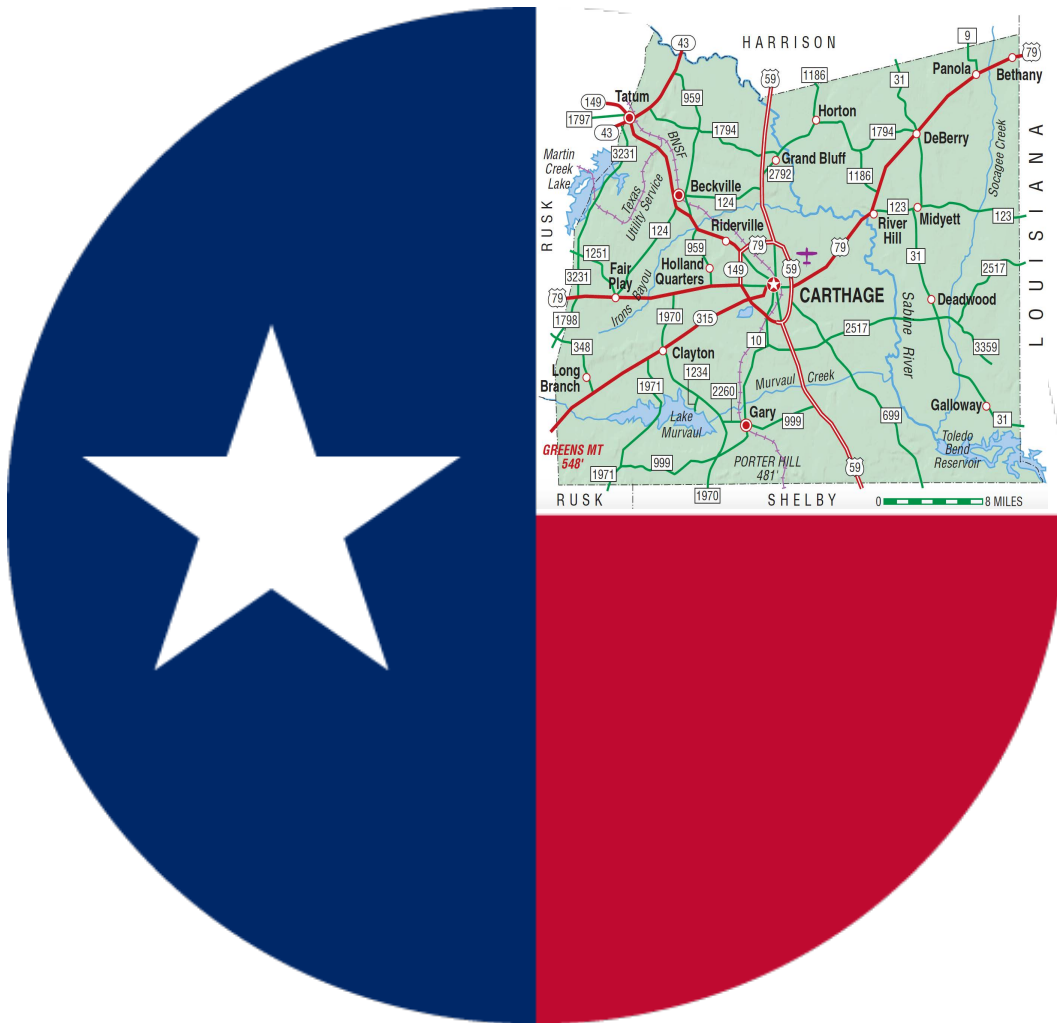


**PANOLA COUNTY, TEXAS**  
**AUDITOR'S 2024**  
**ANNUAL COMPREHENSIVE**  
**FINANCIAL REPORT**



**FISCAL YEAR ENDED**  
**DECEMBER 31, 2024**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**PANOLA COUNTY, TEXAS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Prepared by:**  
**Office of the County Auditor**  
**Panola County, Texas**

**PANOLA COUNTY, TEXAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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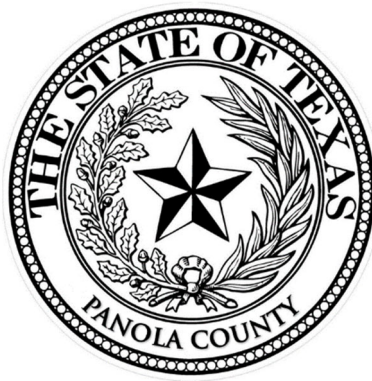
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**PANOLA COUNTY, TEXAS  
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## INTRODUCTORY SECTION

JENNIFER STACY  
AUDITOR



OFFICE OF  
**PANOLA COUNTY AUDITOR**

COURTHOUSE ANNEX • ROOM 213A  
CARTHAGE, TEXAS 75633  
903-693-0320

June 6, 2025

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, 2024. 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, 2024 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, 2024, and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

Located in East Texas, Panola County, Texas, was organized in 1846. Panola County currently occupies a land area of 801 square miles and serves a population of 22,838.

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 agency funds), preparation of payroll, maintenance and compilation of all personnel records, preparation of quarterly and monthly state, county, and federal reports and other financial functions.

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

## **FACTORS AFFECTING FINANCIAL CONDITION**



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

### Local Economy

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

In 2024 Panola County was able to reduce the tax rate by \$.06 due to property values and mineral values increasing. The top 10 taxpayers in Panola County continue to be comprised of oil and gas companies. Revenue sources are limited, while demand for services continue to increase.

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

1. All departments and agencies operated within budget appropriations.
2. Estimated revenue was achieved or exceeded.
3. Ad valorem taxes continued to be collected at a high percent.
4. Interest rates continued to increase during 2024.
5. American Rescue Plan Act contributed to finalizing projects in 2024.

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 2024 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 2024. The County continues to participate in the health insurance program provided through the Texas Association of Counties. This insurance pool allows the County to limit increases in premiums at an amount less than the national average.

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

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

Commissioners' Court remain focused on maintaining the financial stability that now exists. This continued positive action will reduce the financial burden for future taxpayers.

## **AWARDS AND ACKNOWLEDGEMENTS**

### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to Panola County, Texas, for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023.

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  
Panola 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, 2023

*Christopher P. Morill*

Executive Director/CEO

**PANOLA COUNTY, TEXAS  
DIRECTORY OF OFFICIALS  
DECEMBER 31, 2024**

**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 Rick McPherson, Judge  
Rebecca Kise, Court Reporter

**COUNTY AUDITOR:**

Jennifer Stacy

**ASSISTANT COUNTY AUDITORS:**

Christina Chatman  
Robyn Klysen  
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, 2024**

