	<u>(517,436)</u>	<u>(154,668)</u>	<u>(17,998)</u>	<u>(690,102)</u>
Net Total Receivables	<u>\$ 8,726,760</u>	<u>\$ 3,274,052</u>	<u>\$ 331,340</u>	<u>\$ 12,332,152</u>

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

D. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022 (As restated)	Increases	Decreases	Balance December 31, 2022
Capital Assets Not Being Depreciated:				
Land	\$ 1,722,016	\$ 310,346	\$ -	\$ 2,032,362
Construction in Progress	265,033	30,000	265,033	30,000
Total Capital Assets Not Being Depreciated	<u>\$ 1,987,049</u>	<u>\$ 340,346</u>	<u>\$ 265,033</u>	<u>\$ 2,062,362</u>
Capital Assets Being Depreciated:				
Buildings	\$ 21,140,050	\$ 397,630	\$ -	\$ 21,537,680
Improvements other than Buildings	328,503	-	-	328,503
Machinery & Equipment	13,576,325	1,351,215	816,313	14,111,227
Infrastructure	14,243,718	1,874,416	18,485	16,099,649
Right-of-use asset	65,329	-	-	65,329
Total Capital Assets Being Depreciated and Amortized	<u>\$ 49,353,925</u>	<u>\$ 3,623,261</u>	<u>\$ 834,798</u>	<u>\$ 52,142,388</u>
Less Accumulated Depreciation and Amortization for:				
Buildings	\$ 7,945,103	\$ 412,983	\$ -	\$ 8,358,086
Improvements other than Buildings	89,580	5,962	-	95,542
Machinery & Equipment	9,807,949	947,415	789,390	9,965,974
Infrastructure	10,391,408	251,958	18,485	10,624,881
Right-of-use asset	-	19,808	-	19,808
Total Accumulated Depreciation and Amortization	<u>\$ 28,234,040</u>	<u>\$ 1,638,126</u>	<u>\$ 807,875</u>	<u>\$ 29,064,291</u>
Total Capital Assets Being Depreciated and Amortized, Net	<u>\$ 21,119,885</u>	<u>\$ 1,985,135</u>	<u>\$ 26,923</u>	<u>\$ 23,078,097</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,106,934</u>	<u>\$ 2,325,481</u>	<u>\$ 291,956</u>	<u>\$ 25,140,459</u>

Right-of-Use Assets

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The City is party to a several lease contracts as lessee for which right-of-use (ROU) has been recognized as an asset on the balance sheet. The recognition is new for the current fiscal year due to the implementation of GASB 87.

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

Lease right-of-use asset activity was as follows:

	Beginning Balance (As restated)	Increases	Decreases	Ending Balance
Copy machines	\$ 65,329	\$ -	\$ -	\$ 65,329
Total Leased Assets	<u>65,329</u>	<u>-</u>	<u>-</u>	<u>65,329</u>
Less accumulated amortization for:				
Copy machines	<u>-</u>	<u>(19,808)</u>	<u>-</u>	<u>(19,808)</u>
Total accumulated amortization	<u>-</u>	<u>(19,808)</u>	<u>-</u>	<u>(19,808)</u>
Net Total Leased Assets	<u>\$ 65,329</u>	<u>\$ (19,808)</u>	<u>\$ -</u>	<u>\$ 45,521</u>

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

General Administration	\$ 73,017
Judicial	47,876
Public Facilities	4,410
Public Safety	445,076
Environmental Protection	7,544
Public Transportation	939,168
Health & Paupers Care	67,635
Elections	11,957
Recreation	<u>41,443</u>
Total Depreciation Expense	<u>\$ 1,638,126</u>

E. Unearned Revenue

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

	General Fund	Road Fund	Nonmajor Funds	Total
Net Tax Revenue	\$ 12,297,608	\$ 4,917,575	\$ 435,534	\$ 17,650,717
Advanced Tax Collections	<u>7,543,739</u>	<u>2,897,738</u>	<u>244,827</u>	<u>10,686,304</u>
Total Deferred Revenue	<u>\$ 19,841,347</u>	<u>\$ 7,815,313</u>	<u>\$ 680,361</u>	<u>\$ 28,337,021</u>

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

F. Pension Plan

PLAN DESCRIPTION

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

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

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

PLAN MEMBERSHIP

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2021
Inactive employees or beneficiaries currently receiving benefits	180
Inactive employees entitled to but not yet receiving benefits	100
Active employees	180
	460

FUNDING POLICY

The County has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. It was 23.50% for calendar year 2021 and 2022. The contribution rate payable by the employee members is the rate of 7.00% as adopted by the Commissioners’ Court of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the option 60 in the TCDRS Act.

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

ACTUARIAL ASSUMPTIONS

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

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

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

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.70% per year for a career employee.

Mortality rates for active members were based on 135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females projected with 100% of the MP-2021 Ultimate scale after 2010.

Mortality rates for service retirees, beneficiaries, and non-depositing members were based on the 135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females projected with 100% of the MP-2021 Ultimate scale after 2010.

Mortality rates for disabled retirees were based on the 160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females projected with 100% of the MP-2021 Ultimate scale after 2010.

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2021, except where required to be different by GASB 68.

LONG TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS’ investment consultant, Cliffwater LLC. The numbers shown are based on January 2022 information for a 10-year time horizon.

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

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

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities - Developed	MSCI World Ex USA (net)	5.00%	3.80%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leverage Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLP)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%
		<u>100.00%</u>	

⁽¹⁾ Target asset allocation adopted at the March 2021 TCDRS Board meeting

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed 2.6% per Cliffwater's 2022 capital market assumptions

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

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

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

DISCOUNT RATE

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

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

The long-term rate of return on pension plan investments is 7.50%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on January 2022 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is reassessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2021.

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

CHANGES IN THE NET PENSION LIABILITY/ASSET

At December 31, 2021, the County reported a net pension asset of \$6,324,317. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 12/31/20	\$ 77,969,297	\$ 73,743,760	\$ 4,225,537
Changes for the year:			
Service cost	1,665,959		1,665,959
Interest	5,907,827		5,907,827
Change in benefit terms	-		-
Diff between expected/actual experience	1,941,104		1,941,104
Changes of assumptions	(906,879)		(906,879)
Refund of contributions	(92,999)	(92,999)	-
Contributions - employer		2,548,949	(2,548,949)
Contributions - employee		549,208	(549,208)
Net investment income		16,108,961	(16,108,961)
Benefit payments, including refunds of employee contributions	(3,779,295)	(3,779,295)	-
Administrative expenses		(48,166)	48,166
Other charges		(1,087)	1,087
Net changes	4,735,717	15,285,571	(10,549,854)
Balance at 12/31/21	<u>\$ 82,705,014</u>	<u>\$ 89,029,331</u>	<u>\$ (6,324,317)</u>

The net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and for the year then ended.

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

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

DISCOUNT RATE SENSITIVITY ANALYSIS

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

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Net pension liability/(asset)	<u>\$ 5,059,326</u>	<u>\$ (6,324,317)</u>	<u>\$ (15,748,039)</u>

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

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

For the year ended December 31, 2022 the County recognized pension expense of \$56,281.

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,455,828	\$ 315,185
Changes in actuarial assumptions	2,335,702	680,159
Difference between projected and actual investment earnings	-	10,098,213
Contributions made subsequent to measurement date	519,219	-
Total	\$ 4,310,749	\$ 11,093,557

County contributions subsequent to the measurement date of \$519,219 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31	
2022	\$ (1,016,987)
2023	(2,026,159)
2024	(2,151,850)
2025	(2,107,031)
2026	-
Thereafter	-
	\$ (7,302,027)

G. Other Post-Employment Benefits Plan

Panola County contributes to two other post-employment benefit plans, (1) the Retiree Health Benefit Trust (RHBT) which is a single employer defined benefit healthcare plan, and (2) a group term life insurance for all of its full-time employees and retirees through a statewide, multiple-employer, public-employee retirement system through the Texas County District Retirement System (the “TCDRS”). As of and for the year ended December 31, 2022, the two plans had the following balances reported in the government-wide financial statements:

	Total OPEB Liability	Net OPEB Liability (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense
Retiree Health Plan	N/A	\$ (3,388,958)	\$ 3,169,183	\$ 13,620,139	\$ 3,389,588
Supplemental Death Benefit	740,499	N/A	131,630	16,882	103,157
	\$ 740,499	\$ (3,388,958)	\$ 3,300,813	\$ 13,637,021	\$ 3,492,745

Detailed disclosures for each plan follow.

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

1. Health Plan

PLAN DESCRIPTION

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

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

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

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

BENEFITS PROVIDED

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

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

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

EMPLOYEES COVERED

At December 31, 2022 the following employees were covered by the benefit terms:

	<u>12/31/2022</u>
Inactive employees currently receiving benefits	120
Active employees	160
	280

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

ACTUARIAL METHODS AND ASSUMPTIONS

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

The following actuarial assumptions were used to determine the Total OPEB Liability in the December 31, 2022 actuarial valuation:

Valuation Date	December 31, 2022
Measurement Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Inflation	2.30%
Salary Increases Including Inflation	3.00%
Discount rate	4.31%
Discount Rate Basis	S&P Municipal Bond 20 Year High Yield
Healthcare cost trend rates	6.00% – 8.50%*

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

Mortality rates were based on the Pub-2010 table (sex distinct). Rates of disability were derived from a Society of Actuaries study. These were not tested against Panola County experience.

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

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

CHANGES IN THE NET OPEB LIABILITY

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a)-(b)
Balance at 12/31/20	\$ 43,999,457	\$ 35,683,816	\$ 8,315,641
Changes for the year:			
Service cost	2,695,336	-	2,695,336
Interest	961,913	676,768	285,145
Change in benefit terms	-	-	-
Diff between expected/actual experience	-	-	-
Changes of assumptions	(13,729,273)	-	(13,729,273)
Contributions - employer	-	2,437,165	(2,437,165)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	(1,481,358)	1,481,358
Administrative expenses	-	-	-
Other charges	-	-	-
Net changes	(10,072,024)	1,632,575	(11,704,599)
Balance at 12/31/21	\$ 33,927,433	\$ 37,316,391	\$ (3,388,958)

The fiduciary net position of the Plan as a percent of total OPEB liability for the year ended December 31, 2022 is 90.9%.

SENSITIVITY ANALYSIS

The following presents the net OPEB liability of the County, calculated using the discount rate of 4.31%, as well as what the RHBT net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.31) or one percentage point higher (5.31) than the current rate.

	1% Decrease in Discount Rate (3.31%)	Discount Rate (4.31%)	1% Increase in Discount Rate (5.31%)
Net OPEB Liability (Asset)	\$ 1,837,161	\$ (3,388,958)	\$ (7,623,519)

HEALTHCARE COST TREND RATES SENSITIVITY ANALYSIS

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ (8,101,114)	\$ (3,388,958)	\$ 2,622,746

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

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

For the year ended December 31, 2022, the County recognized OPEB expense of \$3,389,588.

The County’s Net OPEB Liability reported for the year ended December 31, 2022 was measured as of December 31, 2022, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that same date.

The components of the Net OPEB Liability (Asset) of the County at December 31, 2022 were as follows:

Total OPEB Liability (Asset)	\$	33,927,433
Plan Fiduciary Net Position		37,316,391
Net OPEB Liability (Asset)	\$	(3,388,958)

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	3,169,183	13,620,139
Difference between projected and actual investment earnings	-	-
Total	\$ 3,169,183	\$ 13,620,139

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

	Year Ended September 30
2023	(1,146,169)
2024	(1,146,169)
2025	(1,146,169)
2026	(1,146,169)
2027	(1,006,095)
Thereafter	(4,860,181)
	\$ (10,450,953)

2. Supplemental Death Benefits Plan

PLAN DESCRIPTION.

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

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

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

CONTRIBUTIONS.

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

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

<u>Contribution Rates</u>		
	2021	2022
Employee	0.00%	0.00%
Employer	.50%	.50%
Fiscal year 2021 employer contributions		\$ 40,800
Fiscal year 2021 employee contributions		\$0

The County’s contributions to TCDRS for the year ended December 31, 2021 were equal to the required contributions.

ACTUARIAL ASSUMPTIONS

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

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

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

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

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Straight-Line amortization over expected working life.
Amortization Method	
Remaining Amortization Period	N/A
Asset Valuation Method	N/A
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	2.06%
Retirement Age	N/A
Mortality	135% of the PUB-2010 General Healthy Retirees Amount-weighted Mortality Table for males and 120% of the MP-2021 Healthy Annuitant Mortality Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Plan Provisions	None

DISCOUNT RATE.

The OPEB plan has been determined to be an unfunded OPEB plan. Therefore, the discount rate used to measure the total OPEB liability was the municipal bond rate of 2.06%. The current discount rate is a decrease from the previous year's discount rate of 2.12%.

CHANGES IN THE TOTAL OPEB LIABILITY:

At December 31, 2021, the County reported a total OPEB liability of \$740,499, the changes in the total OPEB liability were as follows:

	<u>Increase/(Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at 12/31/2020	\$ 709,039
Changes for the year:	
Service cost	18,960
Interest	15,202
Change of benefit terms	-
Difference between expected and actual experience	4,864
Changes of assumptions or other inputs	14,402
Benefit payments	(21,968)
Net changes	<u>31,460</u>
Balance at 12/31/2021	<u>\$ 740,499</u>

The total OPEB liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date and for the year then ended.

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

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

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

DISCOUNT RATE SENSITIVITY ANALYSIS.

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

	1% Decrease in Discount Rate (1.06%)		1% Increase in Discount Rate (3.06%)	
	Discount Rate (2.06%)	Discount Rate (2.06%)	Discount Rate (3.06%)	Discount Rate (3.06%)
Total OPEB Liability	\$ 888,101	\$ 740,499	\$ 626,092	

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

For the year ended December 31, 2022, the County recognized OPEB expense of \$103,157.

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,767	\$ 6,393
Changes in actuarial assumptions	111,014	10,489
Contributions made subsequent to the measurement date	14,849	-
Total	\$ 131,630	\$ 16,882

The County had \$14,849 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability for the year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2022	\$ 29,378
2023	40,217
2024	15,150
2025	15,154
2026	-
Thereafter	-
	\$ 99,899

H. Risk Management

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

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

I. Leases

The County is involved in several leasing arrangements for office equipment. With the implementation of GASB Statement No. 87, Leases, effective for the fiscal year ended December 31, 2022, all leases were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions. With this implementation, a respective receivable or payable is recognized.