**COUNTY VETERAN SERVICE OFFICER:**

William Morris

**JUSTICES OF THE PEACE:**

Toni Hughes, Precincts #2 and #3  
Denise Gray, Precincts #1 and #4

**CONSTABLES:**

Jeff Ivy, Precincts #1 and #4  
Brack LaGrone, Precincts #2 and #3

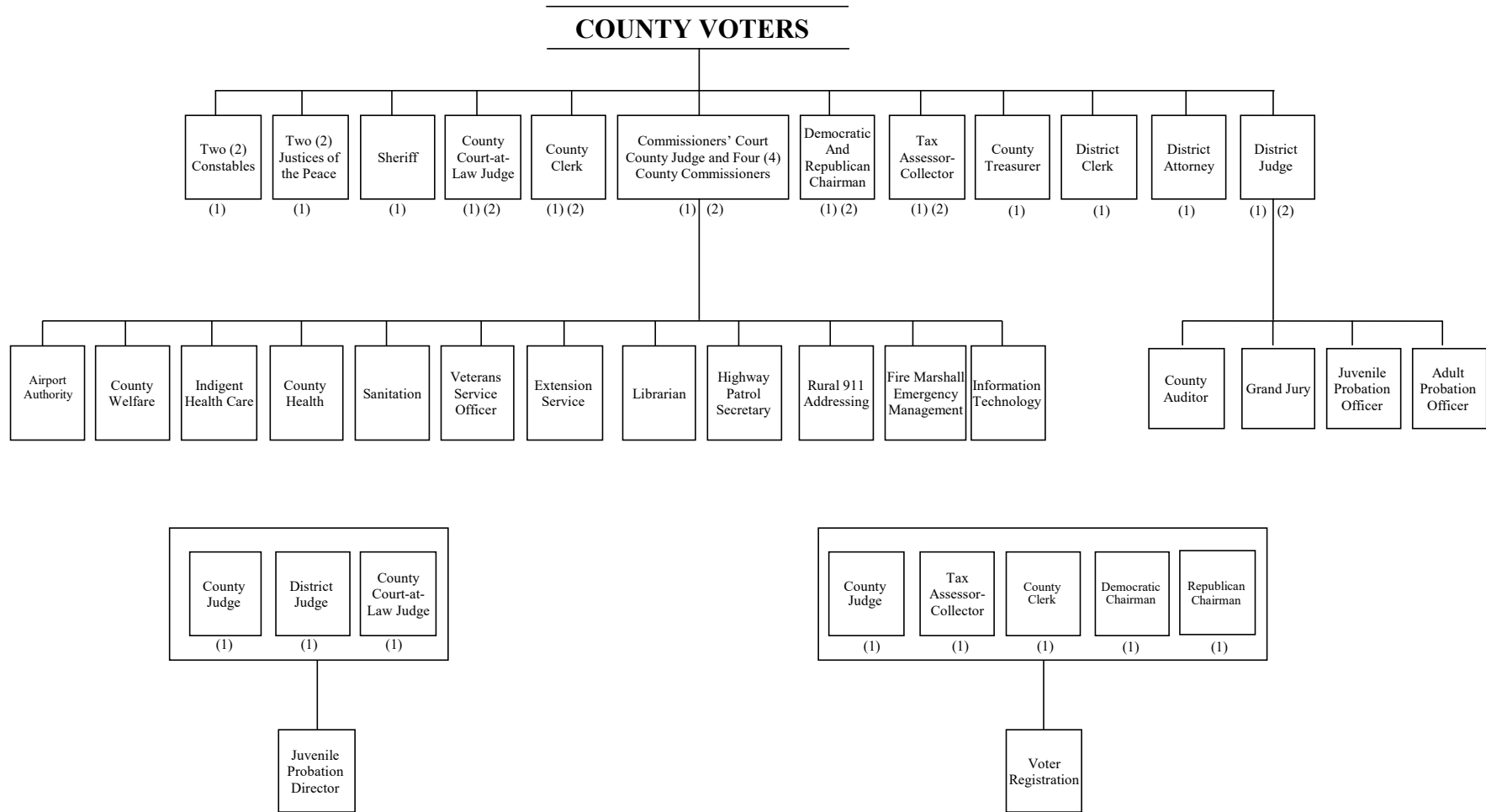
**ELECTIONS ADMINISTRATOR:**

Loretta Mason

**FIRE MARSHALL/EMERGENCY MANAGEMENT COORDINATOR:**

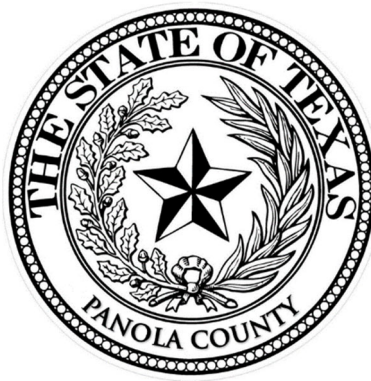
Bryan Murff

# PANOLA COUNTY, TEXAS ORGANIZATIONAL CHART

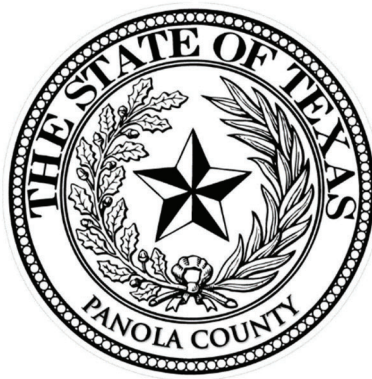


(1) Denotes elected officials. All others are appointed.

(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, 2024, 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, 2024, 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 55-60; the Schedule of Changes in the County's Net Pension Liability and Related Ratios on page 61; the Schedule of Employer Contributions on page 62; the Schedule of Changes in the County's OPEB Liability and Related Ratios – Health Plan on page 63, the Schedule of Employer Contributions – Health Plan on page 64, the Schedule of Changes in the County's Net OPEB Liability – Supplemental Death Benefits Plan on page 65 and the Notes to Required Supplementary Information on page 54 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 6, 2025, 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 6, 2025



**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2024**

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, 2024. 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**

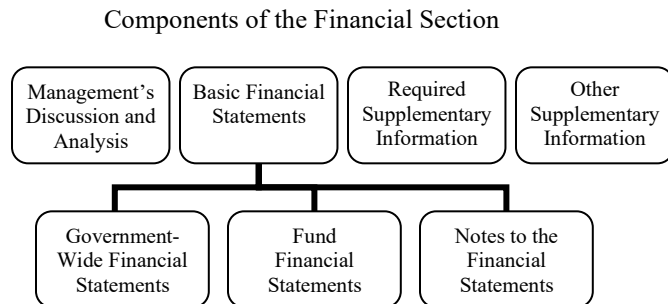
- The assets and deferred outflows of resources of Panola County, Texas exceeded its liabilities and deferred inflows of resources at December 31, 2024 by \$85,184,303 (net position). Of this amount, \$29,653,230 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's change in net position was an increase of \$16,856,433.
- At December 31, 2024, the County's governmental funds reported combined ending fund balances of \$49,444,650, an increase of \$4,038,718 over the prior year. Of this amount, \$63,038 is nonspendable, \$20,957,350 is restricted, \$593,372 is committed, and \$27,830,890 is unassigned. Unassigned fund balance is available for spending at the County's discretion.
- At December 31, 2024, unassigned fund balance for the general fund was \$27,830,890, or 127.4% of total general fund expenditures.
- The County issued no new debt during the year ended December 31, 2024.

**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



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, 2024**

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, 2024**

**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 74-107 of this report.

**Single Audit**

The County expended \$255,833 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 \$1,673,772 of Federal funds, primarily related to the Coronavirus State and Local Recovery Funds, in excess of \$750,000 during the year ended December 31, 2024. 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 135.

**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, 2024 and December 31, 2023 are summarized and analyzed on the following page.

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$85,184,303 as of December 31, 2024, and by \$68,327,870 as of December 31, 2023, an overall increase in net position of \$16,856,433. The increase in net position was primarily the result of the decrease in Net Pension Liability. As of December 31, 2024, the County's total assets were \$117,622,126. 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 37.89% of total net position.

An amount of \$29,653,230 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, 2024**

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

	<b>2024</b>	<b>2023</b>
Current and Other Assets	\$ 82,164,802	\$ 78,133,515
Net Pension Asset	-	-
Net OPEB Asset	3,183,707	2,074,105
Capital Assets	32,273,617	28,238,132
Total Assets	117,622,126	108,445,752
Total Deferred Outflows of Resources	13,452,261	11,299,019
Net Pension Liability	1,885,250	5,536,996
Net OPEB Liabilities	639,039	593,183
Long-Term Liabilities Outstanding	1,125,038	1,159,355
Unearned Revenue	581,036	1,567,876
Other Liabilities	2,009,227	1,511,626
Total Liabilities	6,239,590	10,369,036
Total Deferred Inflows of Resources	39,650,494	41,047,865
Net Position:		
Net Position, Investment in Capital Assets	31,438,853	27,345,754
Restricted	24,092,220	19,804,727
Unrestricted	29,653,230	21,177,389
Total Net Position	\$ 85,184,303	\$ 68,327,870

The change in net position for the County's activities for the year was an increase of \$16,856,433. Total revenues for Panola County were \$37,739,727 and \$35,375,466 in 2024 and 2023, respectively. Total expenses were \$29,002,243 and \$25,526,285 in 2024 and 2023, 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 remained steady with a slight increase of 3.25% or \$191,534. Charges for services increased by \$6,496. Operating grants and contributions increased by \$298,019. Capital grants and contributions decreased by \$112,981.
- 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 \$9,535,490, primarily due to an increase in new construction, and an overall increase in assessed values. Other revenues increased by \$756,186 principally due to an increase in miscellaneous income.



**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2024**

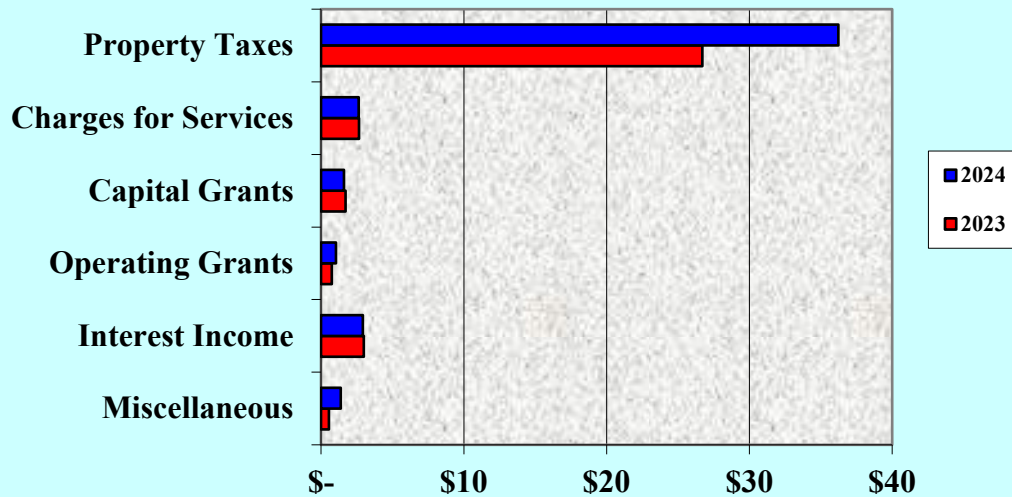
- Public safety, public transportation, and general administration are the three largest programs, in terms of expenses. These three activities accounted for 56.59% of total expenses.

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

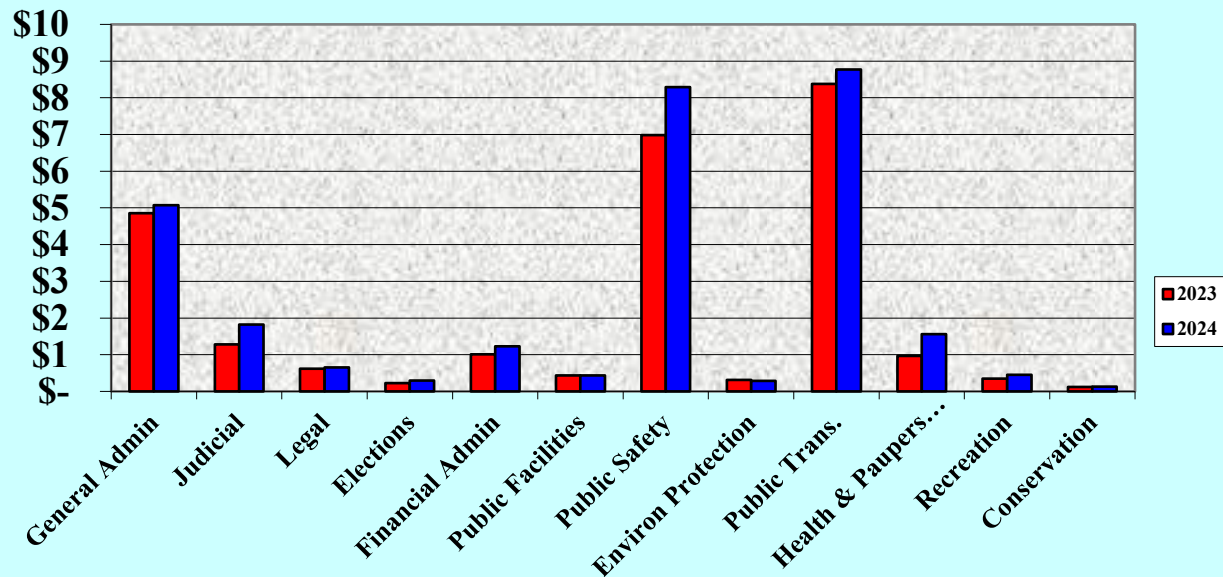
	2024	2023
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 2,659,058	\$ 2,652,562
Operating Grants and Contributions	1,053,640	755,621
Capital Grants and Contributions	1,602,161	1,715,142
General Revenues:		
Property Taxes	36,235,471	26,699,981
Other	4,308,346	3,552,160
Total Revenues	45,858,676	35,375,466
<b>Expenses:</b>		
General administration	\$ 5,069,900	\$ 4,853,353
Judicial	1,821,414	1,284,368
Legal	657,470	622,350
Elections	299,875	226,175
Financial administration	1,228,739	1,008,021
Public facilities	439,225	436,392
Public safety	8,291,497	6,983,898
Environmental protection	285,007	309,957
Public transportation	8,768,431	8,373,894
Health & paupers care	1,562,476	963,865
Recreation	449,246	345,421
Conservation	128,963	118,591
	29,002,243	25,526,285
Increase in Net Position	16,856,433	9,849,181
Net Position - Beginning	68,327,870	58,478,689
Prior Period Adjustment	-	-
Net Position - Beginning, as restated	68,327,870	58,478,689
Net Position - Ending	\$ 85,184,303	\$ 68,327,870

**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2024**

**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, 2024**

**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.

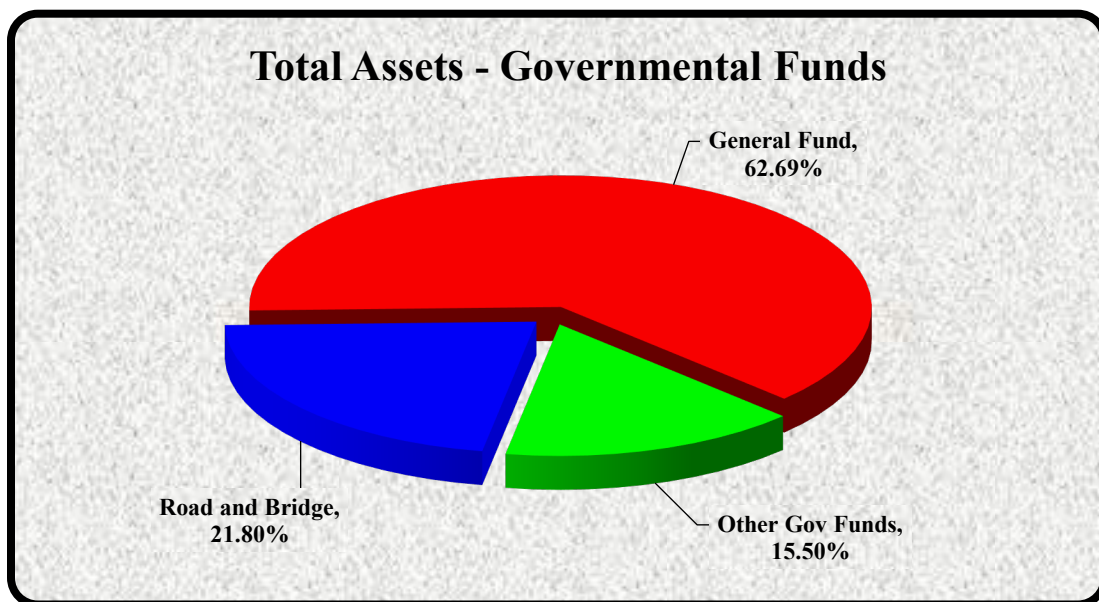
As of December 31, 2024, the County's governmental funds reported combined ending fund balances of \$49,444,650, an increase of \$4,038,718 over the prior year, due primarily to property tax revenues being higher than anticipated. Approximately 56.29% of this amount, \$27,830,890 constitutes unassigned 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, 2024, 100% of the General Fund's total fund balance, or \$27,854,817 is unassigned. Total fund balance for the General Fund increased by \$2,822,968, or 11.27% from the prior year. Panola County property tax value increase is the major contributing factor to fund balance increase. The ability to use American Rescue Plan Funds has also helped reduce the spending of available County appropriations. Thus, leaving a final budget variance for General Fund expenditures of \$4,059,157. 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 127.5% of total General Fund expenditures.

General Fund revenues exceeded budgeted amounts by approximately \$1,373,992, and actual expenditures were \$4,059,157 below budgeted expenditures.

Fund balance in the Road and Bridge Fund increased by \$910,772, due mainly to property tax collections in excess of the amounts anticipated.

As shown below, as of December 31, 2024 total assets in the General Fund amounted to \$51,512,024, accounting for 62.69% of total governmental fund assets. The Road and Bridge special revenue fund, the County's other major fund, total asset amount is \$17,914,767. Together, these major funds account for 84.49% of total governmental fund assets.



**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2024**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget amounted to a net increase in appropriations of \$989,660. Significant among the amendments were:

- Judicial – Increased appropriations of \$141,215 for increased courthouse security.
- Health & Paupers Care – Increased appropriations of \$900,000 due to an increase in autopsies and an increase in attorney fees for a capital murder trial that ended in October of 2024.
- Capital Outlay– Increased appropriations for additional capital outlay of \$249,364 for various Courthouse renovation projects.

General Fund revenues exceeded the final budget by \$1,373,992. The majority of this increase was attributable to property taxes exceeding the final budget by \$933,928 and interest earnings exceeding the budget by \$400,010.

General Fund final budgeted expenditures were \$25,838,248 actual expenditures were \$21,779,091. The remaining budget was \$4,059,157. Only 15.7% of the General Fund budget was unused. Below are the categories that had remaining budgets greater than \$100,000.

- Expenditures for General Administration were \$885,031, less than final budgeted amounts due to a computer conversion for the Justice of the Peace offices that was delayed until 2025.
- Expenditures for Public Safety activities were \$541,852 less than final budgeted amounts partially due to anticipated cost for personnel that did not materialize.
- Expenditures for Legal expenditures were \$109,967 less than final budgeted amounts due to lower than expected expenditures for professional services, and witness expense.
- Expenditures for Capital Outlay were approximately \$2,000,000 lower than expected due to renovation projects being delayed.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental activities as of December 31, 2024, amounts to \$32,273,617 (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 \$2,337,967, for the current year was \$4,035,485.

This year's additions totaled \$4,440,587. Included in the additions were various purchases of buildings, construction, infrastructure, machinery and equipment.

Capital assets as of December 31, 2024 and 2023 are summarized on the following page.

Additional information on the County's capital assets can be found in Note III, D on page 35 of this report.

**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2024**

**Capital Assets**  
**As of December 31**

	<u>2024</u>	<u>2023</u>
Land	\$2,657,323	\$2,104,362
Construction in Progress	1,376,382	21,274
Buildings	23,862,203	22,537,487
Improvements other than buildings	1,146,138	328,503
Machinery and equipment	15,771,805	15,718,602
Infrastructure	17,335,645	16,673,850
Right-of-use asset - leases	337,695	99,617
Right-of-use asset - SBITAs	1,132,985	1,397,790
Total Capital Assets	63,620,176	58,881,485
Less: Accumulated Depreciation	<u>(31,346,559)</u>	<u>(30,643,272)</u>
Total Capital Assets	<u><u>\$32,273,617</u></u>	<u><u>\$28,238,213</u></u>

**Long-Term Debt**

As of December 31, 2024, the County has no outstanding bonded debt. The only debt outstanding is in the form of accrued compensated absences, net pension and OPEB liability, and leases and SBITAs.

Additional information on the County's long-term debt can be found in Note III, on page 49 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The following factors were considered in preparing the County's budget for 2024

- FY2024 total property assessed value increased 26.94% from the prior year. FY2023 had an increase in assessed value of 37.86%.
- Property tax receipts for FY2024 increased to \$28.59 million compared to \$26.67 million for FY2023.
- The County has consistently maintained an ad valorem tax collection rate over 96% for the last several years. In the current year the collection rate was 99.14%.
- The percentage increase in medical insurance premiums for employees was 2.4% for FY 2024 (FY 2023 was a 2.79% increase).

**PANOLA COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2024**

- Fluctuating energy costs have affected the price of fuel and road surfacing materials.
- Property and liability insurance costs increased 25% for FY 2024 compared to a decrease of 40% for FY 2023. Panola County is insured by Texas Association of Counties Risk Management Pool.

Original budgeted revenues for FY 2024 are \$31.5 million, an increase of 13% over original budgeted revenues of \$27.7 million for FY 2023. Property taxes account for the bulk of the revenues, as approximately 84% of the total budgeted revenues for the General Fund are related to property taxes.

The tax rate for the 2025 fiscal year was set at \$0.59289/\$100. Panola County property values and mineral values declined for the 2024 tax year/2025 budget year.