Lessee Leases payable

The County has entered into multiple leases for office equipment. Lease payables at the beginning of the year were \$65,329. No new leases were entered into during the year ended December 31, 2022. Payments reduced lease liabilities by \$19,025 during the year. Annual payments range from \$669 to \$2,341. Interest rates were 4.22%. Future annual lease payables as of December 31, 2022 are as follows:

Year Ending December 31	Principal	Interest	Total Payments
2023	19,603	1,578	21,181
2024	14,468	820	15,288
2025	9,655	319	9,974
2026	2,578	21	2,599
Total future payments	<u>\$ 46,304</u>	<u>\$ 2,738</u>	<u>\$ 49,042</u>

J. Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2022 was as follows:

	January 1, 2022	Additions	Reductions	December 31, 2022	Due Within One Year
Compensated Absences	\$ 243,919	\$ -	\$ 2,579	\$ 241,340	\$ 14,480
Lease Liability	65,329	-	19,025	46,304	19,603
Net OPEB Liability - Death	709,039	31,460	-	740,499	-
Net Pension Liability	4,225,537	-	4,225,537	-	-
Net OPEB Liability - Health	8,315,641	-	8,315,641	-	-
Total Governmental Activity Long-Term Liabilities	<u>\$ 13,559,465</u>	<u>\$ 31,460</u>	<u>\$ 12,562,782</u>	<u>\$ 1,028,143</u>	<u>\$ 34,083</u>

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

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

K. Governmental Fund Balances

Components of non-spendable fund balance and specific purposes for restricted and committed fund balances as of December 31, 2022 are as follows:

	General Fund	Major Special Revenue Fund ARPA Fund	Major Special Revenue Fund Road & Bridge Fund	Other Funds	Total
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	44,760	\$ 44,760
Deposit	-	126,288	-	-	126,288
Restricted:					
Road & Bridge maintenance	-	-	8,665,859	2,316,629	10,982,488
Law Library	-	-	-	94,462	94,462
Juvenile Delinquency Prevention	-	-	-	167	167
Courthouse Security	-	-	-	250,032	250,032
Records Management & Preservation	-	-	-	1,165,069	1,165,069
Court Technology	-	-	-	138,105	138,105
VIT Interest	-	-	-	2,440	2,440
Elections	-	-	-	25,872	25,872
Adult Probation	-	-	-	82,686	82,686
Juvenile Probation	-	-	-	515,605	515,605
Law Enforcement	-	-	-	87,054	87,054
District Attorney	-	-	-	163,393	163,393
American Rescue Plan	-	55,479	-	-	55,479
Child Protective Services	-	-	-	146,923	146,923
Health	-	-	-	3,925,896	3,925,896
Airport	-	-	-	443,667	443,667
Committed:					
Right-of-Way Purchases	-	-	-	304,613	304,613
Airport Improvements	-	-	-	239,370	239,370
Jail Improvement	-	-	-	477	477
Unassigned	21,795,097	-	-	-	21,795,097
Total Fund Balances	\$21,795,097	\$ 181,767	\$ 8,665,859	\$ 9,947,220	\$ 40,589,943

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

L. Interfund Balances and Transfers

There were no interfund balances as of December 31, 2022. Interfund transfers for the year ended December 31, 2022 were as follows:

	Transfers In Nonmajor Governmental Funds		
	Juvenile Services Fund	Child Protective Services Fund	Totals
Transfers Out General Fund	\$ 224,823	\$ 30,000	\$ 254,823
Total	\$ 224,823	\$ 30,000	\$ 254,823

The purpose of these transfers was to supplement revenue.

M. Contingent Liabilities

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

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

The County is not a member of a public entity risk pool as defined by GASB Statement No. 10. The County manages and finances risk by purchasing commercial insurance and by retaining the risk of loss. All known claims related to the year ending December 31, 2022 have been accrued and expensed in the current financial statements. Disclosure of loss contingencies will be made when there is a reasonable possibility that a loss has been incurred. There have been no significant reductions in insurance coverage in the current year.

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

N. Commitments

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

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

O. Tax Abatements

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

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

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

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

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

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

P. Prior Period Adjustment

During 2022, it was determined that the road materials donated in 2021 had been utilized in a manner that met the criteria for capitalization. As a result, the beginning government wide net position and the County’s beginning infrastructure was increased by \$3,633,966 as of January 1, 2022. There was no effect on the fund level financial statements.

Q. Subsequent Events

The County has evaluated subsequent events through June 8, 2023, the date the financial statements were available to be issued.

(Continued)



REQUIRED SUPPLEMENTARY INFORMATION

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The County Judge is by statute the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, the County Judge sets forth budget guidelines and recommendations to the Commissioners' Court. The County's budget is prepared annually on a modified accrual basis.

A public hearing is held on the budget by the Commissioners' Court. Department heads and any other interested citizens may appear. Before adopting the final budget, the Commissioners' Court may increase or decrease the amounts requested by the Judge. Amounts finally budgeted may not exceed the estimate of revenues and available cash. All appropriations lapse at fiscal year-end.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is on a line-item basis by department.

Budgeting is done in accordance with GAAP. The County does not utilize a formal encumbrance accounting system.

Amendments may not be made during the year without approval by the Commissioners' Court. The final amended budget is used in this report. Supplemental budgetary appropriations were approved during the year. During the year ended December 31, 2022, the following funds had legally adopted budgets:

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

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
PROPERTY TAXES				
Current	\$ 16,194,150	\$ 16,194,150	\$ 15,714,802	\$ (479,348)
Delinquent	163,743	163,743	951,671	787,928
Total Property Taxes	16,357,893	16,357,893	16,666,473	308,580
INTERGOVERNMENTAL RECEIPTS				
Total Intergovernmental Receipts	443,502	465,617	542,454	76,837
FEES OF OFFICE				
County Judge	6,000	207	207	-
Sheriff	20,000	20,000	25,556	5,556
District Attorney	1,000	1,000	1,387	387
County Clerk	176,000	176,000	278,312	102,312
Tax Assessor-Collector	400,000	400,000	441,317	41,317
District Clerk	35,000	35,000	50,012	15,012
County Treasurer	18,000	15,156	15,156	-
Justices of the Peace	133,100	77,182	77,183	1
Total Fees of Office	789,100	724,545	889,130	164,585
MISCELLANEOUS				
Interest Earned	184,280	286,261	573,912	287,651
Hospital Collections	-	-	210	210
Time Payment EFTIC	500	500	558	58
Vital Archive - County Clerk	500	500	2,085	1,585
Judiciary Support Fee	1,000	110	110	-
Jury donations to Veteran's Service Office	-	-	1,120	1,120
Miscellaneous	122,204	235,305	308,164	72,859
Exposition Building	-	-	2,000	2,000
County Clerk Civil	1,000	-	-	-
Family Protection Fee	2,000	-	-	-
Child Safety Fee	34,000	34,254	34,254	-
Child Abuse Prevention	-	-	37	37
CLC Justice of the Peace Fees	7,000	7,000	7,505	505
Court Facility Fee	-	-	9,338	9,338
Language Access Fund	-	-	2,604	2,604
County Jury Fund	-	-	3,585	3,585
Court Initiated Guardianship	-	-	3,840	3,840
Justice Court Support Fee	-	-	8,300	8,300
Miscellaneous Unclaimed Funds	-	-	1,076	1,076
Panola County Auction Interest Earnings	-	-	37	37
Total Miscellaneous	352,484	563,930	958,735	394,805
Total Revenues	\$ 17,942,979	\$ 18,111,985	\$ 19,056,792	\$ 944,807

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
GENERAL ADMINISTRATION				
County Judge	\$ 236,083	\$ 207,550	\$ 203,043	\$ 4,507
Commissioners	401,757	401,759	399,469	2,290
County Clerk	452,998	452,029	435,133	16,896
Veteran's Service Officer	142,063	141,823	136,695	5,128
Airport	104,694	106,594	101,347	5,247
IT Department	89,097	89,097	88,961	136
Miscellaneous and Non-Departmental	3,642,959	3,542,551	3,378,163	164,388
Total General Administration	5,069,651	4,941,403	4,742,811	198,592
JUDICIAL				
District Court	171,604	172,829	163,890	8,939
County Court at Law	484,359	483,524	473,701	9,823
District Clerk	410,459	410,459	392,662	17,797
Justices of the Peace Pct. 1 and 4	236,583	231,887	223,541	8,346
Justices of the Peace Pct. 2 and 3	240,133	225,462	216,989	8,473
Bailiffs, Jurors and Law Books	94,684	94,684	78,296	16,388
Total Judicial	1,637,822	1,618,845	1,549,079	69,766
LEGAL				
District Attorney	679,423	688,864	578,492	110,372
Lawsuits	11,000	11,000	5,597	5,403
Total Legal	690,423	699,864	584,089	115,775
ELECTIONS				
Total Election Judges, Clerks, and Supplies	60,740	80,893	61,492	19,401
Total Voter Registration	145,978	151,412	150,514	898
Total Elections	206,718	232,305	212,006	20,299
FINANCIAL ADMINISTRATION				
Auditor	355,873	355,573	338,377	17,196
Treasurer	239,170	239,770	235,772	3,998
Tax Assessor-Collector	604,069	602,969	564,835	38,134
Total Financial Administration	1,199,112	1,198,312	1,138,984	59,328
PUBLIC FACILITIES				
Building Maintenance	376,742	386,766	300,212	86,554
Total Public Facilities	376,742	386,766	300,212	86,554

(Continued)

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
PUBLIC SAFETY				
SHERIFF				
Sheriff	3,770,932	3,817,293	3,568,960	248,333
Constable Pct. 1 & 4	171,978	171,978	159,029	12,949
Constable Pct. 2 & 3	208,999	212,375	204,947	7,428
Corrections	2,413,585	2,429,550	2,266,055	163,495
Rural Addressing	81,860	80,460	76,221	4,239
Highway Patrol	69,526	69,526	65,183	4,343
Fire Safety	1,500	1,500	1,500	-
Total Public Safety	6,718,380	6,782,682	6,341,895	440,787
ENVIRONMENTAL PROTECTION				
Trash Disposal	280,000	282,284	283,785	(1,501)
Total Environmental Protection	280,000	282,284	283,785	(1,501)
HEALTH AND PAUPERS CARE				
Total Health and Paupers Care	657,100	712,954	621,612	91,342
Library	384,456	386,009	364,805	21,204
Youth Programs	17,000	17,000	13,997	3,003
Total Recreation	401,456	403,009	378,802	24,207
CONSERVATION				
Extension Service	126,048	126,048	109,562	16,486
Total Conservation	126,048	126,048	109,562	16,486

(Continued)

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES (cont'd.)				
CAPITAL OUTLAY				
GENERAL ADMINISTRATION				
Total Capital Outlay	449,251	583,507	681,074	(97,567)
Total Expenditures	<u>17,812,703</u>	<u>17,967,979</u>	<u>16,943,911</u>	<u>1,024,068</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>130,276</u>	<u>144,006</u>	<u>2,112,881</u>	<u>1,968,875</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	65,329	65,329
Transfers In	-	-	-	-
Transfers Out	(254,823)	(254,823)	(254,823)	-
Interest expense - GASB 87	-	-	(2,157)	(2,157)
Total Other Financing Sources (Uses)	<u>(254,823)</u>	<u>(254,823)</u>	<u>(191,651)</u>	<u>63,172</u>
Net Change in Fund Balance	(124,547)	(110,817)	1,921,230	2,032,047
FUND BALANCE, BEGINNING	<u>19,873,867</u>	<u>19,873,867</u>	<u>19,873,867</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 19,749,320</u>	<u>\$ 19,763,050</u>	<u>\$ 21,795,097</u>	<u>\$ 2,032,047</u>

(Continued)

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - ROAD AND BRIDGE
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes:				
Taxes - current	5,816,732	5,816,732	6,012,475	\$ 195,743
Taxes - delinquent	93,317	93,317	351,379	258,062
Total Property Taxes	<u>5,910,049</u>	<u>5,910,049</u>	<u>6,363,854</u>	<u>453,805</u>
Licenses				
Motor Vehicle Registration	350,000	350,000	361,270	11,270
Total Licenses	<u>350,000</u>	<u>350,000</u>	<u>361,270</u>	<u>11,270</u>
Intergovernmental Receipts				
TXDOT CTIF Grant	100,000	614,575	614,575	-
State Lateral Road Fund	29,000	29,000	29,393	393
Weight and Axle Fees	45,000	45,000	54,315	9,315
Total Intergovernmental Receipts	<u>174,000</u>	<u>688,575</u>	<u>698,283</u>	<u>9,708</u>
Fines:				
County and District Court Fees	354,000	354,000	386,940	32,940
Total Fines	<u>354,000</u>	<u>354,000</u>	<u>386,940</u>	<u>32,940</u>
Other Revenues and Fees:				
Interest	75,030	79,358	163,588	84,230
Miscellaneous	-	172,906	178,755	5,849
Tax Abatement	141,054	141,054	141,054	-
Total Other Revenues and Fees	<u>216,084</u>	<u>393,318</u>	<u>483,397</u>	<u>90,079</u>
Total Revenues	<u>7,004,133</u>	<u>7,695,942</u>	<u>8,293,744</u>	<u>597,802</u>

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - ROAD AND BRIDGE
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES				
PUBLIC TRANSPORTATION				
MAINTENANCE-ROADS AND BRIDGES				
Total Precinct 1	1,227,888	1,214,216	1,046,704	167,512
Total Precinct 2	1,318,006	1,218,006	905,442	312,564
Total Precinct 3	1,166,437	1,167,396	872,265	295,131
Total Precinct 4	<u>1,460,197</u>	<u>1,406,247</u>	<u>1,226,967</u>	<u>179,280</u>
Total Maintenance-Roads and Bridges	<u>5,172,528</u>	<u>5,005,865</u>	<u>4,051,378</u>	<u>954,487</u>
CAPITAL OUTLAY-ROAD AND BRIDGES				
Total Precinct 1	447,800	1,057,977	1,047,830	10,147
Total Precinct 2	405,743	654,987	636,463	18,524
Total Precinct 3	498,635	732,686	839,591	(106,905)
Total Precinct 4	<u>623,259</u>	<u>688,259</u>	<u>691,168</u>	<u>(2,909)</u>
Total Capital Outlay	<u>1,975,437</u>	<u>3,133,909</u>	<u>3,215,052</u>	<u>(81,143)</u>
Total Expenditures	<u>7,147,965</u>	<u>8,139,774</u>	<u>7,266,430</u>	<u>873,344</u>
Net Change in Fund Balance	(143,832)	(443,832)	1,027,314	1,471,146
FUND BALANCE, BEGINNING	<u>7,638,545</u>	<u>7,638,545</u>	<u>7,638,545</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 7,494,713</u>	<u>\$ 7,194,713</u>	<u>\$ 8,665,859</u>	<u>\$ 1,471,146</u>

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
Total Pension Liability								
Service cost	\$ 1,665,959	\$ 1,379,474	\$ 1,337,016	\$ 1,412,722	\$ 1,528,882	\$ 1,627,854	\$ 1,457,414	\$ 1,429,368
Interest on total pension liability	5,907,827	5,646,758	5,423,679	5,157,434	5,073,643	4,744,127	4,457,975	4,184,774
Effect of plan changes	-	-	-	-	-	-	(206,371)	-
Effect of assumption changes or inputs	(906,879)	4,671,406	-	-	(999,472)	-	1,029,006	-
Effect of economic/demographic (gains) or losses	1,941,104	(288,048)	(684,650)	(142,573)	(1,674,570)	(562,543)	(661,728)	(601,515)
Benefit payments/refunds of contributions	<u>(3,872,293)</u>	<u>(3,479,991)</u>	<u>(3,253,334)</u>	<u>(2,883,657)</u>	<u>(2,676,104)</u>	<u>(2,275,968)</u>	<u>(2,173,650)</u>	<u>(1,944,467)</u>
Net change in total pension liability	4,735,718	7,929,599	2,822,711	3,543,926	1,252,379	3,533,470	3,902,646	3,068,160
Total pension liability, beginning	<u>77,969,297</u>	<u>70,039,698</u>	<u>67,216,987</u>	<u>63,673,061</u>	<u>62,420,682</u>	<u>58,887,212</u>	<u>54,984,566</u>	<u>51,916,406</u>
Total pension liability, ending (a)	<u><u>\$ 82,705,015</u></u>	<u><u>\$ 77,969,297</u></u>	<u><u>\$ 70,039,698</u></u>	<u><u>\$ 67,216,987</u></u>	<u><u>\$ 63,673,061</u></u>	<u><u>\$ 62,420,682</u></u>	<u><u>\$ 58,887,212</u></u>	<u><u>\$ 54,984,566</u></u>
Fiduciary Net Position								
Employer contributions	\$ 2,548,949	\$ 2,544,980	\$ 2,406,602	\$ 2,371,955	\$ 2,438,959	\$ 2,531,576	\$ 2,489,599	\$ 3,353,570
Member contributions	549,208	548,027	506,809	496,481	516,439	544,034	531,525	505,905
Investment income net of investment expenses	16,108,961	6,945,922	9,540,886	(1,104,109)	7,520,633	3,493,015	(1,037,364)	2,863,212
Benefit payments/refunds of contributions	(3,872,293)	(3,479,991)	(3,253,334)	(2,883,656)	(2,676,104)	(2,275,968)	(2,173,649)	(1,944,467)
Administrative expenses	(48,166)	(53,960)	(51,242)	(46,663)	(39,408)	(38,018)	(34,088)	(34,814)
Other	<u>(1,087)</u>	<u>(4,787)</u>	<u>(2,272)</u>	<u>5,496</u>	<u>3,372</u>	<u>52,769</u>	<u>26,592</u>	<u>(226,419)</u>
Net change in fiduciary net position	15,285,572	6,500,191	9,147,449	(1,160,496)	7,763,891	4,307,408	(197,385)	4,516,987
Fiduciary net position, beginning	<u>73,743,760</u>	<u>67,243,569</u>	<u>58,096,120</u>	<u>59,256,616</u>	<u>51,492,725</u>	<u>47,185,317</u>	<u>47,382,702</u>	<u>42,865,715</u>
Fiduciary net position, ending (b)	<u>\$ 89,029,332</u>	<u>\$ 73,743,760</u>	<u>\$ 67,243,569</u>	<u>\$ 58,096,120</u>	<u>\$ 59,256,616</u>	<u>\$ 51,492,725</u>	<u>\$ 47,185,317</u>	<u>\$ 47,382,702</u>
Net pension liability/(asset), ending = (a) - (b)	<u><u>\$ (6,324,317)</u></u>	<u><u>\$ 4,225,537</u></u>	<u><u>\$ 2,796,129</u></u>	<u><u>\$ 9,120,867</u></u>	<u><u>\$ 4,416,445</u></u>	<u><u>\$ 10,927,957</u></u>	<u><u>\$ 11,701,895</u></u>	<u><u>\$ 7,601,864</u></u>
Fiduciary net position as a % of total pension liability	96.01%	96.01%	96.01%	85.32%	92.00%	86.34%	86.79%	92.21%
Pensionable covered payroll	\$ 7,845,829	\$ 7,828,957	\$ 7,240,126	\$ 7,092,592	\$ 7,377,699	\$ 7,771,911	\$ 7,593,216	\$ 7,227,213
Net pension liability as a % of covered payroll	-80.61%	53.97%	38.62%	128.60%	59.86%	140.61%	154.11%	105.18%

Notes to the Schedule:

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

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 2,695,336	\$ 2,425,022	\$ 1,980,177	\$ 1,384,904	\$ 1,666,934
Interest	961,913	907,101	1,055,276	1,278,599	1,081,229
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-
Changes in assumptions	(13,729,273)	304,553	793,780	4,069,609	(2,711,856)
Benefit payments	-	-	-	-	-
Net change in total OPEB liability	(10,072,024)	3,636,676	3,829,233	6,733,112	36,307
Total OPEB liability, beginning	43,999,457	40,362,781	36,533,548	29,800,436	29,764,129
Total OPEB liability, ending (a)	<u>\$ 33,927,433</u>	<u>\$ 43,999,457</u>	<u>\$ 40,362,781</u>	<u>\$ 36,533,548</u>	<u>\$ 29,800,436</u>
Fiduciary Net Position					
Employer contributions	\$ 2,437,165	\$ 2,387,048	\$ 1,835,796	\$ 1,955,842	\$ 1,746,235
Net investment income	676,768	342,715	618,018	759,587	571,536
Benefit payments	(1,481,358)	(1,451,099)	(1,441,446)	(1,380,211)	(1,267,612)
Administrative expenses	-	-	-	-	-
Other	-	-	-	-	-
Net change in fiduciary net position	1,632,575	1,278,664	1,012,368	1,335,218	1,050,159
Fiduciary net position, beginning	35,683,816	34,405,152	33,392,784	32,057,566	31,007,407
Fiduciary net position, ending (b)	\$ 37,316,391	\$ 35,683,816	\$ 34,405,152	\$ 33,392,784	\$ 32,057,566
Net OPEB liability/(asset), ending = (a) - (b)	<u>\$ (3,388,958)</u>	<u>\$ 8,315,641</u>	<u>\$ 5,957,629</u>	<u>\$ 3,140,764</u>	<u>\$ (2,257,130)</u>
Fiduciary net position as a % of total OPEB liability	109.99%	81.10%	85.24%	91.40%	107.57%
Covered payroll	\$ 7,942,357	\$ 7,612,324	\$ 7,647,125	\$ 7,333,874	\$ 7,139,612
Net OPEB liability as a % of covered payroll	-42.67%	109.24%	77.91%	42.83%	-31.61%

Notes to the Schedule:

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

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 1,746,235	\$ 1,746,235	\$ -	\$ 7,139,612	24.5%
2019	1,955,842	1,955,842	-	7,333,874	26.7%
2020	1,835,796	1,835,796	-	7,647,125	24.0%
2021	2,061,207	2,061,207	-	7,612,324	27.1%
2022	2,437,165	2,437,165	-	7,942,357	30.7%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Discount Rate	4.31%
Healthcare cost trend rates	Medical/Rx Post-65: 6.00% Medical/Rx Pre-65: 8.5% initial, decreasing to an ultimate rate of 5.00%
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality - Active Participants	PRI-2012 Combined Mortality Table set forward 2 years for males, set back 4 years for females, projected to 2014 with Scale AA and projected with 110% of Scale MP-2021 thereafter.
Mortality - Inactive Participants	PRI-2012 Combined Mortality Table set forward 1 year for males, projected to 2014 with Scale AA and projected with 110% of Scale MP-2021 thereafter.
Mortality - Disabled Participants	PRI-2012 Disabled Mortality Table set forward 2 years for females, projected to 2014 with Scale AA and projected with 110% of Scale MP-2021 thereafter.

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFITS PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022

	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB liability					
Service Cost	\$ 18,960	\$ 16,376	\$ 11,174	\$ 15,401	\$ 13,821
Interest	15,202	17,386	20,183	18,588	19,431
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	4,864	(3,479)	4,690	(8,199)	(14,610)
Change of assumptions and other inputs	14,402	71,264	120,637	(52,453)	22,356
Benefit payments	(21,968)	(21,138)	(18,100)	(16,313)	(16,231)
Net Change in Total OPEB Liability	31,460	80,409	138,584	(42,976)	24,767
Total OPEB Liability - Beginning	709,039	628,630	490,046	533,022	508,255
Total OPEB Liability - Ending (a)	<u>\$ 740,499</u>	<u>\$ 709,039</u>	<u>\$ 628,630</u>	<u>\$ 490,046</u>	<u>\$ 533,022</u>
Covered Employee Payroll	\$ 7,845,829	\$ 7,828,957	\$ 7,240,126	\$ 7,092,592	\$ 7,377,699
Net OPEB Liability as a Percentage of Covered Employee Payroll	9.44%	9.06%	8.68%	6.91%	7.22%

NOTES TO SCHEDULE

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

Valuation Date:

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

Methods and Assumptions Used to Determine Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	2.06% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2021.
Disability	Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a customer table based on TCDRS experience.
Mortality - Depositing Members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Mortality - Service Retirees, Beneficiaries, and Non-Depositing Members	135% of the Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Healthy Retirees Amount-Weighted Mortality table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Mortality - Disables Retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Other Information:

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





ADDITIONAL SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AUTOMOBILE REGISTRATION – This fund is used to account for activities related to automobile registration collections.

TAX ASSESSOR - COLLECTOR – This fund is used to account for activities related to ad valorem taxes.

COUNTY CLERK – This fund is used to account for transactions for two types of funds maintained by the County Clerk: operating and court cost deposits.

DISTRICT CLERK – This fund is used to account for transactions for three types of funds maintained by the District Clerk: funds held on behalf of individuals by court order, court cost deposits, and child support funds.

COMMUNITY SUPERVISION AND CORRECTION DEPARTMENT – This fund is used to account for the collection of probationers' fees, fines, restitution and attorney fees.

JUVENILE PROBATION – This fund is used to account for the collection of restitution by the Juvenile Probation Department from juvenile offenders.

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

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

SHERIFF – This fund is used to account for the collection of monies by the Sheriff's office, for other county jurisdictions, other local governments, and fees of office.

JAIL INMATE – This fund is used to account for the funds held on behalf of inmates and used by the inmates to purchase commissary goods.

NONMAJOR GOVERNMENTAL FUNDS

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

SPECIAL REVENUE FUNDS

	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION
ASSETS:								
Cash and Cash Equivalents	41,355	167	62,774	25,360	7,913	15,786	23,939	18,960
Investments	54,000	-	187,000	6,000	-	-	-	-
Current Taxes	-	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-
Miscellaneous	64	-	258	11	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	\$ 95,419	\$ 167	\$ 250,032	\$ 31,371	\$ 7,913	\$ 15,786	\$ 23,939	\$ 18,960
LIABILITIES:								
Accounts Payable-Trade	957	-	-	-	-	-	-	-
Total Liabilities	957	-	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue	-	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	94,462	167	250,032	31,371	7,913	15,786	23,939	18,960
Committed	-	-	-	-	-	-	-	-
Total Fund Balances	94,462	167	250,032	31,371	7,913	15,786	23,939	18,960
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 95,419	\$ 167	\$ 250,032	\$ 31,371	\$ 7,913	\$ 15,786	\$ 23,939	\$ 18,960

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

SPECIAL REVENUE FUNDS

	RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT
ASSETS:								
Cash and Cash Equivalents	229,203	412,569	42,169	840	25,872	1,783,355	37,494	32,287
Investments	403,000	53,000	64,000	-	-	916,407	-	-
Current Taxes	-	-	-	-	-	241,283	-	-
Delinquent Taxes	-	-	-	-	-	32,240	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	(17,998)	-	-
Due from Other Governments	-	-	-	-	-	44,829	-	-
Miscellaneous	905	275	84	1,600	-	3,382	17,258	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	\$ 633,108	\$ 465,844	\$ 106,253	\$ 2,440	\$ 25,872	\$ 3,003,498	\$ 54,752	\$ 32,287
LIABILITIES:								
Accounts Payable-Trade	-	-	-	-	-	6,508	4,353	-
Total Liabilities	-	-	-	-	-	6,508	4,353	-
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue	-	-	-	-	-	435,534	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	244,827	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	680,361	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	633,108	465,844	106,253	2,440	25,872	2,316,629	50,399	32,287
Committed	-	-	-	-	-	-	-	-
Total Fund Balances	633,108	465,844	106,253	2,440	25,872	2,316,629	50,399	32,287
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 633,108	\$ 465,844	\$ 106,253	\$ 2,440	\$ 25,872	\$ 3,003,498	\$ 54,752	\$ 32,287

(Continued)

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	SPECIAL REVENUE FUNDS						
	JUVENILE PROBATION	HOT CHECK FEE	PRE-TRIAL INTERVENTION PROGRAM	SHERIFF'S STATE FORFEITURE	JAIL COMMISSARY	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE
ASSETS:							
Cash and Cash Equivalents	331,847	16,626	22,571	14,426	39,476	332	36,682
Investments	200,000	21,000	-	23,000	-	-	4,000
Current Taxes	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-
Miscellaneous	48	-	-	38	390	-	1
Inventory	-	-	-	-	-	-	-
Total Assets	\$ 531,895	\$ 37,626	\$ 22,571	\$ 37,464	\$ 39,866	\$ 332	\$ 40,683
LIABILITIES:							
Accounts Payable-Trade	16,290	-	-	-	-	-	-
Total Liabilities	16,290	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES:							
Nonspendable	-	-	-	-	-	-	-
Restricted	515,605	37,626	22,571	37,464	39,866	332	40,683
Committed	-	-	-	-	-	-	-
Total Fund Balances	515,605	37,626	22,571	37,464	39,866	332	40,683
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 531,895	\$ 37,626	\$ 22,571	\$ 37,464	\$ 39,866	\$ 332	\$ 40,683

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	SPECIAL REVENUE FUNDS						
	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	CHILD PROTECTIVE SERVICES
ASSETS:							
Cash and Cash Equivalents	1,408	201	1,074	8,121	60,773	328	45,954
Investments	-	-	-	-	-	-	101,000
Current Taxes	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	229
Inventory	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,408</u>	<u>\$ 201</u>	<u>\$ 1,074</u>	<u>\$ 8,121</u>	<u>\$ 60,773</u>	<u>\$ 328</u>	<u>\$ 147,183</u>
LIABILITIES:							
Accounts Payable-Trade	-	-	-	-	-	-	260
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260</u>
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:							
Nonspendable	-	-	-	-	-	-	-
Restricted	1,408	201	1,074	8,121	60,773	328	146,923
Committed	-	-	-	-	-	-	-
Total Fund Balances	<u>1,408</u>	<u>201</u>	<u>1,074</u>	<u>8,121</u>	<u>60,773</u>	<u>328</u>	<u>146,923</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,408</u>	<u>\$ 201</u>	<u>\$ 1,074</u>	<u>\$ 8,121</u>	<u>\$ 60,773</u>	<u>\$ 328</u>	<u>\$ 147,183</u>