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

- The taxable value for the 2025 tax year/2026 budget year is reportedly expected to hold steady with a slight increase in values due to natural gas needs across the United States.
- Continued pressure from rising health insurance costs, demand for services, increased fuel costs and road maintenance costs will cause the County to adjust the tax rate in years to come.
- In spite of the demand for County services, the County enjoys a healthy tax base relying primarily on the natural gas field for a substantial amount of tax revenues. The County conservatively manages its resources and is in a sound financial position to meet the needs of citizens for years to come.

#### REQUESTS FOR INFORMATION

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



## **BASIC FINANCIAL STATEMENTS**





**PANOLA COUNTY, TEXAS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

**EXHIBIT 1**

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>	
Cash and cash equivalents	\$ 24,611,554
Investments	47,378,621
Receivables (net of allowance for doubtful accounts)	
Property taxes	6,925,482
Miscellaneous	3,168,122
Inventory	63,038
Net OPEB asset	3,183,707
Other Assets	10,900
Capital assets not being depreciated	4,033,705
Capital assets net of accumulated depreciation	28,239,912
<b>Total Assets</b>	<b>117,615,041</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on TCDRS pension	10,704,646
Deferred charge on OPEB Health Plan	2,648,061
Deferred charge on OPEB Supplemental Death Benefit	99,554
<b>Total Deferred Outflows of Resources</b>	<b>13,452,261</b>
<b>LIABILITIES</b>	
Accounts Payable	2,009,227
Unearned revenue - grants	581,036
Long-term debt:	
Portion due or payable within one year:	
Compensated absences	17,417
Lease liabilities	70,585
SBITA liabilities	266,314
Portion due or payable after one year:	
Compensated absences	272,860
Other post employment benefit liability	639,039
Net pension liability	1,885,250
Lease liabilities	182,707
SBITA liabilities	315,155
<b>Total Liabilities</b>	<b>6,239,590</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Revenue - Advance Tax Collections	21,275,746
Deferred charge on TCDRS pension	5,847,291
Deferred charge on OPEB Health Plan	12,407,623
Deferred charge on OPEB Supplemental Death Benefit	119,834
<b>Total Deferred Inflows of Resources</b>	<b>39,650,494</b>
<b>NET POSITION</b>	
Net investment in capital assets	31,438,853
Restricted for:	
Road & Bridge maintenance	13,102,541
Law Library	108,251
Juvenile Delinquency Prevention	179
Courthouse Security	281,887
Records Management & Preservation	1,472,240
Court Technology	165,318
VIT Interest	6,918
Elections	38,442
Adult Probation	99,494
Juvenile Probation	669,583
Law Enforcement	106,174
District Attorney	186,566
Net OPEB Asset	3,183,707
Child Protective Services	160,445
Health	4,317,620
Airport	234,607
Unrestricted	29,604,393
<b>Total Net Position</b>	<b>\$ 85,177,218</b>

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, 2024**

PROGRAM REVENUES					NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
					PRIMARY GOVERNMENT
Functions/Programs	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
<b>Primary Government:</b>					
Governmental activities:					
General administration	\$ 5,069,900	\$ 359,851	\$ -	\$ -	\$ (4,710,049)
Judicial	1,821,414	599,930	105,800	-	(1,115,684)
Legal	657,470	20,436	39,157	28,785	(569,092)
Elections	299,875	37,559	4,444	-	(257,872)
Financial administration	1,228,739	1,011,470	-	-	(217,269)
Public facilities	439,225	-	-	-	(439,225)
Public safety	8,291,497	261,770	534,345	36,931	(7,458,451)
Environmental protection	285,007	-	-	-	(285,007)
Public transportation	8,768,431	181,709	329,305	1,536,445	(6,720,972)
Health & paupers care	1,562,476	-	33,504	-	(1,528,972)
Recreation	449,246	186,333	-	-	(262,913)
Conservation	128,963	-	-	-	(128,963)
Total primary government	<u>\$ 29,002,243</u>	<u>\$ 2,659,058</u>	<u>\$ 1,046,555</u>	<u>\$ 1,602,161</u>	<u>\$ (23,694,469)</u>
General revenues:					
Property taxes					\$ 36,235,471
Miscellaneous					1,371,168
Interest earned					2,937,178
Total general revenues					<u>40,543,817</u>
Change in net position					16,849,348
Net position - beginning of year					<u>68,327,870</u>
Net position - end of year					<u>\$ 85,177,218</u>

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

**PANOLA COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	AMERICAN RESCUE PLAN SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 11,544,301	\$ 6,004,624	\$ -	7,062,629	\$ 24,611,554
Investments	32,798,799	9,259,690	-	5,320,132	47,378,621
Receivables :					
Current taxes	4,712,987	1,663,192	-	165,848	6,542,027
Delinquent taxes	939,087	331,400	-	34,701	1,305,188
Allowance for uncollectible taxes	(691,112)	(206,582)	-	(24,039)	(921,733)
Miscellaneous	2,173,135	843,076	-	151,911	3,168,122
Inventory	23,927	19,367	-	19,744	63,038
Other assets	10,900	-	-	-	10,900
Total Assets	<u>\$ 51,512,024</u>	<u>\$ 17,914,767</u>	<u>\$ -</u>	<u>\$ 12,730,926</u>	<u>\$ 82,157,717</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	1,659,051	121,542	-	228,634	2,009,227
Unearned revenue - grants	21,000	-	-	560,036	581,036
Total Liabilities	<u>\$ 1,680,051</u>	<u>\$ 121,542</u>	<u>\$ -</u>	<u>\$ 788,670</u>	<u>\$ 2,590,263</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - advanced tax collections	16,470,161	5,445,679	-	568,275	22,484,115
Unavailable revenue - property taxes	5,506,995	1,943,394	-	195,385	7,645,774
Total Deferred Inflows of Resources	<u>21,977,156</u>	<u>7,389,073</u>	<u>-</u>	<u>763,660</u>	<u>30,129,889</u>
<b>FUND BALANCES</b>					
Nonspendable	23,927	19,367	-	19,744	63,038
Restricted	-	10,384,785	-	10,565,480	20,950,265
Committed	-	-	-	593,372	593,372
Unassigned	27,830,890	-	-	-	27,830,890
Total Fund Balances	<u>27,854,817</u>	<u>10,404,152</u>	<u>-</u>	<u>11,178,596</u>	<u>49,437,565</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 51,512,024</u>	<u>\$ 17,914,767</u>	<u>\$ -</u>	<u>\$ 12,730,926</u>	<u>\$ 82,157,717</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, 2024**

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

Total fund balances governmental funds (Exhibit 3)	\$ 49,437,565
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	32,273,617
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.	(6,575,855)
Net OPEB Liability - Supplemental death benefits and related deferred out flows and inflows of resources are not reported in the funds.	(659,319)
Net Property Taxes Receivable is a "long-term asset" and not available to pay for current period expenditures and therefore is deferred in the funds.	8,854,143
The Net Pension Asset and related deferred outflows and deferred inflows of resources are not reported in the funds.	2,972,105
Long-term liabilities (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds.	(290,276)
Long-term liabilities (Lease liabilities) are not due and payable in the current period and therefore are not reported in the funds	(253,292)
Long-term liabilities (SBITA liabilities) are not due and payable in the current period and therefore are not reported in the funds	(581,470)
Net position of governmental activities	<u>85,177,218</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, 2024**

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	AMERICAN RESCUE PLAN SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>					
Property Taxes	\$ 20,599,569	\$ 7,268,658	\$ -	\$ 725,394	\$ 28,593,621
Licenses	-	359,003	-	-	359,003
Intergovernmental Receipts	693,039	263,709	1,536,445	535,437	3,028,630
Fees of Office	932,344	-	-	411,623	1,343,967
Fines	-	369,207	-	2,138	371,345
Miscellaneous	2,212,692	1,155,931	33,426	634,027	4,036,076
Total revenues	24,437,644	9,416,508	1,569,871	2,308,619	37,732,642
<b>EXPENDITURES</b>					
Current:					
General Administration	4,522,412	-	-	26,975	4,549,387
Judicial	1,915,996	-	-	-	1,915,996
Legal	603,432	-	-	54,038	657,470
Elections	264,518	-	-	8,600	273,118
Financial Administration	1,315,640	-	-	-	1,315,640
Public Facilities	436,273	-	-	-	436,273
Public Safety	7,698,541	-	-	688,014	8,386,555
Environmental Protection	277,284	-	-	-	277,284
Public Transportation	-	6,999,718	-	739,095	7,738,813
Health and Paupers Care	1,429,546	-	-	65,294	1,494,840
Recreation	426,899	-	-	-	426,899
Conservation	133,093	-	-	-	133,093
Capital Outlay	2,817,172	1,488,044	1,536,444	519,172	6,360,832
Total expenditures	21,840,806	8,487,762	1,536,444	2,101,188	33,966,200
Excess (deficiency) of revenues over (under) expenditures	2,596,838	928,746	33,427	207,431	3,766,442
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of leases	265,191	-	-	-	265,191
Issuance of SBITAs	-	-	-	-	-
Transfers in	215,939	-	-	272,695	488,634
Transfers (out)	(255,000)	-	(191,030)	(42,604)	(488,634)
Total other financing sources (uses)	226,130	-	(191,030)	230,091	265,191
Net change in fund balances	2,822,968	928,746	(157,603)	437,522	4,031,633
Fund balances - beginning of year	25,031,849	9,475,406	157,603	10,741,074	45,405,932
Fund balances - end of year	\$ 27,854,817	\$ 10,404,152	\$ -	\$ 11,178,596	\$ 49,437,565