(Continued)

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS			NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	HEALTH FUND	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT		
ASSETS:								
Cash and Cash Equivalents	377,929	318,909	4,036,700	66,296	47,095	477	113,868	4,150,568
Investments	3,543,000	128,000	5,703,407	238,000	192,000	-	430,000	6,133,407
Current Taxes	-	-	241,283	-	-	-	-	241,283
Delinquent Taxes	-	-	32,240	-	-	-	-	32,240
Allowance for Uncollectible Taxes	-	-	(17,998)	-	-	-	-	(17,998)
Due from Other Governments	-	-	44,829	-	-	-	-	44,829
Miscellaneous	5,127	724	30,394	317	275	-	592	30,986
Inventory	-	44,760	44,760	-	-	-	-	44,760
Total Assets	<u>\$ 3,926,056</u>	<u>\$ 492,393</u>	<u>\$ 10,115,615</u>	<u>\$ 304,613</u>	<u>\$ 239,370</u>	<u>\$ 477</u>	<u>\$ 544,460</u>	<u>\$ 10,660,075</u>
LIABILITIES:								
Accounts Payable-Trade	160	3,966	32,494	-	-	-	-	32,494
Total Liabilities	<u>160</u>	<u>3,966</u>	<u>32,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,494</u>
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue	-	-	435,534	-	-	-	-	435,534
Deferred Revenue - Advance Tax Collections	-	-	244,827	-	-	-	-	244,827
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>680,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>680,361</u>
FUND BALANCES:								
Nonspendable	-	44,760	44,760	-	-	-	-	44,760
Restricted	3,925,896	443,667	9,358,000	-	-	-	-	9,358,000
Committed	-	-	-	304,613	239,370	477	544,460	544,460
Total Fund Balances	<u>3,925,896</u>	<u>488,427</u>	<u>9,402,760</u>	<u>304,613</u>	<u>239,370</u>	<u>477</u>	<u>544,460</u>	<u>9,947,220</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,926,056</u>	<u>\$ 492,393</u>	<u>\$ 10,115,615</u>	<u>\$ 304,613</u>	<u>\$ 239,370</u>	<u>\$ 477</u>	<u>\$ 544,460</u>	<u>\$ 10,660,075</u>

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	SPECIAL REVENUE FUNDS							
	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION
REVENUES								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-	-	-	-	-
Fees of Office	16,375	-	27,150	1,241	437	80	212	9,029
Fines and Forfeits	-	-	-	-	-	-	-	-
Miscellaneous	1,420	2	3,766	457	114	228	345	246
TOTAL REVENUES	17,795	2	30,916	1,698	551	308	557	9,275
EXPENDITURES								
General Administration	-	-	19,164	31	-	-	-	-
Legal	11,123	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	11,123	-	19,164	31	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,672	2	11,752	1,667	551	308	557	9,275
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	6,672	2	11,752	1,667	551	308	557	9,275
FUND BALANCE-BEGINNING OF YEAR	87,790	165	238,280	29,704	7,362	15,478	23,382	9,685
FUND BALANCE-END OF YEAR	\$ 94,462	\$ 167	\$ 250,032	\$ 31,371	\$ 7,913	\$ 15,786	\$ 23,939	\$ 18,960

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	SPECIAL REVENUE FUNDS							
	COUNTY CLERK RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL ROAD	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT
<u>REVENUES</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 622,291	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-	-	-	159,360	-
Fees of Office	98,260	87,860	6,440	-	3,664	-	212,244	-
Fines and Forfeits	-	-	-	-	-	-	-	2,331
Miscellaneous	9,438	6,516	1,522	1,616	366	530,704	1,328	414
TOTAL REVENUES	107,698	94,376	7,962	1,616	4,030	1,152,995	372,932	2,745
<u>EXPENDITURES</u>								
General Administration	99,767	-	168	965	-	-	-	-
Legal	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	388,081	-
Public Transportation	-	-	-	-	-	568,084	-	-
Health & Paupers Care	-	-	-	-	-	-	-	-
Capital Outlay	13,501	-	-	-	-	496,816	-	-
TOTAL EXPENDITURES	113,268	-	168	965	-	1,064,900	388,081	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,570)	94,376	7,794	651	4,030	88,095	(15,149)	2,745
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(5,570)	94,376	7,794	651	4,030	88,095	(15,149)	2,745
FUND BALANCE-BEGINNING OF YEAR	638,678	371,468	98,459	1,789	21,842	2,228,534	65,548	29,542
FUND BALANCE-END OF YEAR	\$ 633,108	\$ 465,844	\$ 106,253	\$ 2,440	\$ 25,872	\$ 2,316,629	\$ 50,399	\$ 32,287

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

SPECIAL REVENUE FUNDS

	JUVENILE PROBATION	HOT CHECK FEE	PRETRIAL INTERVENTION PROGRAM	SHERIFF'S STATE FORFEITURE	JAIL COMMISSARY	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE
REVENUES							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	171,645	-	7,200	-	-	-	-
Fees of Office	94	1,480	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Miscellaneous	8,562	-	303	607	8,140	4	2,313
TOTAL REVENUES	180,301	1,480	7,503	607	8,140	4	2,313
EXPENDITURES							
General Administration	-	-	-	-	-	-	-
Legal	-	2,557	-	-	-	-	812
Public Safety	369,743	-	-	13,958	1,485	-	-
Public Transportation	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	369,743	2,557	-	13,958	1,485	-	812
Excess (Deficiency) of Revenues Over (Under) Expenditures	(189,442)	(1,077)	7,503	(13,351)	6,655	4	1,501
OTHER FINANCING SOURCES (USES)							
Transfers in	224,823	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	224,823	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	35,381	(1,077)	7,503	(13,351)	6,655	4	1,501
FUND BALANCE-BEGINNING OF YEAR	480,224	38,703	15,068	50,815	33,211	328	39,182
FUND BALANCE-END OF YEAR	\$ 515,605	\$ 37,626	\$ 22,571	\$ 37,464	\$ 39,866	\$ 332	\$ 40,683

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

SPECIAL REVENUE FUNDS						
STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	CHILD PROTECTIVE SERVICES
<u>REVENUES</u>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	27,498	-	-	-	-	9,370
Fees of Office	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-
Miscellaneous	109	3	16	1,742	879	4
TOTAL REVENUES	27,607	3	16	1,742	879	4
<u>EXPENDITURES</u>						
General Administration	-	-	-	-	-	-
Legal	27,479	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	51,785
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	27,479	-	-	-	-	51,785
Excess (Deficiency) of Revenues Over (Under) Expenditures	128	3	16	1,742	879	4
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	30,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	30,000
NET CHANGE IN FUND BALANCES	128	3	16	1,742	879	4
FUND BALANCE-BEGINNING OF YEAR	1,280	198	1,058	6,379	59,894	324
FUND BALANCE-END OF YEAR	\$ 1,408	\$ 201	\$ 1,074	\$ 8,121	\$ 60,773	\$ 328

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	HEALTH FUND	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT	NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL	
REVENUES								
Property Taxes	\$ -	\$ -	\$ 622,291	\$ -	\$ -	\$ -	\$ -	\$ 622,291
Intergovernmental Receipts	38,217	3,369	416,659	-	-	-	-	416,659
Fees of Office	-	-	464,566	-	-	-	-	464,566
Fines and Forfeits	-	-	2,331	-	-	-	-	2,331
Miscellaneous	60,811	99,657	745,524	4,669	3,672	7	8,348	753,872
TOTAL REVENUES	99,028	103,026	2,251,371	4,669	3,672	7	8,348	2,259,719
EXPENDITURES								
General Administration	-	-	120,095	-	-	-	-	120,095
Legal	-	-	41,971	-	-	-	-	41,971
Public Safety	-	-	773,267	-	-	-	-	773,267
Public Transportation	-	93,218	661,302	-	-	-	-	661,302
Health & Paupers Care	21,998	-	73,783	-	-	-	-	73,783
Capital Outlay	-	-	510,317	-	-	-	-	510,317
TOTAL EXPENDITURES	21,998	93,218	2,180,735	-	-	-	-	2,180,735
Excess (Deficiency) of Revenues Over (Under) Expenditures	77,030	9,808	70,636	4,669	3,672	7	8,348	78,984
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	254,823	-	-	-	-	254,823
TOTAL OTHER FINANCING SOURCES (USES)	-	-	254,823	-	-	-	-	254,823
NET CHANGE IN FUND BALANCES	77,030	9,808	325,459	4,669	3,672	7	8,348	333,807
FUND BALANCE-BEGINNING OF YEAR	3,848,866	478,619	9,077,301	299,944	235,698	470	536,112	9,613,413
FUND BALANCE-END OF YEAR	\$ 3,925,896	\$ 488,427	\$ 9,402,760	\$ 304,613	\$ 239,370	\$ 477	\$ 544,460	\$ 9,947,220

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

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - LAW LIBRARY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Fees of Office:				
Law library fees	\$ 12,000	\$ 12,000	\$ 16,376	\$ 4,376
Total Fees of Office	<u>12,000</u>	<u>12,000</u>	<u>16,376</u>	<u>4,376</u>
Other Revenues and Fees:				
Interest	125	125	1,420	1,295
Total Other Revenues and Fees	<u>125</u>	<u>125</u>	<u>1,420</u>	<u>1,295</u>
Total Revenues	<u>12,125</u>	<u>12,125</u>	<u>17,796</u>	<u>5,671</u>
EXPENDITURES				
Legal:				
Miscellaneous - Law books	12,125	12,125	11,124	1,001
Total Legal	<u>12,125</u>	<u>12,125</u>	<u>11,124</u>	<u>1,001</u>
Total Expenditures	<u>12,125</u>	<u>12,125</u>	<u>11,124</u>	<u>1,001</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	6,672	<u>\$ 6,672</u>
FUND BALANCE DECEMBER 31, 2021			<u>87,790</u>	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 94,462</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY JUVENILE DELINQUENCY PREVENTION
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Miscellaneous:				
Interest Earnings	\$ 1	\$ 1	\$ 2	\$ 1
Total Fees of Office	1	1	2	1
Total Revenues	1	1	2	1
EXPENDITURES				
Legal				
Contract Agreements	1	1	-	1
Total Legal	1	1	-	1
Total Expenditures	1	1	-	1
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	2	<u>\$ 2</u>
FUND BALANCE DECEMBER 31, 2021			165	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 167</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COURTHOUSE SECURITY
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk Fees	\$ 1,302	\$ 1,302	\$ 5,467	\$ 4,165
County Clerk Fees	6,047	6,047	13,917	7,870
JP Offices	10,591	7,765	7,765	-
	<u>17,940</u>	<u>15,114</u>	<u>27,149</u>	<u>12,035</u>
Total Fees of Office				
Other Revenues and Fees:				
Interest Earnings	1,496	3,528	3,766	238
	<u>1,496</u>	<u>3,528</u>	<u>3,766</u>	<u>238</u>
Total Other Revenues and Fees				
	<u>1,496</u>	<u>3,528</u>	<u>3,766</u>	<u>238</u>
Total Revenues	<u>19,436</u>	<u>18,642</u>	<u>30,915</u>	<u>12,273</u>
EXPENDITURES				
General Administration:				
Bailiff and Security	13,479	13,479	13,479	-
Social Security Taxes	1,032	1,032	814	218
Retirement and Death Benefits	3,234	3,234	3,234	-
Workers Compensation	317	317	263	54
Unemployment Insurance	26	26	26	-
Other Post Employment Benefits	1,348	1,348	1,348	-
	<u>19,436</u>	<u>19,436</u>	<u>19,164</u>	<u>272</u>
Total General Government				
	<u>19,436</u>	<u>19,436</u>	<u>19,164</u>	<u>272</u>
Total Expenditures				
	<u>19,436</u>	<u>19,436</u>	<u>19,164</u>	<u>272</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (794)</u>	11,751	<u>\$ 12,545</u>
FUND BALANCE DECEMBER 31, 2021			<u>238,280</u>	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 250,031</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - RECORDS MANAGEMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk Fees	\$ 3,000	\$ 978	\$ 979	\$ 1
County Clerk Fees	3,800	262	262	-
Total Fees of Office	<u>6,800</u>	<u>1,240</u>	<u>1,241</u>	<u>1</u>
Miscellaneous				
Interest	48	48	457	409
Total Miscellaneous	<u>48</u>	<u>48</u>	<u>457</u>	<u>409</u>
Total Revenues	<u>6,848</u>	<u>1,288</u>	<u>1,698</u>	<u>410</u>
EXPENDITURES				
General Administration:				
Seaonal help	9,000	3,440	-	3,440
Social security taxes	689	689	-	689
Workers compensation	35	35	21	14
Unemployment insurance	18	18	10	8
Preservation and Restoration	2,000	2,000	-	2,000
Total Expenditures	<u>11,742</u>	<u>6,182</u>	<u>31</u>	<u>6,151</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (4,894)</u>	<u>\$ (4,894)</u>	1,667	<u>\$ 6,561</u>
FUND BALANCE DECEMBER 31, 2021			<u>29,704</u>	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 31,371</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY AND DISTRICT COURT TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk	\$ 50	\$ 50	\$ 160	\$ 110
County Clerk	100	100	277	177
Total Fees of Office	<u>150</u>	<u>150</u>	<u>437</u>	<u>287</u>
Other Revenues and Fees:				
Interest	1	1	114	113
Total Other Revenues and Fees	<u>1</u>	<u>1</u>	<u>114</u>	<u>113</u>
Total Revenues	<u>151</u>	<u>151</u>	<u>551</u>	<u>400</u>
EXPENDITURES				
Capital Outlay:				
Equipment and software	151	151	-	151
Total Capital Outlay	<u>151</u>	<u>151</u>	<u>-</u>	<u>151</u>
Total Expenditures	<u>151</u>	<u>151</u>	<u>-</u>	<u>151</u>
Excess of Revenues Over (Under) Expenditures	-	-	551	551
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	551	<u>\$ 551</u>
FUND BALANCE DECEMBER 31, 2021			<u>7,362</u>	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 7,913</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COURT RECORD PRESERVATION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk Fees	\$ 1,790	\$ 80	\$ 80	\$ -
Total Fees of Office	<u>1,790</u>	<u>80</u>	<u>80</u>	<u>-</u>
Other Revenues and Fees:				
Interest	10	10	228	218
Total Other Revenues and Fees	<u>10</u>	<u>10</u>	<u>228</u>	<u>218</u>
Total Revenues	<u>1,800</u>	<u>90</u>	<u>308</u>	<u>218</u>
EXPENDITURES				
Justice System:				
Digitizing	1,800	90	-	90
Total Justice System	<u>1,800</u>	<u>90</u>	<u>-</u>	<u>90</u>
Total Expenditures	<u>1,800</u>	<u>90</u>	<u>-</u>	<u>90</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	308	<u>\$ 308</u>
FUND BALANCE DECEMBER 31, 2021			<u>15,478</u>	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 15,786</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND -DISTRICT CLERK RECORDS TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Fees of Office				
District Clerk Fees	\$ 600	\$ 211	\$ 212	\$ 1
Total Fees of Office	<u>600</u>	<u>211</u>	<u>212</u>	<u>1</u>
Other Revenues and Fees				
Interest Earnings	-	-	345	345
Total Other Revenues and Fees	<u>-</u>	<u>-</u>	<u>345</u>	<u>345</u>
Total Revenues	<u>600</u>	<u>211</u>	<u>557</u>	<u>346</u>
EXPENDITURES				
Capital Outlay:				
Furniture and equipment	600	211	-	211
Total Capital Outlay	<u>600</u>	<u>211</u>	<u>-</u>	<u>211</u>
Total Expenditures	<u>600</u>	<u>211</u>	<u>-</u>	<u>211</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	557	<u>\$ 557</u>
FUND BALANCE DECEMBER 31, 2021			<u>23,382</u>	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 23,939</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Fees of Office				
District Clerk Fees	\$ 600	\$ 600	\$ 9,029	\$ 8,429
Total Fees of Office	600	600	9,029	8,429
Other Revenues and Fees				
Interest Earnings	-	-	246	246
Total Other Revenues and Fees	-	-	246	246
Total Revenues	600	600	9,275	8,675
EXPENDITURES				
General Government				
Preservation and restoration	600	600	-	600
Total General Government	600	600	-	600
Total Expenditures	600	600	-	600
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	9,275	\$ 9,275
FUND BALANCE DECEMBER 31, 2021			9,685	
FUND BALANCE DECEMBER 31, 2022			\$ 18,960	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY CLERK RECORDS PRESERVATION
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Fees of Office:				
County clerks fees	\$ 55,000	\$ 55,000	\$ 98,260	\$ 43,260
Total Fees of Office	55,000	55,000	98,260	43,260
Other Revenues and Fees:				
Interest earnings	692	692	9,438	8,746
Total Other Revenues and Fees	692	692	9,438	8,746
Total Revenues	55,692	55,692	107,698	52,006
EXPENDITURES				
General Administration:				
Digitizing real property instruments	1,000	1,000	-	1,000
Rentals microfilming and indexing	24,400	24,400	13,306	11,094
Records management and preservation	100,000	100,000	86,461	13,539
Total General Government	125,400	125,400	99,767	25,633
Capital Outlay:				
Furniture and Equipment	-	-	13,501	(13,501)
Total Capital Outlay	-	-	13,501	(13,501)
Total Expenditures	125,400	125,400	113,268	25,633
Excess of Revenues Over (Under) Expenditures	\$ (69,708)	\$ (69,708)	(5,570)	\$ 64,138
FUND BALANCE DECEMBER 30, 2021			638,678	
FUND BALANCE DECEMBER 31, 2022			\$ 633,108	

**PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - RECORDS ARCHIVE FEES
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Fees of Office:				
County Clerks Fees	\$ 35,000	\$ 35,000	\$ 87,860	\$ 52,860
Total Fees of Office	<u>35,000</u>	<u>35,000</u>	<u>87,860</u>	<u>52,860</u>
Other Revenues and Fees:				
Interest Earnings	100	100	6,516	6,416
Total Other Revenues and Fees	<u>100</u>	<u>100</u>	<u>6,516</u>	<u>6,416</u>
Total Revenues	<u>35,100</u>	<u>35,100</u>	<u>94,376</u>	<u>59,276</u>
EXPENDITURES				
General Administration:				
Preservation and Restoration	21,050	21,050	-	21,050
Digitizing	14,050	14,050	-	14,050
Total General Government	<u>35,100</u>	<u>35,100</u>	<u>-</u>	<u>35,100</u>
Total Expenditures	<u>35,100</u>	<u>35,100</u>	<u>-</u>	<u>35,100</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	94,376	<u>\$ 94,376</u>
FUND BALANCE DECEMBER 31, 2021			<u>371,468</u>	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 465,844</u>	

**PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - JUSTICE COURT TECHNOLOGY
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Fees of Office:				
JP Offices	\$ 4,488	\$ 4,488	\$ 6,440	\$ 1,952
Total Fees of Office	4,488	4,488	6,440	1,952
Other Revenues and Fees:				
Interest Earnings	512	512	1,522	1,010
Total Other Revenues and Fees	512	512	1,522	1,010
Total Revenues	5,000	5,000	7,962	2,962
EXPENDITURES				
Capital Outlay:				
Furniture and Equipment	5,000	5,000	168	4,832
Total Capital Outlay	5,000	5,000	168	4,832
Total Expenditures	5,000	5,000	168	4,832
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	7,794	\$ 7,794
FUND BALANCE DECEMBER 31, 2021			98,459	
FUND BALANCE DECEMBER 31, 2022			\$ 106,253	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - FARM TO MARKET AND LATERAL ROAD
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Property Taxes:				
Taxes - current	\$ 565,924	\$ 565,924	\$ 583,483	\$ 17,559
Taxes - delinquent	9,079	9,079	38,807	29,728
Total Property Taxes	<u>575,003</u>	<u>575,003</u>	<u>622,290</u>	<u>47,287</u>
Other Revenues and Fees:				
Interest	12,718	12,718	37,286	24,568
Miscellaneous	-	8,375	493,418	485,043
Total Other Revenues and Fees	<u>12,718</u>	<u>21,093</u>	<u>530,704</u>	<u>509,611</u>
Total Revenues	<u>587,721</u>	<u>596,096</u>	<u>1,152,994</u>	<u>556,898</u>
EXPENDITURES				
Public Transportation:				
Salaries - Road and Bridge Department	83,721	84,441	84,440	1
Benefits Termination	1,600	1,600	-	1,600
Social Security Taxes	6,405	6,405	6,321	84
Group Insurance	27,770	27,770	27,714	56
Retirement and Death Benefits	20,085	20,408	20,407	1
Other Post Employment	8,373	8,507	8,506	1
Retiree Medical Insurance Trust	17,000	17,000	17,000	-
Workers Compensation	3,021	3,021	598	2,423
Optional Retirement	29,961	29,961	29,961	-
Unemployment Insurance	3,392	3,392	1,962	1,430
Signs and Posts	-	-	14,350	(14,350)
Repair and Maintenance	31,627	40,002	34,766	5,236
Parts and Repairs	20,000	20,000	9,445	10,555
Contingency	280,201	258,024	-	258,024
Utilities	30,000	30,000	29,009	991
Contractor Service	6,000	6,000	1,670	4,330
Physicals and Drug	3,500	3,500	1,869	1,631
Rentals and Leases	5,000	5,000	4,664	336
Beaver Control	38,400	38,400	38,400	-
Liability and Other Insurance	250,000	250,000	228,164	21,836
Miscellaneous	1,250	1,250	203	1,047
Total Justice System	<u>867,306</u>	<u>854,681</u>	<u>559,449</u>	<u>295,232</u>
Capital Outlay:				
Furniture and Equipment	1,000	15,000	8,635	6,365
Road Oil	2,000	2,000	-	2,000
Bridge Construction	5,000	5,000	496,816	(491,816)
Total Capital Outlay	<u>8,000</u>	<u>22,000</u>	<u>505,451</u>	<u>(483,451)</u>
Total Expenditures	<u>875,306</u>	<u>876,681</u>	<u>1,064,900</u>	<u>(188,219)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (287,585)</u>	<u>\$ (280,585)</u>	88,094	<u>\$ 368,679</u>
FUND BALANCE DECEMBER 30, 2021			<u>2,228,534</u>	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 2,316,628</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - CHILD PROTECTIVE SERVICES
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Federal Receipts	\$ -	\$ -	\$ 9,370	\$ 9,370
Total Intergovernmental Receipts	-	-	9,370	9,370
Other Revenues and Fees:				
Donations	-	-	1,920	1,920
Interest	800	800	1,972	1,172
Total Other Revenues and Fees	800	800	3,892	3,092
Total Revenues	800	800	13,262	12,462
EXPENDITURES				
Health and Paupers Care				
Miscellaneous	58,000	58,000	51,785	6,215
Total General Government	58,000	58,000	51,785	6,215
Total Expenditures	58,000	58,000	51,785	6,215
Excess of Revenues Over (Under) Expenditures	(57,200)	(57,200)	(38,523)	18,677
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000	30,000	30,000	-
Total Other Financing Sources (Uses)	30,000	30,000	30,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (27,200)	\$ (27,200)	(8,523)	\$ 18,677
FUND BALANCE DECEMBER 31, 2021			155,446	
FUND BALANCE DECEMBER 31, 2022			\$ 146,923	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - HEALTH CARE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Tobacco Settlement	\$ 25,000	\$ 25,000	\$ 38,217	\$ 13,217
Total Intergovernmental Receipts	<u>25,000</u>	<u>25,000</u>	<u>38,217</u>	<u>13,217</u>
Miscellaneous				
Interest	25,000	25,000	60,811	35,811
Total Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>60,811</u>	<u>35,811</u>
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>99,028</u>	<u>49,028</u>
EXPENDITURES				
Health & Paupers Care				
Indigent Health Care	50,000	50,000	21,998	28,002
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>21,998</u>	<u>28,002</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	77,030	<u>\$ 77,030</u>
FUND BALANCE DECEMBER 31, 2021			<u>3,848,866</u>	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 3,925,896</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - AIRPORT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Federal Receipts	\$ -	\$ -	\$ 3,369	\$ 3,369
Total Intergovernmental Receipts	-	-	3,369	3,369
Miscellaneous				
Miscellaneous Revenue	80,000	80,000	78,175	(1,825)
Hangar Rental & Ground Lease Agreements	14,310	14,310	14,685	375
Interest	900	900	6,797	5,897
Total Miscellaneous	95,210	95,210	99,657	4,447
Total Revenues	95,210	95,210	103,026	7,816
EXPENDITURES				
Public Transportation				
Insurance - liability and property	4,500	4,500	1,132	3,368
Professional Services	50	2,880	2,846	34
Repairs and renovations	50	4,770	4,770	-
Fuel and Repairs	90,560	127,680	82,918	44,762
Total Public Transportation	95,160	139,830	91,666	48,164
Capital Outlay:				
Furniture and Equipment	50	5,430	1,552	3,878
Total Capital Outlay	50	5,430	1,552	3,878
Total Expenditures	95,210	145,260	93,218	52,042
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (50,050)</u>	9,808	<u>\$ 59,858</u>
FUND BALANCE DECEMBER 31, 2021			<u>478,619</u>	
FUND BALANCE DECEMBER 31, 2022			<u>\$ 488,427</u>	

**PANOLA COUNTY, TEXAS
CAPITAL PROJECTS FUND - 1971 ROAD BOND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	\$ 1,250	\$ 1,250	\$ 4,668	\$ 3,418
Total Other Revenues and Fees	1,250	1,250	4,668	3,418
Total Revenues	1,250	1,250	4,668	3,418
EXPENDITURES				
Public Transportation				
Miscellaneous	1,250	1,250	-	1,250
Total Public Transportation	1,250	1,250	-	1,250
Total Expenditures	1,250	1,250	-	1,250
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	4,668	\$ 4,668
FUND BALANCE DECEMBER 31, 2021			299,944	
FUND BALANCE DECEMBER 31, 2022			\$ 304,612	

PANOLA COUNTY, TEXAS
CAPITAL PROJECTS FUND - PERMANENT IMPROVEMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	\$ 1,000	\$ 1,000	\$ 3,671	\$ 2,671
Total Other Revenues and Fees	1,000	1,000	3,671	2,671
Total Revenues	1,000	1,000	3,671	2,671
EXPENDITURES				
Capital Outlay:				
Furniture and equipment	1,000	1,000	-	1,000
Total Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	1,000	1,000	-	1,000
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	3,671	\$ 3,671
FUND BALANCE DECEMBER 31, 2021			235,698	
FUND BALANCE DECEMBER 31, 2022			\$ 239,369	

PANOLA COUNTY, TEXAS
CAPITAL PROJECTS FUND - JAIL IMPROVEMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	\$ 1	\$ 1	\$ 7	6
Total Other Revenues and Fees	1	1	7	6
Total Revenues	1	1	7	6
EXPENDITURES				
Capital Outlay				
Jail Equipment	1	1	-	1
Total Capital Outlay	1	1	-	1
Total Expenditures	1	1	-	1
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	7	\$ 7
FUND BALANCE DECEMBER 31, 2021			470	
FUND BALANCE DECEMBER 31, 2022			\$ 477	

FIDUCIARY FUNDS

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022

	<u>Automobile Registration Fund</u>	<u>Tax Assessor- Collector Ad Valorem Tax Fund</u>	<u>County Clerk Registry Fund</u>	<u>District Clerk Registry Fund</u>	<u>Community Supervision and Corrections Department Fund</u>
Assets					
Cash	\$ 243,718	\$ 7,266,572	\$ 116,003	\$ 1,585,783	\$ 3,070
Investments	-	-	-	178,415	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 243,718</u>	<u>\$ 7,266,572</u>	<u>\$ 116,003</u>	<u>\$ 1,764,198</u>	<u>\$ 3,070</u>
Liabilities					
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	243,718	7,266,572	-	-	-
Due to others	-	-	116,003	1,764,198	-
Total liabilities	<u>243,718</u>	<u>7,266,572</u>	<u>116,003</u>	<u>1,764,198</u>	<u>-</u>
Net Position					
Individuals, organizations, and other governments	-	-	-	-	3,070
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,070</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022

	Criminal District Attorney Restitution Fund	Criminal District Attorney Seizure Fund	Sheriff Collections Fund	Jail Inmate Fund	Total Custodial Funds
Assets					
Cash	\$ 100	\$ 111,563	\$ 534	\$ 16,772	\$ 9,344,115
Investments	-	-	-	-	178,415
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 100</u>	<u>\$ 111,563</u>	<u>\$ 534</u>	<u>\$ 16,772</u>	<u>\$ 9,522,530</u>
Liabilities					
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	7,510,290
Due to others	-	-	-	-	1,880,201
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,390,491</u>
Net Position					
Individuals, organizations, and other governments	100	111,563	534	16,772	132,039
Total net position	<u>\$ 100</u>	<u>\$ 111,563</u>	<u>\$ 534</u>	<u>\$ 16,772</u>	<u>\$ 132,039</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Automobile Registration Fund</u>	<u>Tax Assessor - Collector Ad Valorem Tax Fund</u>	<u>County Clerk Registry Fund</u>	<u>District Clerk Registry Fund</u>	<u>Community Supervision and Corrections Department Fund</u>
Additions					
Tax collections for other governments	\$ 6,245,339	\$ 100,820,652	\$ -	\$ -	\$ -
Held for others	-	-	4,830	643,292	359,337
Interest on investments	1,950	134,045	-	-	573
	<u>6,247,289</u>	<u>100,954,697</u>	<u>4,830</u>	<u>643,292</u>	<u>359,910</u>
Deductions					
Payments to other governments	6,247,289	100,954,697	-	-	-
Payments to others	-	-	4,830	642,769	360,086
Administrative expenses	-	-	-	523	-
	<u>6,247,289</u>	<u>100,954,697</u>	<u>4,830</u>	<u>643,292</u>	<u>360,086</u>
Net increase (decrease) in fiduciary position	-	-	-	-	(176)
Net position - beginning	-	-	-	-	3,246
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,070</u>

**PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Criminal District Attorney Restitution Fund	Criminal District Attorney Seizure Fund	Sheriff Collection Fund	Jail Inmate Fund	Total Custodial Funds
Additions					
Tax collections for other governments	\$ -	\$ -	\$ -	\$ -	\$ 107,065,991
Held for others	16,671	16,851	209,009	104,085	1,354,075
Interest on investments	1,480	-	-	-	138,048
	<u>18,151</u>	<u>16,851</u>	<u>209,009</u>	<u>104,085</u>	<u>108,558,114</u>
Deductions					
Payments to other governments	-	-	-	-	107,201,986
Payments to others	18,151	7,789	209,009	104,330	1,346,964
Administrative expenses	-	-	-	-	523
	<u>18,151</u>	<u>7,789</u>	<u>209,009</u>	<u>104,330</u>	<u>108,549,473</u>
Net increase (decrease) in fiduciary position	-	9,062	-	(245)	8,641
Net position - beginning	100	102,501	534	17,017	123,398
Net position - ending	<u>\$ 100</u>	<u>\$ 111,563</u>	<u>\$ 534</u>	<u>\$ 16,772</u>	<u>\$ 132,039</u>





STATISTICAL SECTION

Panola County, Texas Statistical Section Overview

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

Financial Trends:

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

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

Revenue Capacity Information:

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

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

Debt Capacity Information:

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

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

Demographic and Economic Information:

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

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

Operating Information:

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

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

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

Governmental activities:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net Investment in Capital Assets	\$ 25,094,155	\$ 19,407,639	\$ 20,026,533	\$ 20,411,373	\$ 20,983,396	\$ 21,809,860	\$ 22,458,568	\$ 23,279,430	\$ 23,542,376	\$ 24,340,108
Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	-	-	-	-	-
Restricted for Other Purposes	18,079,336	16,688,338	15,988,312	-	-	-	-	-	-	-
Unrestricted	15,305,198	10,747,035	9,378,770	24,880,434	23,196,286	45,184,264	43,671,917	40,913,998	42,577,083	39,042,172
Total governmental activities net position	\$ 58,478,689	\$ 46,843,012	\$ 45,393,615	\$ 45,291,807	\$ 44,179,682	\$ 66,994,124	\$ 66,130,485	\$ 64,193,428	\$ 66,119,459	\$ 63,382,280

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities:										
General administration	\$ 4,624,122	\$ 4,012,436	\$ 4,091,292	\$ 5,813,060	\$ 5,342,138	\$ 4,998,429	\$ 3,628,899	\$ 3,188,949	\$ 4,219,943	\$ 3,654,495
Judicial	1,221,702	1,756,897	1,824,413	1,501,830	1,463,707	1,504,247	1,440,455	1,313,677	1,288,251	1,226,565
Legal	628,235	796,328	919,988	844,493	621,159	614,417	646,121	618,330	589,841	507,415
Elections	203,709	240,177	234,316	190,348	192,420	189,184	216,421	213,282	206,776	189,931
Financial administration	943,309	1,178,392	1,255,840	1,076,875	1,084,669	1,071,598	1,003,659	900,619	913,259	852,036
Public facilities	313,614	321,607	330,773	559,976	881,056	469,972	420,136	493,979	695,814	582,996
Public safety	6,216,686	8,431,577	8,743,780	7,118,774	7,035,569	7,040,400	6,866,996	6,892,775	6,724,721	6,351,980
Environmental protection	291,329	342,370	424,727	424,322	449,386	405,004	405,004	417,769	397,717	426,905
Public transportation	7,149,014	9,962,334	7,120,378	6,464,256	6,444,767	6,800,101	6,523,876	6,450,555	6,713,665	6,918,240
Health and Paupers care	924,692	789,163	1,465,366	794,101	710,734	1,729,386	1,995,250	2,640,645	1,519,237	1,568,289
Recreation	358,270	445,773	481,366	435,797	423,521	464,777	445,229	428,808	409,735	381,777
Conservation	100,870	88,374	103,044	99,340	118,746	119,229	112,210	108,927	102,973	94,640
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	\$ 22,975,552	\$ 28,365,428	\$ 26,995,283	\$ 25,323,171	\$ 24,767,871	\$ 25,406,745	\$ 23,704,257	\$ 23,668,315	\$ 23,781,932	\$ 22,755,269
Program Revenues:										
Governmental Activities:										
Charges for Services										
General administration	\$ 495,129	\$ 450,259	\$ 430,163	\$ 404,371	\$ 393,927	\$ 332,744	\$ 325,813	\$ 358,984	\$ 378,308	\$ 355,323
Judicial	566,158	510,986	472,783	623,356	637,963	607,479	487,141	435,198	396,268	453,591
Legal	19,243	16,739	18,658	19,764	19,174	19,039	19,934	28,229	29,702	32,428
Elections	3,664	3,157	9,100	5,714	3,006	-	5,435	-	7,050	1,150
Financial administration	950,425	890,708	908,753	904,371	908,990	823,788	832,349	854,162	854,313	822,522
Public facilities	-	-	-	-	-	-	-	-	-	-
Public safety	274,479	275,147	228,049	287,566	292,881	253,340	298,428	374,660	431,121	463,719
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	132,491	110,227	91,880	147,046	60,912	226,139	141,950	130,661	139,891	139,815
Health and Paupers care	210	140	80	478	-	815	-	1,110	965	1,006
Recreation	176,686	171,571	171,625	174,381	170,099	186,593	182,318	187,112	162,407	156,724
Conservation	-	-	-	2,757	-	750	-	850	400	400
Total Charges for Services	\$ 2,618,485	\$ 2,428,934	\$ 2,331,091	\$ 2,569,805	\$ 2,486,953	\$ 2,450,686	\$ 2,293,368	\$ 2,370,966	\$ 2,400,425	\$ 2,426,678

TABLE 2 (cont.)

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating Grants and Contributions										
General administration	\$ -	\$ -	\$ 776,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	63,000	84,000	84,000	87,204	88,806	88,806	88,806	85,500	84,102	77,250
Legal	34,698	32,898	27,498	29,365	29,418	29,954	30,871	30,343	33,500	33,020
Elections	69,949	16,350	41,339	3,758	8,298	-	2,390	4,656	362	5,829
Financial administration	-	-	-	-	-	-	-	-	-	-
Public facilities	-	-	-	-	-	-	3,000	-	-	-
Public safety	367,755	349,223	364,381	380,306	436,612	474,948	546,400	686,415	684,681	638,384
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	647,337	3,540,360	32,451	32,522	29,538	29,575	29,575	29,575	29,676	30,441
Health and Paupers care	47,587	57,168	57,094	53,000	53,387	1,005,804	1,251,495	2,010,776	1,011,544	934,370
Recreation	-	-	-	-	-	-	-	-	-	-
Total Operating Grants and Contributions	\$ 1,230,326	\$ 4,079,999	\$ 1,382,849	\$ 586,155	\$ 646,059	\$ 1,629,087	\$ 1,952,537	\$ 2,847,265	\$ 1,843,865	\$ 1,719,294
Program Revenues, Continued:										
Capital Grants and Contributions										
Judicial	\$ -	\$ -	\$ 32,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	28,983	32,782	-	23,009	24,888	37,957	27,232	24,735	37,913	23,342
General Administration	-	-	-	-	-	404,353	-	-	-	-
Public Facilities	-	-	-	42,299	388,715	161,269	18,580	97,636	149,126	144,321
Public Safety	37,561	43,019	30,000	-	30,000	30,000	30,000	73,023	44,351	30,000
Public Transportation	1,319,426	-	-	-	117,854	-	-	-	-	-
Recreation	-	-	-	-	29,255	-	-	-	-	-
Total Capital Grants and Contributions	\$ 1,385,970	\$ 75,801	\$ 62,485	\$ 65,308	\$ 590,712	\$ 633,579	\$ 75,812	\$ 195,394	\$ 231,390	\$ 197,663
Total Governmental Activities										
Program Revenues	\$ 5,234,781	\$ 6,584,734	\$ 3,776,425	\$ 3,221,268	\$ 3,723,724	\$ 4,713,352	\$ 4,321,717	\$ 5,413,625	\$ 4,475,680	\$ 4,343,635
Net (Expense) Revenue										
Governmental Activities:	\$ (17,740,771)	\$ (21,780,694)	\$ (23,218,858)	\$ (22,101,903)	\$ (21,044,147)	\$ (20,693,393)	\$ (19,382,540)	\$ (18,254,690)	\$ (19,306,252)	\$ (18,411,634)

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 23,692,769	\$ 22,384,183	\$ 22,389,891	\$ 21,641,100	\$ 20,061,420	\$ 20,874,829	\$ 20,760,794	\$ 21,094,822	\$ 21,072,209	\$ 18,908,177
Interest Income	941,061	338,131	457,500	893,082	650,507	275,252	196,890	199,770	232,059	409,659
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	(73,459)
Miscellaneous	1,108,652	507,775	1,159,280	679,308	556,548	406,690	362,167	731,188	739,163	642,006
Total Governmental Activities	<u>\$ 25,742,482</u>	<u>\$ 23,230,089</u>	<u>\$ 24,006,671</u>	<u>\$ 23,213,490</u>	<u>\$ 21,268,475</u>	<u>\$ 21,556,771</u>	<u>\$ 21,319,851</u>	<u>\$ 22,025,780</u>	<u>\$ 22,043,431</u>	<u>\$ 19,886,383</u>
Increase in Net Position Before Transfers	8,001,711	1,449,395	787,813	1,111,587	224,328	863,379	1,937,311	3,771,090	2,737,179	1,474,749
Transfers	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	3,633,966	-	(686,005)							
Change in Net Position										
Governmental Activities	<u>\$ 11,635,677</u>	<u>\$ 1,449,395</u>	<u>\$ 101,808</u>	<u>\$ 1,111,587</u>	<u>\$ 224,328</u>	<u>\$ 863,379</u>	<u>\$ 1,937,311</u>	<u>\$ 3,771,090</u>	<u>\$ 2,737,179</u>	<u>\$ 1,474,749</u>
Total Primary Government	<u><u>\$ 11,635,677</u></u>	<u><u>\$ 1,449,395</u></u>	<u><u>\$ 101,808</u></u>	<u><u>\$ 1,111,587</u></u>	<u><u>\$ 224,328</u></u>	<u><u>\$ 863,379</u></u>	<u><u>\$ 1,937,311</u></u>	<u><u>\$ 3,771,090</u></u>	<u><u>\$ 2,737,179</u></u>	<u><u>\$ 1,474,749</u></u>
% Change from Prior Year	702.80%	1323.66%	(90.84%)	395.52%	(74.02%)	(55.43%)	(48.63%)	37.77%	85.60%	(15.58%)

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	21,795,097	19,873,867	17,530,662	15,304,714	12,516,976	10,605,091	11,431,684	12,628,900	13,701,192	14,386,419
Total General Fund	<u>21,795,097</u>	<u>19,873,867</u>	<u>17,530,662</u>	<u>15,304,714</u>	<u>12,516,976</u>	<u>10,605,091</u>	<u>11,431,684</u>	<u>12,628,900</u>	<u>13,701,192</u>	<u>14,386,419</u>
All Other Governmental Funds:										
Nonspendable, Reported in:										
Special Revenue Funds	171,048	33,963	21,054	6,121	24,305	25,968	68,066	6,740	20,014	17,036
Restricted, Reported in:										
Special Revenue Funds	18,079,339	16,688,338	15,988,313	15,998,539	15,385,545	14,801,460	14,260,464	13,524,120	12,896,767	11,505,906
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Committed, Reported in:										
Capital Projects Funds	544,460	536,112	532,677	527,667	736,616	724,419	718,821	715,382	711,931	702,640
Total All Other Governmental Funds	<u>18,794,847</u>	<u>17,258,413</u>	<u>16,542,044</u>	<u>16,532,327</u>	<u>16,146,466</u>	<u>15,551,847</u>	<u>15,047,351</u>	<u>14,246,242</u>	<u>13,628,712</u>	<u>12,225,582</u>
Total Governmental Funds	<u>\$ 40,589,944</u>	<u>\$ 37,132,280</u>	<u>\$ 34,072,705</u>	<u>\$ 31,837,041</u>	<u>\$ 28,663,442</u>	<u>\$ 26,156,938</u>	<u>\$ 26,479,035</u>	<u>\$ 26,875,142</u>	<u>\$ 27,329,904</u>	<u>\$ 26,612,001</u>
% Change from Prior Year	9.31%	8.98%	7.02%	11.07%	9.58%	(1.22%)	(1.47%)	(1.66%)	2.70%	5.91%