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, 2024**

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

Net change in fund balances - total governmental funds	\$ 4,031,633
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)	4,035,485
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	 (23,299)
Property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.	7,641,848
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	253,263
SBITA payments are recorded as an expenditure when paid in the funds, but are a reduction of lease liabilities in the statement of financial position	(195,647)
OPEB expense relating to GASB 75 is recorded in the statement of activities but not in the funds.	11,221
Pension expense relating to GASB 68 is recorded in the statement of activities but not in the funds.	<u>1,094,844</u>
Change in net position of governmental activities	<u><u>16,849,348</u></u>

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

## EXHIBIT 7

**PANOLA COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2024**

	<b>Pension (and Other Employee Benefit) Trust Fund</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	40,958,664	\$ 10,499,212
Certificates of deposit	-	359,410
Interest receivable	985,069	-
Total Assets	<u>\$ 41,943,733</u>	<u>\$ 10,858,622</u>
<b>LIABILITIES</b>		
Accounts payable	7,444	\$ -
Due to other governments	-	7,781,239
Due to others	-	2,894,522
Total Liabilities	<u>7,444</u>	<u>10,675,761</u>
<b>NET POSITION</b>		
Restricted for:		
Post employment benefits other than pensions	41,936,289	-
Individuals and organizations	<u>-</u>	<u>182,861</u>
Total net position	<u>\$ 41,936,289</u>	<u>\$ 182,861</u>

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

## EXHIBIT 8

**PANOLA COUNTY, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Pension (and Other Employee Benefit) Trust Fund</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Reimbursements- Medicare Part D	\$ 123,051	\$ -
Employer contributions	2,001,712	-
Tax collected for other governments	-	119,723,478
Held for others	-	964,231
	<u>2,124,763</u>	<u>120,687,709</u>
Investment earnings:		
Interest	<u>1,745,809</u>	<u>188,514</u>
Total investment earnings	<u>1,745,809</u>	<u>188,514</u>
Total additions	<u>3,870,572</u>	<u>120,876,223</u>
<b>DEDUCTIONS</b>		
Retiree medical insurance premiums	1,732,693	-
Payments to other governments	-	119,905,441
Payments to others	-	970,799
Administrative expenses	-	1,026
Total deductions	<u>1,732,693</u>	<u>120,877,266</u>
Net increase in fiduciary net position	2,137,879	(1,043)
Net position - beginning of the year	39,798,410	183,904
Total net position	<u>\$ 41,936,289</u>	<u>\$ 182,861</u>

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



**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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, 2024**

**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, 2024**

**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, 2024, 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 in the amount of \$63,038 in the General Fund, Road and Bridge Fund and the Airport Special Revenue Fund consists of diesel and 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 fuel inventories are reported as expenditures/expenses when consumed rather than when purchased.

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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 assets 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 assets 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, 2024**

**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, 2024, 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 TCERS’ Fiduciary Net Position have been determined on the same basis as they are reported to TCERS. 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 “TCERS”) and additions to/deductions from TCERS’ Total OPEB Liability have been determined on the same basis as they are reported to TCERS. 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, 2024**

**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 lease 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, 2024**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**12. Subscription Based Information Technology Arrangements**

Subscription-based information technology arrangements (SBITAs) are defined as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in exchange or exchange-like transactions. The County recognizes an intangible subscription asset and subscription liability. The subscription liability is measured as the present value of the total subscription payments expected to be made to the vendor during the subscription term. The total future payments are discounted using the interest rate the vendor charges, or if the implicit interest rate is not readily determinable the County uses an estimated incremental borrowing rate. The subscription asset is measured as the initial value of the subscription liability plus any initial capitalized costs and less any vendor incentives received at the commencement of the subscription term.

**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.

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**F. Implementation of New Standards**

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

GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. This statement was issued June 2022 to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. GASB Statement No. 100 was adopted by the County effective January 1, 2024. There was no significant effect on the County’s financial statements.

GASB Statement No. 101, Compensated Absences. This statement was issued June 2022 to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. Other requirements include that a liability for certain types of compensated absences not be recognized until the leave commences, and that a liability for specific types of compensated absences not be recognized until the leave is used. GASB Statement No. 101 was adopted by the County for effective January 1, 2024. There was no significant effect on the County’s financial statements.

**G. Future Implementation of New Standards**

GASB Statement No. 102 Certain Risk Disclosures. This statement requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. A concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority.

The County is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the County’s financial statements.

**(Continued)**



**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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 \$4,035,485 difference are as follows:

Capital outlay	\$ 6,538,097
Disposal of capital assets	(205,469)
Depreciation expense	<u>(2,297,143)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 4,035,485</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.

**B. Deposits and Investments**

During the 2024 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, 2024, 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.

(Continued)

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**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, 2024 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	\$ 4,712,987	\$ 1,663,192	\$ 165,848	\$ 6,542,027
Delinquent Property Taxes	939,087	331,400	34,701	1,305,188
Miscellaneous	<u>2,173,135</u>	<u>843,076</u>	<u>151,911</u>	<u>3,168,122</u>
Total Gross Receivables	\$ 7,825,209	\$ 2,837,668	\$ 352,460	\$ 11,015,337
Less: Allowance for Uncollectible Taxes	<u>(691,112)</u>	<u>(206,582)</u>	<u>(24,039)</u>	<u>(921,733)</u>
Net Total Receivables	<u>\$ 7,134,097</u>	<u>\$ 2,631,086</u>	<u>\$ 328,421</u>	<u>\$ 10,093,604</u>

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024
Capital Assets Not Being Depreciated:				
Land	\$ 2,104,362	\$ 552,961	\$ -	\$ 2,657,323
Construction in Progress	21,274	1,376,382	21,274	1,376,382
Total Capital Assets Not Being Depreciated	<u>\$ 2,125,636</u>	<u>\$ 1,929,343</u>	<u>\$ 21,274</u>	<u>\$ 4,033,705</u>
Capital Assets Being Depreciated:				
Buildings	\$ 22,537,487	\$ 1,324,716	\$ -	\$ 23,862,203
Improvements other than Buildings	328,503	817,635	-	1,146,138
Machinery & Equipment	15,718,602	1,779,876	1,726,673	15,771,805
Infrastructure	16,673,850	661,795	-	17,335,645
Right-of-use asset - leases	99,617	265,189	27,111	337,695
Right-of-use asset - SBITAs	1,397,709	-	264,724	1,132,985
Total Capital Assets Being Depreciated and Amortized	<u>\$ 56,755,768</u>	<u>\$ 4,849,211</u>	<u>\$ 2,018,508</u>	<u>\$ 59,586,471</u>
Less Accumulated Depreciation and Amortization for:				
Buildings	\$ 8,714,292	\$ 444,460	\$ -	\$ 9,158,752
Improvements other than Buildings	101,504	55,702	-	157,206
Machinery & Equipment	10,368,425	1,155,221	1,346,726	10,176,920
Infrastructure	10,930,236	330,277	-	11,260,513
Right-of-use asset - leases	43,395	62,205	23,230	82,370
Right-of-use asset - SBITAs	485,420	290,102	264,724	510,798
Total Accumulated Depreciation and Amortization	<u>\$ 30,643,272</u>	<u>\$ 2,337,967</u>	<u>\$ 1,634,680</u>	<u>\$ 31,346,559</u>
Total Capital Assets Being Depreciated and Amortized, Net	<u>\$ 26,112,496</u>	<u>\$ 2,511,244</u>	<u>\$ 383,828</u>	<u>\$ 28,239,912</u>
Governmental Activities Capital Assets, Net	<u>\$ 28,238,132</u>	<u>\$ 4,440,587</u>	<u>\$ 405,102</u>	<u>\$ 32,273,617</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 County 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, 2024**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Copy machines	\$ 99,617	\$ 265,189	\$ (27,111)	\$ 337,695
Total Lease Assets	99,617	265,189	(27,111)	337,695
Less accumulated amortization for:				
Copy machines	(43,395)	(62,205)	23,230	(82,370)
Total accumulated amortization	(43,395)	(62,205)	23,230	(82,370)
Net Total Lease Assets	<u>\$ 56,222</u>	<u>\$ 202,984</u>	<u>\$ (3,881)</u>	<u>\$ 255,325</u>

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

General Administration	\$ 430,227
Judicial	78,699
Public Facilities	9,397
Public Safety	595,332
Environmental Protection	7,723
Public Transportation	1,063,921
Health & Paupers Care	67,636
Elections	37,755
Recreation	47,277
Total Depreciation Expense	<u>\$ 2,337,967</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 were as follows:

	General Fund	Road Fund	Nonmajor Funds	Total
Net Tax Revenue	\$ 16,470,161	\$ 5,445,679	\$ 568,275	\$ 22,484,115
Advanced Tax Collections	5,506,995	1,943,394	195,385	7,645,774
Total Deferred Revenue	<u>\$ 21,977,156</u>	<u>\$ 7,389,073</u>	<u>\$ 763,660</u>	<u>\$ 30,129,889</u>

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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](http://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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2023</u>
Inactive employees or beneficiaries currently receiving benefits	187
Inactive employees entitled to but not yet receiving benefits	111
Active employees	<u>184</u>
	<u><u>482</u></u>

**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 2023 and 2024. 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, 2024**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**ACTUARIAL ASSUMPTIONS**

The Total Pension Liability in the December 31, 2023 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, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2022, 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 2023 information for a 10-year time horizon.

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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 2024. The geometric real rate of return is net of inflation, assumed at 2.2%.