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES										
Property Taxes	\$ 23,652,618	\$ 22,807,919	\$ 21,628,160	\$ 20,788,517	\$ 19,970,452	\$ 20,649,393	\$ 20,757,166	\$ 21,028,302	\$ 21,053,992	\$ 18,828,094
Licenses	361,270	361,345	270,300	334,557	360,000	347,114	352,249	335,099	377,382	401,952
Intergovernmental	2,976,822	2,175,499	1,822,839	1,027,356	1,620,910	1,216,040	1,116,535	1,365,622	1,384,707	1,289,263
Fees of Office	1,353,696	1,276,162	1,260,405	1,334,172	1,268,928	1,146,745	1,196,135	1,346,858	1,366,538	1,347,853
Fines	389,271	327,735	321,947	401,396	446,306	417,917	348,600	295,881	275,040	300,696
Miscellaneous	2,245,029	3,481,649	1,871,973	2,703,676	1,205,378	1,863,127	1,867,254	3,001,123	2,043,236	2,056,617
Total Revenues	30,978,706	30,430,309	27,175,624	26,589,674	24,871,974	25,640,336	25,637,939	27,372,885	26,500,895	24,224,475
EXPENDITURES										
General Administration	4,828,157	3,934,459	3,890,949	4,311,657	3,841,882	7,053,322	6,582,858	6,952,902	6,970,773	3,992,090
Judicial	1,563,894	1,628,886	1,472,938	1,442,898	1,380,305	1,384,658	1,395,577	1,342,386	1,244,293	1,183,353
Legal	628,235	796,328	915,549	849,805	615,790	591,967	654,074	649,523	589,841	507,415
Elections	217,158	231,584	206,658	185,516	184,792	168,418	186,710	160,810	158,049	141,204
Financial Administration	1,148,884	1,134,329	1,103,635	1,078,830	1,067,110	1,027,105	1,017,607	955,794	913,259	852,036
Public Facilities	323,337	314,590	436,738	558,641	878,379	464,822	419,018	476,331	693,744	582,006
Public Safety	7,233,567	7,691,562	7,168,596	6,653,067	6,454,908	6,215,052	6,466,865	6,626,369	6,242,852	5,866,187
Environmental Protection	283,785	335,742	417,254	417,449	443,112	398,730	398,730	411,495	391,443	420,631
Conservation	109,562	87,137	96,014	99,565	117,060	114,292	113,739	112,089	102,973	94,640
Public Transportation	6,250,106	9,320,511	4,422,485	4,595,182	4,452,625	4,368,238	4,311,552	4,160,966	4,298,754	4,382,791
Health & Paupers Care	857,057	729,176	1,397,730	726,578	643,007	1,661,289	1,927,757	2,573,604	1,451,601	1,500,653
Culture & Recreation	378,802	397,270	396,690	399,028	381,984	411,315	412,922	411,917	372,336	359,961
Debt Service - Principal	-	-	-	-	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-
Capital Outlay	3,763,827	859,161	3,015,132	2,097,859	1,904,516	2,051,967	2,146,382	2,993,461	2,353,074	3,648,463
Total Expenditures	27,586,371	27,460,735	24,940,368	23,416,075	22,365,470	25,911,175	26,033,791	27,827,647	25,782,992	23,531,430
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES										
	3,392,335	3,059,574	2,235,256	3,173,599	2,506,504	(270,839)	(395,852)	(454,762)	717,903	693,045
OTHER FINANCING SOURCES (USES)										
Relocation of Fund Equity to Shelby County	-	-	-	-	-	(51,515)	-	-	-	-
Effect of adoption of GASB 87	65,329	-	-	-	-	-	-	-	-	-
Transfers In	254,823	326,650	355,051	251,097	236,108	241,108	241,108	203,100	198,000	254,757
Transfers Out	(254,823)	(326,650)	(355,051)	(251,097)	(236,108)	(241,108)	(241,108)	(203,100)	(198,000)	(254,757)
Total Other Financing Sources (Uses)	65,329	-	-	-	-	(51,515)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 3,457,664	\$ 3,059,574	\$ 2,235,256	\$ 3,173,599	\$ 2,506,504	\$ (322,354)	\$ (395,852)	\$ (454,762)	\$ 717,903	\$ 693,045
Debt Service as a percentage of Noncapital Expenditures										
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

TABLE 5

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

Fiscal Year	Estimated Market Value			Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property	Less: Tax-Exempt Property		
2022	4,419,004,471	1,386,242,870	202,580,490	5,602,666,851	0.4593
2021	2,430,287,826	1,316,887,340	195,922,610	3,551,252,556	0.5725
2020	2,371,714,686	1,222,070,000	194,283,423	3,399,501,263	0.6135
2019	2,748,391,017	1,277,769,740	192,442,832	3,833,717,925	0.5514
2018	2,160,005,630	1,209,557,190	189,712,070	3,179,850,750	0.6080
2017	2,135,791,140	1,277,158,670	188,898,640	3,224,051,170	0.5983
2016	2,296,344,230	1,314,906,237	187,611,420	3,423,639,047	0.5983
2015	3,088,945,555	1,429,501,180	190,325,020	4,328,121,715	0.4837
2014	3,154,126,118	1,402,523,190	190,458,950	4,366,190,358	0.4694
2013	2,708,044,440	1,425,049,578	188,983,380	3,944,110,638	0.4994

Source: Panola County Appraisal District

TABLE 6

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Panola County Direct Rates</u>										
GENERAL	0.44791	0.55752	0.59750	0.53620	0.59130	0.58220	0.58220	0.46980	0.45580	0.48420
SPECIAL REVENUE	0.01135	0.01497	0.01600	0.01520	0.01670	0.01610	0.01610	0.01390	0.01360	0.01520
DEBT SERVICE	-	-	-	-	-	-	-	-	-	-
TOTAL DIRECT RATE	0.45926	0.57249	0.61350	0.55140	0.60800	0.59830	0.59830	0.48370	0.46940	0.49940
<u>Overlapping Rates</u>										
City and Town Rates:										
CARTHAGE	0.58000	0.60140	0.58940	0.58940	0.57440	0.57440	0.57440	0.52000	0.52000	0.50000
BECKVILLE	0.43730	0.48597	0.52065	0.52586	0.58011	0.54693	0.53320	0.45603	0.45867	0.42723
School Districts Rates:										
CARTHAGE ISD	1.08460	1.19610	1.19640	1.21000	1.28000	1.28000	1.14000	1.14000	1.14000	1.14000
GARY ISD	1.33460	1.44340	1.44640	1.43000	1.50000	1.50000	1.37000	1.29000	1.29000	1.29000
BECKVILLE ISD	1.13738	0.88300	0.96640	0.97000	1.04000	1.35339	1.34000	1.25655	1.12000	1.10000
ELYSIAN FIELDS ISD	0.89390	0.93700	0.97470	1.16000	1.35000	1.35000	1.35000	1.32000	1.28300	1.23700
TATUM ISD	1.20700	1.20700	1.20700	1.20700	1.20700	1.20700	1.20000	0.17000	1.17000	1.17000
TENAHA ISD	1.09221	1.10940	1.09330	1.08210	1.16153	1.15852	1.16300	1.19249	1.18760	1.18000
JOAQUIN ISD	1.31610	1.51850	1.52940	1.54170	1.62140	1.59730	1.59730	1.55970	1.45550	1.60600
Other Special District Rates:										
PANOLA JR. COLLEGE	0.21847	0.27775	0.29079	0.25112	0.27039	0.25700	0.24334	0.20787	0.21483	0.21483
PANOLA COUNTY ESD	0.02098	0.02791	0.02842	0.02359	0.02372	0.02130	0.02130	0.02130	0.02130	0.02130
PANOLA GWCD	0.00816	0.01010	0.01010	0.01011	0.01100	0.01100	0.01100	0.01000	0.00970	0.00970

Source: Various taxing entities

TABLE 7

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

Name of Taxpayer	Fiscal Year 2022		Fiscal Year 2013	
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
ROCKCLIFF ENERGY OP LLC	\$ 904,487	16.14 %	\$ -	-
SABINE OIL & GAS CORP (WI)	335,004	5.98 %	-	-
MARKWEST ENERGY ETX GAS CO LP	317,035	5.66 %	-	-
BTA ETG GATHERING LLC	193,387	3.45 %	-	-
TGNR EAST TEXAS LLC (MIN-WI)	142,003	2.53 %	-	-
R LACY SERVICES LTD	126,755	2.26 %	-	-
GEMINI CARTHAGE PIPELINE LLC	117,857	2.10 %	-	-
SHERIDAN PRODUCTION CO LLC	99,950	1.78 %	-	-
MARKWEST-CARTHAGE PLANT & EAST	83,650	1.49 %	-	-
MIDCOAST G&P (EAST TEXAS) LP	66,457	1.19 %	-	-
DEVON ENERGY PROD CO LP (MIN#)	-	-	328,213	8.01 %
ANADARKO E&P COMPANY LP	-	-	256,521	6.26 %
MARKWEST ENERGY ETX GAS CO LP	-	-	153,956	3.76 %
DCP MIDSTREAM LP	-	-	136,947	3.34 %
XTO ENERGY INC (MIN)	-	-	112,289	2.74 %
CHEVRON USA INC (MIN)	-	-	78,245	1.91 %
ETC TIGER PIPELINE	-	-	77,287	1.89 %
EXXON MOBIL CORP (MIN)	-	-	75,709	1.85 %
R LACY SERVICES LTD	-	-	69,829	1.70 %
LUMINANT MINING CO LLC	-	-	66,240	1.62 %
Total	\$ 2,386,585		\$ 1,355,236	
Total Assessed Value and Percentage of Total	\$ 5,602,666	42.60 %	\$ 4,095,998	33.09 %

Source: Panola County Appraisal District

TABLE 8

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

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Current Tax Collection</u>	<u>Percent Of Levy Collected</u>	<u>Collections in Subsequent Periods (2)</u>	<u>Total Collections</u>	<u>Percent Of Total Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
2022	23,732,413	23,000,861	96.92%	558,852	23,559,713	99.27%	396,052	1.67%
2021	22,941,750	22,186,827	97.00%	562,803	22,749,630	99.16%	457,480	1.99%
2020	22,827,138	21,666,273	94.91%	360,179	22,026,452	96.49%	880,686	3.86%
2019	21,083,217	20,493,930	97.20%	335,903	20,829,833	98.80%	385,263	1.83%
2018	20,076,037	19,078,999	95.03%	576,244	19,655,243	97.90%	247,895	1.23%
2017	21,149,892	20,456,482	96.72%	412,865	20,869,347	98.67%	280,545	1.33%
2016	21,338,275	20,783,808	97.40%	300,574	21,084,382	98.81%	253,894	1.19%
2015	21,460,930	20,940,280	97.57%	264,740	21,205,020	98.81%	255,910	1.19%
2014	21,378,495	20,839,267	97.48%	306,048	21,145,315	98.91%	232,880	1.09%
2013	19,264,186	18,740,914	97.28%	255,731	18,996,645	98.61%	267,541	1.39%

Source: Tax Rolls

Notes:

(1) Delinquent taxes are reported by levy year.

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

TABLE 9

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

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund				
2022	-	-	-	-	-	-
2021	-	-	-	-	-	-
2020	-	-	-	-	-	-
2019	-	-	-	-	-	-
2018	-	-	-	-	-	-
2017	-	-	-	-	-	-
2016	-	-	-	-	-	-
2015	-	-	-	-	-	-
2014	-	-	-	-	-	-
2013	-	-	-	-	-	-

Notes:

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

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property

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

TABLE 10

**PANOLA COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
AS OF DECEMBER 31, 2022
(UNAUDITED)**

<u>Jurisdiction</u>	<u>Net Debt Outstanding Amount (1)</u>	<u>Applicable to Panola County Percent</u>	<u>Amount Applicable to Panola County</u>
Cities:			
Carthage	\$ 9,793,205	100.00%	\$ 9,793,205
Total Cities	<u>9,793,205</u>		<u>9,793,205</u>
School Districts:			
Carthage ISD	14,389,468	100.00%	14,389,468
Gary ISD	7,937,250	100.00%	7,937,250
Beckville ISD	24,460,585	100.00%	24,460,585
Elysian Fields ISD	4,245,000	52.55%	2,230,748
Tatum ISD	17,128,144	2.27%	388,809
Tenaha ISD	2,979,470	4.75%	141,525
Joaquin ISD	10,015,000	5.05%	505,758
Total School Districts	<u>81,154,917</u>		<u>50,054,142</u>
Panola Junior College	<u>24,330,000</u>	100.00%	<u>24,330,000</u>
Subtotal, Overlapping Debt	115,278,122		84,177,347
Panola County (Direct Debt)	<u>-</u>		<u>-</u>
Total Direct and Overlapping Debt	<u>\$ 115,278,122</u>		<u>\$ 84,177,347</u>

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

Sources:

(1) Respective entities and auditors of respective entities.

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	1,451,311,835	936,793,792	898,446,172	1,006,540,189	842,390,705	853,237,453	902,812,617	1,129,611,684	1,163,580,582	724,256,955
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>1,451,311,835</u>	<u>936,793,792</u>	<u>898,446,172</u>	<u>1,006,540,189</u>	<u>842,390,705</u>	<u>853,237,453</u>	<u>1,129,611,684</u>	<u>1,129,611,684</u>	<u>724,256,955</u>	<u>769,220,995</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	\$ 5,602,666,851
Add back: exempt real property	<u>202,580,490</u>
Total assessed value	\$ 5,805,247,341
Debt limit 25% of assessed value of real property (Article 3, Section 52, Constitution of the State of Texas)	\$ 1,451,311,835
Amount of Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 1,451,311,835</u>

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

TABLE 12

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>College & School Enrollment</u>
2022	22,675	\$ 1,208,405	\$ 53,292	4.10%	6,465
2021	22,675	\$ 1,094,229	\$ 47,191	5.70%	6,337
2020	23,796	\$ 1,054,569	\$ 45,467	8.40%	6,310
2019	23,796	\$ 1,007,115	\$ 43,508	3.90%	6,735
2018	23,796	\$ 939,265	\$ 40,411	3.60%	6,918
2017	23,243	\$ 891,054	\$ 37,930	4.40%	6,805
2016	23,492	\$ 952,436	\$ 40,543	7.10%	6,533
2015	23,766	\$ 1,049,942	\$ 44,173	5.20%	6,516
2014	23,769	\$ 1,091,774	\$ 45,738	4.90%	6,574
2013	23,870	\$ 1,070,065	\$ 44,549	5.10%	6,932

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

TABLE 13

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

TYPE OF EMPLOYER	2022		2013	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Natural Resource and Mining	835	10.71 %	1,368	13.15 %
Construction	1,157	14.84 %	2,142	20.60 %
Manufacturing	856	10.98 %	875	8.41 %
Trade, Transportation, Utilities	1,386	17.78 %	2,188	21.04 %
Information	59	0.76 %	57	0.55 %
Financial Activities	211	2.71 %	241	2.32 %
Professional Business Services	785	10.07 %	713	6.86 %
Education Health Services	632	8.11 %	832	8.00 %
Leisure Hospitality	460	5.90 %	385	3.70 %
Other Services	212	2.72 %	270	2.60 %
Federal Government	57	0.73 %	71	0.68 %
State Government	32	0.41 %	36	0.35 %
Local Government	1,112	14.27 %	1,222	11.75 %
Total	7,794	100.00 %	10,400	100.00 %

Source: Texas Workforce Commission 2022

Source: Texas Workforce Commission 2013

TABLE 14

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

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Administration	16	16	15	14	14	15	16	16	17	17
Judicial	16	16	17	16	16	17	17	17	17	16
Elections	2	2	2	2	2	2	2	2	2	2
Financial Administration	15	14	15	15	14	14	14	13	13	13
Legal	7	7	7	7	7	7	7	6	6	6
Public Facilities	1	1	1	1	1	1	1	1	1	1
Public Safety	72	70	69	73	74	74	75	85	84	83
Public Transportation	42	38	39	41	41	45	46	47	47	47
Culture and Recreation	5	4	5	5	6	6	6	6	6	6
Conservation-Agriculture	3	3	2	3	3	3	3	3	3	3
Totals	179	171	172	177	178	184	187	196	196	194

Source: Panola County Payroll History Report

PANOLA COUNTY, TEXAS
 CAPITAL ASSETS BY FUNCTION/PROGRAM
 December 31, 2022
 (UNAUDITED)

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Administration										
Furniture & Equipment	11	8	8	8	8	8	8	8	8	8
Facilities	4	5	5	5	5	5	5	5	5	5
Tracts of Land	10	10	10	10	10	10	10	10	10	10
Judicial										
Furniture & Equipment	4	4	4	3	3	3	3	3	3	3
Facilities	1	1	1	1	1	1	1	1	1	1
Elections										
Equipment	63	7	3	2	2	2	2	2	2	2
Public Facilities										
Facilities	1	1	1	1	1	1	1	1	1	1
Public Safety										
Vehicles	56	51	55	47	45	45	45	45	45	45
Equipment	16	14	14	14	14	14	14	14	14	13
Facilities	5	2	2	2	2	2	2	2	2	2
Environmental Protection										
Facilities	2	2	2	2	2	2	2	2	2	2
Landfill	1	1	1	1	1	1	1	1	1	1
Public Transportation										
Miles of County Roads	610	610	610	610	610	610	610	610	610	610
Number of Bridges	15	15	15	15	15	15	15	15	12	12
Facilities	6	6	6	6	5	5	5	5	5	5
Equipment & Vehicles	174	169	143	138	137	137	137	137	137	138
Tracts of Land	6	6	6	6	6	6	6	6	5	5
Health/Paupers Care										
Facilities	2	2	2	2	2	2	2	2	2	2
Tracts of Land	1	1	1	1	1	1	1	1	1	1
Recreation										
Facilities	1	1	1	1	1	1	1	1	1	0
Conservation										
Facilities	1	1	1	1	1	1	1	1	1	1
Tracts of Land	1	1	1	1	0	0	0	0	0	0

Source: Panola County Capital Asset Inventory Listing

TABLE 16

PANOLA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
December 31, 2022
(UNAUDITED)

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Administration										
Official Public Records Filed	8,763	8,574	8,524	7,939	7,955	6,277	5,701	7,058	7,639	8,699
Vital Statistics Filed	278	298	268	103	105	81	71	72	68	281
Judicial										
Number of Civil Cases	634	612	599	677	632	413	501	703	525	685
Number of Criminal Cases	637	701	522	595	709	646	754	813	849	880
Legal										
Number of Convictions - Misdemeanors	120	173	73	243	246	212	248	270	181	270
Number of Convictions - Felony	156	94	38	151	240	109	171	245	120	212
Elections										
Number of Registered Voters	17,178	16,749	16,838	17,807	15,523	16,248	10,475	15,647	15,775	15,708
Number of Elections	5	2	4	1	3	1	3	1	4	1
Financial Administration										
Number of mineral tax items	400,041	333,892	338,783	370,170	364,688	353,538	365,436	359,573	386,945	388,617
Number of real estate tax items	38,172	38,151	38,151	38,078	26,366	26,396	26,419	26,423	26,281	26,285
Number of registered vehicles	26,644	26,965	25,953	27,106	31,871	27,882	28,593	29,519	30,460	31,046
Public Facilities										
Number of repair jobs	51	58	59	70	66	64	85	80	71	88
Public Safety										
Number of emergency responses	7,091	7,339	6,729	6,213	4,373	4,580	4,223	4,418	4,013	4,719
Number of book-ins	894	806	503	982	1,048	1,128	1,106	1,233	1,410	1,285
Environmental Protection										
Number of solid waste transfers(tons)	6,431	6,485	6,312	6,223	41,652	11,914	12,465	12,235	13,026	13,034
Number of Diversions (tons)	3,246	3,323	4,179	4,219	528	554	428	387	308	389
Public Transportation										
Miles of road resurfaced	55	42	13	20	11	15	19	9	7	21
Number of repairs	90	80	75	111	70	129	340	390	350	380
Health and Paupers Care										
Number of autopsies performed	49	41	22	36	32	32	34	31	40	29
Number of indigent admissions	520	487	435	426	560	549	575	688	322	479
Recreation										
Number of patrons to Library	37,307	39,245	35,324	9,890	13,163	12,835	11,979	11,113	8,921	13,779
Number of books in library	36,857	36,868	40,229	40,254	41,457	43,983	48,819	45,270	50,727	57,548
Number of programs	60	92	75	102	99	78	116	69	83	83
Conservation										
Number of programs	98	45	148	134	115	253	78	275	149	70
Number of radio programs	97	115	84	34	8	12	31	75	100	52
County Extension mailouts & emails	6,500	8,300	4,822	15,350	14,500	45,550	10,850	23,500	18,906	8,534

Source: Individual County Departments

PANOLA COUNTY, TEXAS
 SCHEDULE OF INSURANCE IN FORCE
 DECEMBER 31, 2022
 (Unaudited)

Insurer or Name of Company	Number	Policy Period		Building and/or Department & Description	Amount of Coverage	Premiums & Funding
		From	To			
The St. Paul Ins. Co.	H8101171X911	1/1/2022	1/1/2023	Physical Damage-Comp. Limit PD; 500 Deduct; Bodily Injury - Limit; Comp. Auto liability. Ins. 1,000	\$ 2,000,000	\$ 155,755
The St. Paul Ins. Co.	ZAS-14T88141	1/1/2022	1/1/2023	General Liability; 2,000,000	2,000,000	72,192
The St. Paul Ins. Co.	H6301171X911	1/1/2022	1/1/2023	Commercial Property and Equipment	5,701,171	78,636
The St. Paul Ins. Co.	ZAS-14P02174	1/1/2022	1/1/2023	Commercial Umbrella Liability- 1,000,000 each occurrence Aggregate 1,000,000; Retention 10,000	2,000,000	27,379
The St. Paul Ins. Co.	ZAS-14T88141	1/1/2022	1/1/2023	Law Enforcement Professional Liability; Each Person 1,000,000 Aggregate 3,000,000; Each occurrence 1,000,000	2,000,000	118,812
The St. Paul Ins. Co.	ZAS-14T88141	1/1/2022	1/1/2023	2,000,000 Limit Each 2,000,000 Aggregate 25,000 retention; Public Officials and Employees Legal Liability	2,000,000	70,821
The St. Paul Ins. Co.	H6301171X911	1/1/2022	1/1/2023	Crime - Employee Theft, Forgery	2,000,000	INC. IN PKG.
The St. Paul Ins. Co.	ZAS-14P02174	1/1/2022	1/1/2023	General Liability - Cyberfirst Liability.	2,000,000	7,714
The St. Paul Ins. Co.	H6301171X911	1/1/2022	1/1/2023	Package	25,096,481	105,855
EBCO	UA00134783-19	12/13/2022	12/13/2023	Property Damage 1,000,000; General Liability- Airport 1,000,000 each occurrence, 2,000,000 aggregate	2,000,000	3,685
Texas Association of Counties	#1830	1/1/2022	12/31/2022	Workers Compensation Self-Funded Insurance through Texas Association of Counties	(2)	116,752
Texas Association of Counties	#1830	1/1/2022	12/31/2022	Unemployment Insurance Self-Funded through Texas Association of Counties	(3)	23,827
Texas Association of Counties - BCBS	62946	12/1/2021	11/30/2022	Employee Group Ins - TAC Health and Employee Benefit Pool 500 deductible - 2,000 co-ins; Emp Life Ins	(4)	4,279,549
The CIMA Companies, Inc.	TXCART6	7/1/2022	7/1/2023	Volunteers Insurance Service Association (VIS) Work Release Volunteer Accident Insurance	25,000	2,585

(1) 2018 Funding

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

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

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

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2022
(Unaudited)

Insurer or Name of Company	Number	Policy Period		Building and/or Department & Description	Amount of Coverage	Premiums & Funding
		From	To			
Safeco Ins.	999134838	10/1/2021	12/31/2022	County Judge - David Anderson	\$ 5,000	\$ 119
	999220342	11/22/2022	12/31/2023	County Judge - Rodger McLane	1,000	108
Safeco Ins.	999080132	1/1/2021	1/1/2024	Commissioner Precinct 1	3,000	325
	999080134	1/1/2021	1/1/2024		3,000	325
Safeco Ins.	32S596363	1/1/2021	1/1/2023	Commissioner Precinct 2	3,000	175
	32S596364	1/1/2021	1/1/2023		3,000	175
Safeco Ins.	32S522467	1/1/2021	1/1/2025	Commissioner Precinct 3	3,000	325
	32S522470	1/1/2021	1/1/2025		3,000	325
Safeco Ins.	32S159904	1/1/2019	1/1/2023	Commissioner Precinct 4	3,000	355
	32S161129	12/31/2019	12/31/2022		3,000	270
Safeco Ins.	32S519863	1/1/2021	1/1/2023	County Clerk	150,000	919
Safeco Ins.	32S171102	12/31/2018	12/31/2022	Deputy County Clerks	160,000	1,988
AMWins	MEO1749	1/14/2021	1/14/2022	County Clerk Errors & Omissions	500,000	986
Safeco Ins.	32S159840	1/1/2019	1/1/2023	County Court at Law Judge	1,000	355
Safeco Ins.	32S598000	1/1/2019	1/1/2023	District Clerk - Bond	100,000	1,139
AMWins	MEO1747	1/14/2021	1/14/2022	District Clerk Errors & Omissions	500,000	688
Travelers	6608010A867660	8/27/2021	8/27/2022	Crime - Money & Securities - District Clerk	20,000	264
Safeco Ins.	999078571	12/1/2021	12/1/2022	Justice of the Peace Pct. 1&4	5,000	100
Safeco Ins.	32S531960	12/31/2020	12/31/2022	Justice of the Peace Pct. 2&3	5,000	175
Safeco Ins.	32S171038	1/1/2019	1/1/2023	Criminal District Attorney	5,000	355
Safeco Ins.	999067433	9/11/2021	9/11/2022	Elections Administrator	1,000	100
Safeco Ins.	32S577699	9/1/2020	8/31/2022	Auditor	5,000	200
	32S587339	8/31/2020	9/1/2022	Assistant Auditor	5,000	200
Safeco Ins.	32S454765	1/1/2019	1/1/2023	County Treasurer	1,000	325
Safeco Ins.	32S429390	3/15/2022	3/15/2023	Assistant Treasurer/Chief Deputy	25,000	125
	32S434402	5/5/2022	5/5/2023	Deputy Treasurer	25,000	125

TABLE 17 (cont.)

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2022
(Unaudited)

Insurer or Name of Company	Number	Policy Period		Building and/or Department & Description	Amount of Coverage	Premiums & Funding
		From	To			
Safeco Ins.	32S600119	1/1/2021	1/1/2025	Tax Assessor/Collector (Ad Valorem Tax Office)	\$ 100,000	\$ 1,221
Safeco Ins.	32S600081	1/1/2021	1/1/2025	Tax Assessor for PC Auto Tax	100,000	1,221
Safeco Ins.	LSF028274	1/1/2021	1/1/2022	Tax Assessor/Collector (Deputies) Crime Bond	35,000	176
Safeco Ins.	999108211	5/15/2022	5/15/2023	Sheriff	30,000	100
Safeco Ins.		12/30/2021	11/16/2023	Reserve Deputies - Seven @ 2,000	10,000	500
Safeco Ins.	32S388169	5/1/2022	5/1/2023	Constable Precinct 1	1,000	325
Safeco Ins.	999105418	4/1/2022	4/1/2023	Reserve Constable Deputy Pct. 1	1,500	100
	32S608840	1/1/2022	1/1/2023	Reserve Constable Deputy Pct. 1	2,000	100
	32S388262	11/23/2022	11/23/2023	Reserve Constable Deputy Pct. 1	2,000	100
Safeco Ins.	999080128	1/1/2021	12/31/2024	Constable Precinct 2	1,000	325
Safeco Ins.	32S419755	12/31/2022	12/31/2023	Reserve Constable Deputy Pct. 2	2,000	100
	32S160071			Reserve Constable Deputy Pct. 2	2,000	100
The Travelers	I660287X6078TIL21	12/30/2022	12/20/2023	123rd Judicial District Adult Probation	10,000	250
The Travelers	I660226X9543TIL21	12/30/2022	12/20/2023	123rd Judicial District Juvenile Probation	10,000	250
Safeco Ins.	32S171012	1/1/2019	1/1/2023	County Surveyor	1,000	355
Safeco Ins.	32S600377	12/23/2022	12/23/2023	Special Prosecutor - Six @ 2,500	2,500	100
	999143067	1/10/2022	1/10/2023		2,500	100
	32S560840	4/1/2022	4/1/2023		2,500	100
	32S560854	4/1/2022	4/1/2023		2,500	100
	32S560858	4/1/2022	4/1/2023		2,500	100
	32S560867	4/1/2022	4/1/2023		2,500	100
	999033575	10/22/2022	10/22/2023		2,500	100
	999067439	9/8/2022	9/8/2023		2,500	100
Safeco Ins.	32S171050	8/29/2022	8/29/2023	Court Coordinator LE & Forfeiture Spec.	2,000	100
Safeco Ins.	999017579	4/1/2022	12/31/2022	Asst. District Attorney	5,000	100
Western Surety	32S171051	12/31/2018	12/31/2022	Public Official Schedule	100,000	1,244
		1/6/2019	7/1/2026	Notary Bond- Fourteen		994





GOVERNMENTAL COMPLIANCE SECTION



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

The Honorable Commissioners' Court of Panola County
Carthage, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Panola County, Texas as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Panola County, Texas's basic financial statements, and have issued our report thereon dated June 8, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
June 8, 2023

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

To Honorable Commissioners' Court of Panola County
Carthage, Texas

Report on Compliance for Each Major Federal

Opinion on Each Major Federal

We have audited Panola County, Texas' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Panola County, Texas' major federal and state programs for the year ended December 31, 2022. Panola County, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Panola County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (continued)

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

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

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
June 8, 2023



**PANOLA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor or Pass-through Grantor's Number</u>	<u>Program Expenditures</u>
U. S. ELECTIONS ASSISTANCE COMMISSION			
Passed Through Texas Secretary of State			
Help America Vote Election Security Grant	90.404	TX18101001-01-183	<u>67,134</u>
TOTAL U. S. ELECTIONS ASSISTANCE COMMISSION			<u>67,134</u>
U. S. DEPARTMENT OF TREASURY			
Direct Programs:			
Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>1,319,424</u>
TOTAL U. S. DEPARTMENT OF TREASURY			<u>1,319,424</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Department of Family and Protective Services:			
Foster Care Title IV-E	93.658	HHS000285000011	<u>9,370</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>9,370</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,395,928</u>

See Notes to Schedule on following page.

PANOLA COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Panola County, Texas, under programs of the federal government for the year ended December 31, 2022 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of operations of Panola County, Texas, it is not intended to and does not present the financial position, changes in net assets or cash flows of Panola County, Texas.

NOTE 2 – INDIRECT COST RATES

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

**PANOLA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

• Material weakness(es) identified? _____ Yes X No

• Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified? _____ Yes X No

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

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

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program</i>
21.027	State and Local Fiscal Recovery Fund

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

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

**PANOLA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

Section II – Financial Statement Findings

None noted.

Section III – State Award Findings and Questioned Costs

None noted.

**PANOLA COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2022**

No prior year audit findings.