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return (Expected minus Inflation) <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed	MSCI World Ex USA (net)	5.00%	4.75%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.65%
Direct Lending	S&P/LSTA Leverage Loan Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships (MLP)	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%
		<u>100.00%</u>	

<sup>(1)</sup> Target asset allocation adopted at the March 2024 TCDRS Board meeting

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assume 2.2% per Cliffwater's 2024 capital market assumptions

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> 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 2024 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, 2024**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**CHANGES IN THE NET PENSION LIABILITY/ASSET**

At December 31, 2023, the County reported a net pension liability of \$1,885,250. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/22	\$ 88,586,021	\$ 83,049,025	\$ 5,536,996
Changes for the year:			
Service cost	1,616,169	-	1,616,169
Interest	6,681,013	-	6,681,013
Change in benefit terms	-	-	-
Diff between expected/actual experience	449,252	-	449,252
Changes of assumptions	-	-	-
Contributions - employer	-	2,763,794	(2,763,794)
Contributions - employee	-	599,851	(599,851)
Net investment income	-	9,114,212	(9,114,212)
Benefit payments, including refunds of employee contributions	(4,673,817)	(4,673,817)	-
Administrative expenses	-	(47,399)	47,399
Other charges	-	(32,278)	32,278
Net changes	4,072,617	7,724,363	(3,651,746)
Balance at 12/31/23	\$ 92,658,638	\$ 90,773,388	\$ 1,885,250

The net pension liability was measured as of December 31, 2023 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)	\$ 14,469,665	\$ 1,885,250	\$ (8,533,375)

**(Continued)**



**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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, 2024 the County recognized pension expense of \$1,899,796.

At December 31, 2024, 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	\$ 1,800,613	\$ -
Changes in actuarial assumptions	-	226,719
Difference between projected and actual investment earnings	5,954,213	5,620,572
Contributions made subsequent to measurement date	2,949,820	-
Total	<u>\$ 10,704,646</u>	<u>\$ 5,847,291</u>

County contributions subsequent to the measurement date of \$2,949,820 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, 2025. 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
2024	\$ 256,977
2025	301,796
2026	1,919,627
2027	(570,865)
2028	-
Thereafter	-
	<u>\$ 1,907,535</u>

**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, 2024, 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	\$ (3,183,707)	\$ 2,648,061	\$ 12,407,623	\$ 2,097,806
Supplemental Death Benefit	639,039	N/A	99,554	119,834	47,387
	<u>\$ 639,039</u>	<u>\$ (3,183,707)</u>	<u>\$ 2,747,615</u>	<u>\$ 12,527,457</u>	<u>\$ 2,145,193</u>

Detailed disclosures for each plan follow.

(Continued)

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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 are included in the County's annual comprehensive financial report at pages 17 - 18 (financial statements) and page 58 (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, 2024 the following employees were covered by the benefit terms:

	<u>12/31/2024</u>
Inactive employees currently receiving benefits	123
Active employees	<u>175</u>
	<u>298</u>

**(Continued)**

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2024 actuarial valuation:

Valuation Date	December 31, 2024
Measurement Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal
Inflation	2.30%
Salary Increases Including Inflation	3.00%
Discount rate	4.28%
Discount Rate Basis	S&P Municipal Bond 20 Year High Grade Rate Index
Healthcare cost trend rates	6.00% – 8.50%*

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

Mortality rates were based on the 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, 2024**

**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 12/31/23	\$ 37,724,306	\$ 39,798,411	\$ (2,074,105)
Changes for the year:			
Service cost	1,836,885	-	1,836,885
Interest	1,582,448	1,809,639	(227,191)
Change in benefit terms	-	-	-
Diff between expected/actual experience	-	-	-
Changes of assumptions	(2,391,057)	-	(2,391,057)
Contributions - employer	-	1,937,882	(1,937,882)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	(1,609,643)	1,609,643
Administrative expenses	-	-	-
Other charges	-	-	-
Net changes	1,028,276	2,137,878	(1,109,602)
Balance at 12/31/24	\$ 38,752,582	\$ 41,936,289	\$ (3,183,707)

The fiduciary net position of the Plan as a percent of total OPEB liability for the year ended December 31, 2024 is 108.2%.

**SENSITIVITY ANALYSIS**

The following presents the net OPEB liability of the County, calculated using the discount rate of 4.28%, 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 (3.28) or one percentage point higher (5.28) than the current rate.

	1% Decrease in Discount Rate (3.28%)	Discount Rate (4.28%)	1% Increase in Discount Rate (5.28%)
Net OPEB Liability (Asset)	\$ 2,985,885	\$ (3,183,707)	\$ (8,141,986)

**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 (Asset)	\$ (8,711,376)	\$ (3,183,707)	\$ 3,291,063

**(Continued)**

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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, 2024, the County recognized OPEB expense of \$2,097,806.

The County's Net OPEB Liability reported for the year ended December 31, 2024 was measured as of December 31, 2024, 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, 2024 were as follows:

Total OPEB Liability (Asset)	\$	38,752,582
Plan Fiduciary Net Position		<u>41,936,289</u>
Net OPEB Liability (Asset)	\$	<u><u>(3,183,707)</u></u>

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	2,648,061	12,407,623
Difference between projected and actual investment earnings	<u>-</u>	<u>-</u>
Total	<u>\$ 2,648,061</u>	<u>\$ 12,407,623</u>

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

<u>Year Ended September 30</u>	
2024	(1,321,530)
2025	(1,321,530)
2026	(1,181,456)
2027	(1,229,749)
2028	(1,462,639)
Thereafter	<u>(3,242,657)</u>
	<u>\$ (9,759,562)</u>

**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, 2024**

**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>		
	2023	2023
Employee	0.00%	0.00%
Employer	.50%	.50%
Fiscal year 2024 employer contributions		\$ 35,426
Fiscal year 2024 employee contributions		\$0

The County's contributions to TCDRS for the year ended December 31, 2023 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, 2024**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over expected working life.
Remaining Amortization Period	N/A
Asset Valuation Method	N/A
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	3.26%
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 3.26%. The current discount rate is an increase from the previous year's discount rate of 3.72%.

**CHANGES IN THE TOTAL OPEB LIABILITY**

At December 31, 2023, the County reported a total OPEB liability of \$639,039, the changes in the total OPEB liability were as follows:

	<u>Increase/(Decrease)</u>
	<u>Total OPEB Liability</u>
Balance at 12/31/2022	\$ 593,183
Changes for the year:	
Service cost	11,603
Interest	22,151
Change of benefit terms	-
Difference between expected and actual experience	(12,439)
Changes of assumptions or other inputs	43,393
Benefit payments	(18,852)
Net changes	<u>45,856</u>
Balance at 12/31/2023	<u>\$ 639,039</u>

The total OPEB liability was measured as of December 31, 2023 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, 2024**

**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 3.26%, 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 (2.26%) or one percentage point higher (4.26%) than the current rate.

	1% Decrease in Discount Rate (2.26%)		1% Increase in Discount Rate (4.26%)	
		Discount Rate (3.26%)		
Total OPEB Liability	\$	751,809	\$	550,303

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

For the year ended December 31, 2024, the County recognized OPEB expense of \$47,387.

At December 31, 2024, 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	\$ 12,345	\$ 11,110
Changes in actuarial assumptions	64,232	108,724
Contributions made subsequent to the measurement date	22,977	-
Total	\$ 99,554	\$ 119,834

The County had \$22,977 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, 2025. 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	
2024	\$ (11,434)
2025	(11,430)
2026	(26,583)
2027	6,190
2028	-
Thereafter	-
	\$ (43,257)

**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, 2024**

**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, 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 \$57,645. New leases with total liabilities of \$226,347 were entered into during the year ended December 31, 2024. Payments reduced lease liabilities by \$30,698 during the year. Annual payments range from \$749 to \$49,638. Interest rates ranged from 1.13% to 8.25%. Future annual lease payables as of December 31, 2024 are as follows:

Year Ending December 31	Principal	Interest	Total Payments
2025	70,585	4,458	75,043
2026	64,343	2,892	67,235
2027	62,367	1,644	64,011
2028	55,935	631	56,566
2029	62	1	63
Total future payments	<u>\$ 253,292</u>	<u>\$ 9,626</u>	<u>\$ 262,918</u>

**J. Subscription Based Information Technology Arrangements**

The County has entered into multiple SBITAs for voting systems, tax assessment and collection, communications, probation activities, and cloud computing technology. SBITA payables at the beginning of the year were \$912,289 and no new arrangements were entered into. Payments reduced SBITA liabilities by \$529,448 during the year. Annual payments range from \$42,184 to \$223,420. Interest rates were 7.50% to 8.00%. The value of the SBITA assets were \$1,132,985 at the end of the year, and had accumulated amortization of \$510,798. Future annual SBITA payables as of December 31, 2024, are as follows:

Year Ending December 31	Principal	Interest	Total Payments
2025	266,314	37,748	304,062
2026	279,848	16,861	296,709
2027	35,307	2,930	38,237
Total future payments	<u>\$ 581,469</u>	<u>\$ 57,539</u>	<u>\$ 639,008</u>

(Continued)

**PANOLA COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**K. Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2024 was as follows:

	January 1, 2024	Additions	Reductions	December 31, 2024	Due Within One Year
Compensated Absences	\$ 266,977	\$ 82,441	\$ 59,141	\$ 290,277	\$ 17,417
Lease Liability	57,645	226,347	30,700	253,292	70,585
SBITA Liability	834,733	-	253,264	581,469	266,314
Net OPEB Liability - Death	593,183	45,856	-	639,039	-
Net Pension Liability	5,536,996	-	3,651,746	1,885,250	-
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 7,289,534</u>	<u>\$ 354,644</u>	<u>\$ 3,994,851</u>	<u>\$ 3,649,327</u>	<u>\$ 354,316</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.

**L. 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, 2024 have been accrued and expensed in the current financial statements. Disclosure of loss contingencies will be made when there is a reasonable possibility that a loss has been incurred. There have been no significant reductions in insurance coverage in the current year.

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

**M. Commitments**

During the course of routine business of the County, 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, 2024**

**N. Governmental Fund Balances**

Components of non-spendable fund balance and specific purposes for restricted and committed fund balances as of December 31, 2024 are as follows:

	General Fund	Major Special Revenue Fund ARPA Fund	Major Special Revenue Fund Road & Bridge Fund	Other Funds	Total
Nonspendable:					
Inventory	\$ 23,927	\$ -	\$ 19,367	\$ 19,744	\$ 63,038
Deposit	-	-	-	-	-
Restricted:					
Road & Bridge maintenance	-	-	10,384,785	2,717,756	13,102,541
Law Library	-	-	-	108,251	108,251
Juvenile Delinquency Prevention	-	-	-	179	179
Courthouse Security	-	-	-	281,887	281,887
Records Management & Preservation	-	-	-	1,472,240	1,472,240
Court Technology	-	-	-	165,318	165,318
VIT Interest	-	-	-	6,918	6,918
Elections	-	-	-	38,442	38,442
Adult Probation	-	-	-	99,494	99,494
Juvenile Probation	-	-	-	669,583	669,583
Law Enforcement	-	-	-	106,174	106,174
District Attorney	-	-	-	186,566	186,566
American Rescue Plan	-	-	-	-	-
Child Protective Services	-	-	-	160,445	160,445
Health	-	-	-	4,317,620	4,317,620
Airport	-	-	-	234,607	234,607
Committed:					
Right-of-Way Purchases	-	-	-	331,779	331,779
Airport Improvements	-	-	-	261,081	261,081
Jail Improvement	-	-	-	512	512
Unassigned	27,830,890	-	-	-	27,830,890
Total Fund Balances	\$ 27,854,817	\$ -	\$ 10,404,152	\$ 11,178,596	\$ 49,437,565

(Continued)

**PANOLA COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued**

**O. Interfund Balances and Transfers**

There were no interfund balances as of December 31, 2024. Interfund transfers for the year ended December 31, 2024 were as follows:

	Transfers In Nonmajor Governmental Funds			
	Juvenile Services Fund	Child Protective Services Fund	General Fund	Totals
<b>Transfers Out</b>				
General Fund	\$ 225,000	\$ 30,000		\$ 255,000
Election Services Fund			24,909	24,909
American Rescue Plan Fund			191,030	191,030
<b>Total</b>	<b>\$ 225,000</b>	<b>\$ 30,000</b>	<b>\$ 215,939</b>	<b>\$ 470,939</b>

The purpose of these transfers was to supplement revenue.

**P. Tax Abatements**

The County enters into property tax abatements agreements with local business under the State Property Redevelopment and Tax Abatement Act, chapter 312, as well as its own guidelines and criteria, which is required under the Act. Under the Act, including its guidelines and criteria, the County may grant property tax abatements for economic projects under the program that provide an increase of at least \$1,000,000 in property values, or an annual payroll increase of \$400,000 or the creation of 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.

**Q. Subsequent Events**

The County has evaluated subsequent events through June 6, 2025, the date the financial statements were available to be issued.



**REQUIRED SUPPLEMENTARY INFORMATION**

**PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2024**

**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, 2024, 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, 2024**

	<b>BUDGET ORIGINAL</b>	<b>BUDGET FINAL</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>				
PROPERTY TAXES				
Current	19,294,207	19,294,207	20,228,135	\$ 933,928
Delinquent	602,944	602,944	371,434	(231,510)
Total Property Taxes	19,897,151	19,897,151	20,599,569	702,418
<b>INTERGOVERNMENTAL RECEIPTS</b>				
State Judicial	109,200	105,800	105,800	-
State Voter Registration	-	2,462	4,444	1,982
City - Public Library	176,685	176,685	185,833	9,148
Law Enforcement Officer Standard	5,337	5,337	12,842	7,505
Fire marshall	25,000	-	-	-
Housing Prisoners	-	120,580	178,500	57,920
SAVNS Program	4,989	4,989	5,140	151
Indigent Defense Services Grant	20,000	20,000	28,785	8,785
School Tax Collection Contracts	120,206	120,206	122,706	2,500
Collection Contract	12,475	12,475	13,227	752
State 911 Rural Addressing	30,000	30,000	30,000	-
Elections	-	5,763	5,762	(1)
Total Intergovernmental Receipts	503,892	604,297	693,039	88,742
<b>FEES OF OFFICE</b>				
County Judge	200	115	115	-
Sheriff	20,000	20,000	36,247	16,247
District Attorney	1,000	1,000	3,941	2,941
County Clerk	200,000	200,000	201,862	1,862
Tax Assessor-Collector	420,000	420,000	500,248	80,248
District Clerk	60,000	60,000	67,059	7,059
County Treasurer	15,000	15,000	16,290	1,290
Justices of the Peace	100,000	100,000	106,582	6,582
Total Fees of Office	816,200	816,115	932,344	116,229
<b>MISCELLANEOUS</b>				
Interest Earned	660,549	1,439,680	1,839,690	400,010
Time Payment EFTIC	500	500	752	252
Vital Archive - County Clerk	2,000	2,000	1,391	(609)
Judiciary Support Fee	100	100	60	(40)
Jury donations to Veteran's Service Office	-	-	1,791	1,791
Miscellaneous	125,000	237,451	296,233	58,782
Exposition Building	-	-	500	500
Child Safety Fee	34,000	34,000	33,985	(15)
Child Abuse Prevention	100	100	50	(50)
CLC Justice of the Peace Fees	7,000	7,000	9,210	2,210
Court Facility Fee	9,058	9,058	8,730	(328)
Language Access Fund	2,200	2,200	2,573	373
County Jury Fund	3,000	3,000	3,205	205
Court Initiated Gaurdianship	3,000	3,000	3,420	420
Justice Court Support Fee	8,000	8,000	10,533	2,533
Miscellaneous Unclaimed Funds	-	-	389	389
Panola County Auction Interest Earnings	-	-	180	180
Total Miscellaneous	854,507	1,746,089	2,212,692	466,603
<b>Total Revenues</b>	<b>\$ 22,071,750</b>	<b>\$ 23,063,652</b>	<b>\$ 24,437,644</b>	<b>\$ 1,373,992</b>

**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, 2024**

	<b>BUDGET ORIGINAL</b>	<b>BUDGET FINAL</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>EXPENDITURES</b>				
GENERAL ADMINISTRATION				
County Judge	\$ 302,204	\$ 303,500	\$ 288,761	\$ 14,739
Commissioners	439,292	439,474	437,327	2,147
County Clerk	492,716	492,956	454,725	38,231
Veteran's Service Officer	158,272	157,822	154,119	3,703
Airport	131,960	136,983	126,819	10,164
IT Department	99,790	99,005	97,534	1,471
Miscellaneous and Non-Departmental	4,211,736	3,773,393	2,958,817	814,576
Total General Administration	5,835,970	5,403,133	4,518,102	885,031
JUDICIAL				
District Court	187,070	187,166	166,419	20,747
County Court at Law	484,818	484,205	475,805	8,400
District Clerk	452,066	452,306	430,907	21,399
Justices of the Peace Pct. 1 and 4	291,290	291,258	283,583	7,675
Justices of the Peace Pct. 2 and 3	261,852	291,035	280,755	10,280
Bailiffs, Jurors and Law Books	154,787	296,002	265,660	30,342
Total Judicial	1,831,883	2,001,972	1,903,129	98,843
LEGAL				
District Attorney	710,122	709,732	599,765	109,967
Lawsuits	11,000	11,000	-	11,000
Total Legal	721,122	720,732	599,765	120,967
ELECTIONS				
Total Election Judges, Clerks, and Supplies	99,491	121,538	90,869	30,669
Total Voter Registration	162,807	167,306	165,391	1,915
Total Elections	262,298	288,844	256,260	32,584
FINANCIAL ADMINISTRATION				
Auditor	386,264	385,443	380,451	4,992
Treasurer	272,526	273,083	271,138	1,945
Tax Assessor-Collector	674,219	670,766	656,284	14,482
Total Financial Administration	1,333,009	1,329,292	1,307,873	21,419
PUBLIC FACILITIES				
Building Maintenance	1,057,825	438,330	377,247	61,083
Total Public Facilities	1,057,825	438,330	377,247	61,083

(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, 2024**

	<b>BUDGET ORIGINAL</b>	<b>BUDGET FINAL</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>EXPENDITURES (cont'd.)</b>				
PUBLIC SAFETY				
Sheriff	4,557,624	4,533,387	4,297,064	236,323
Constable Pct. 1 & 4	186,533	186,581	163,440	23,141
Constable Pct. 2 & 3	232,357	225,079	220,298	4,781
Corrections	2,688,006	2,750,775	2,484,199	266,576
Rural Addressing	205,993	206,089	195,852	10,237
Highway Patrol	73,771	73,600	72,806	794
Fire Safety	71,868	18,000	18,000	-
Total Public Safety	8,016,152	7,993,511	7,451,659	541,852
ENVIRONMENTAL PROTECTION				
Trash Disposal	300,000	300,000	277,284	22,716
Trash Disposal	300,000	300,000	277,284	22,716
Total Environmental Protection	300,000	300,000	277,284	22,716
HEALTH AND PAUPERS CARE				
Total Health and Paupers Care	641,000	1,541,000	1,429,546	111,454
RECREATION				
LIBRARY				
Library	433,401	436,645	411,899	24,746
Youth Programs	17,000	17,000	15,000	2,000
Total Recreation	450,401	453,645	426,899	26,746
CONSERVATION				
Extension Service	142,030	142,078	132,228	9,850
Total Conservation	142,030	142,078	132,228	9,850
CAPITAL OUTLAY				
Total Capital Outlay	4,256,898	5,225,711	3,099,099	2,126,612
Total Expenditures	24,848,588	25,838,248	21,779,091	4,059,157
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,776,838)	(2,774,596)	2,658,553	5,433,149
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	265,191	265,191
Transfers In	-	-	215,939	215,939
Transfers Out	(255,000)	(255,000)	(255,000)	-
Interest expense	-	-	(61,715)	(61,715)
Total Other Financing Sources (Uses)	(255,000)	(255,000)	164,415	419,415
Net Change in Fund Balance	(3,031,838)	(3,029,596)	2,822,968	5,852,564
FUND BALANCE, BEGINNING	25,031,849	25,031,849	25,031,849	-
FUND BALANCE, ENDING	\$ 22,000,011	\$ 22,002,253	\$ 27,854,817	\$ 5,852,564

**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, 2024**

	<b>BUDGET ORIGINAL</b>	<b>BUDGET FINAL</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>				
Property Taxes:				
Taxes - current	6,808,838	6,808,838	7,137,580	\$ 328,742
Taxes - delinquent	212,776	212,776	131,078	(81,698)
Total Property Taxes	7,021,614	7,021,614	7,268,658	247,044
Licenses				
Motor Vehicle Registration	350,000	350,000	359,003	9,003
Total Licenses	350,000	350,000	359,003	9,003
Intergovernmental Receipts				
State Lateral Road Fund	29,000	29,000	26,125	(2,875)
Weight and Axle Fees	45,000	45,000	59,989	14,989
Grant funds	-	-	177,595	177,595
Total Intergovernmental Receipts	74,000	74,000	263,709	189,709
Fines:				
County and District Court Fees	354,000	354,000	369,207	15,207
Total Fines	354,000	354,000	369,207	15,207
Other Revenues and Fees:				
Interest	111,026	213,026	599,866	386,840
Miscellaneous	-	352,042	415,011	62,969
Tax Abatement	141,054	141,054	141,054	-
Total Other Revenues and Fees	252,080	706,122	1,155,931	449,809
Total Revenues	8,051,694	8,505,736	9,416,508	910,772

**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, 2024**

	<b><u>BUDGET ORIGINAL</u></b>	<b><u>BUDGET FINAL</u></b>	<b><u>ACTUAL</u></b>	<b><u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u></b>
<b>EXPENDITURES</b>				
PUBLIC TRANSPORTATION				
MAINTENANCE-ROADS AND BRIDGES				
Total Precinct 1	1,431,789	1,299,057	1,100,627	198,430
Total Precinct 2	1,430,764	1,220,165	1,001,004	219,161
Total Precinct 3	1,364,456	1,248,222	1,160,579	87,643
Rentals and Leases	50	30,450	30,303	147
Total Precinct 4	<u>1,649,773</u>	<u>1,711,333</u>	<u>1,335,107</u>	<u>376,226</u>
Total Maintenance-Roads and Bridges	<u>5,876,782</u>	<u>5,478,777</u>	<u>4,597,317</u>	<u>881,460</u>
 CAPITAL OUTLAY-ROAD AND BRIDGES				
Total Precinct 1	950,050	1,164,275	1,113,012	51,263
Total Precinct 2	305,743	533,743	517,139	16,604
Total Precinct 3	877,450	1,239,736	1,107,390	132,346
Total Precinct 4	<u>915,015</u>	<u>964,521</u>	<u>1,152,904</u>	<u>(188,383)</u>
Total Capital Outlay	<u>3,048,258</u>	<u>3,902,275</u>	<u>3,890,445</u>	<u>11,830</u>
Total Expenditures	<u>8,925,040</u>	<u>9,381,052</u>	<u>8,487,762</u>	<u>893,290</u>
Net Change in Fund Balance	(873,346)	(875,316)	928,746	1,804,062
FUND BALANCE, BEGINNING	<u>9,475,405</u>	<u>9,475,405</u>	<u>9,475,406</u>	<u>(1)</u>
FUND BALANCE, ENDING	<u><u>\$ 8,602,059</u></u>	<u><u>\$ 8,600,089</u></u>	<u><u>\$ 10,404,152</u></u>	<u><u>\$ 1,804,063</u></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, 2024**

	Measurement Year 2023	Measurement Year 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
<b>Total Pension Liability</b>										
Service cost	\$ 1,616,169	\$ 1,618,323	\$ 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	6,681,013	6,261,030	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	449,252	1,956,796	1,941,104	(288,048)	(684,650)	(142,573)	(1,674,570)	(562,543)	(661,728)	(601,515)
Benefit payments/refunds of contributions	(4,673,817)	(3,955,142)	(3,872,294)	(3,479,991)	(3,253,334)	(2,883,657)	(2,676,104)	(2,275,968)	(2,173,650)	(1,944,467)
Net change in total pension liability	4,072,617	5,881,007	4,735,717	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	88,586,021	82,705,014	77,969,297	70,039,698	67,216,987	63,673,061	62,420,682	58,887,212	54,984,566	51,916,406
Total pension liability, ending (a)	<u>\$ 92,658,638</u>	<u>\$ 88,586,021</u>	<u>\$ 82,705,014</u>	<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>
<b>Fiduciary Net Position</b>										
Employer contributions	\$ 2,763,794	\$ 2,634,758	\$ 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	599,851	574,772	549,208	548,027	506,809	496,481	516,439	544,034	531,525	505,905
Investment income net of investment expenses	9,114,212	(5,155,450)	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	(4,673,817)	(3,955,142)	(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	(47,399)	(48,668)	(48,166)	(53,960)	(51,242)	(46,663)	(39,408)	(38,018)	(34,088)	(34,814)
Other	(32,278)	(30,576)	(1,088)	(4,787)	(2,272)	5,496	3,372	52,769	26,592	(226,419)
Net change in fiduciary net position	7,724,363	(5,980,306)	15,285,571	6,500,191	9,147,449	(1,160,496)	7,763,891	4,307,408	(197,385)	4,516,987
Fiduciary net position, beginning	83,049,025	89,029,331	73,743,760	67,243,569	58,096,120	59,256,616	51,492,725	47,185,317	47,382,702	42,865,715
Fiduciary net position, ending (b)	<u>\$ 90,773,388</u>	<u>\$ 83,049,025</u>	<u>\$ 89,029,331</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>\$ 1,885,250</u>	<u>\$ 5,536,996</u>	<u>\$ (6,324,317)</u>	<u>\$ 4,225,537</u>	<u>\$ 2,796,129</u>	<u>\$ 9,120,867</u>	<u>\$ 4,416,445</u>	<u>\$ 10,927,957</u>	<u>\$ 11,701,895</u>	<u>\$ 7,601,864</u>
Fiduciary net position as a % of total pension liability	97.97%	93.75%	96.01%	96.01%	96.01%	85.32%	92.00%	86.34%	86.79%	92.21%
Pensionable covered payroll	\$ 8,569,306	\$ 8,211,031	\$ 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	22.00%	67.43%	-80.61%	53.97%	38.62%	128.60%	59.86%	140.61%	154.11%	105.18%

**PANOLA COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTES TO SCHEDULE OF CONTRIBUTIONS

Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retiree Tables for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
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**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, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>							
Service cost	\$ 1,836,885	\$ 1,583,802	\$ 2,695,336	\$ 2,425,022	\$ 1,980,177	\$ 1,384,904	\$ 1,666,934
Interest	1,582,448	1,530,534	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	(2,391,057)	682,538	(13,729,274)	304,553	793,780	4,069,609	(2,711,856)
Benefit payments	-	-	-	-	-	-	-
Net change in total OPEB liability	1,028,276	3,796,874	(10,072,025)	3,636,676	3,829,233	6,733,112	36,307
Total OPEB liability, beginning	37,724,306	33,927,432	43,999,457	40,362,781	36,533,548	29,800,436	29,764,129
Total OPEB liability, ending (a)	<u>\$ 38,752,582</u>	<u>\$ 37,724,306</u>	<u>\$ 33,927,432</u>	<u>\$ 43,999,457</u>	<u>\$ 40,362,781</u>	<u>\$ 36,533,548</u>	<u>\$ 29,800,436</u>
<b>Fiduciary Net Position</b>							
Employer contributions	\$ 1,937,882	\$ 2,389,737	\$ 2,437,165	\$ 2,387,048	\$ 1,835,796	\$ 1,955,842	\$ 1,746,235
Net investment income	1,809,639	1,733,311	676,768	342,715	618,018	759,587	571,536
Benefit payments	(1,609,643)	(1,643,997)	(1,478,389)	(1,451,099)	(1,441,446)	(1,380,211)	(1,267,612)
Administrative expenses	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Net change in fiduciary net position	2,137,878	2,479,051	1,635,544	1,278,664	1,012,368	1,335,218	1,050,159
Fiduciary net position, beginning	39,798,411	37,319,360	35,683,816	34,405,152	33,392,784	32,057,566	31,007,407
Fiduciary net position, ending (b)	\$ 41,936,289	\$ 39,798,411	\$ 37,319,360	\$ 35,683,816	\$ 34,405,152	\$ 33,392,784	\$ 32,057,566
Net OPEB liability/(asset), ending = (a) - (b)	<u>\$ (3,183,707)</u>	<u>\$ (2,074,105)</u>	<u>\$ (3,391,928)</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	108.22%	105.50%	110.00%	81.10%	85.24%	91.40%	107.57%
Covered payroll	\$ 9,418,798	\$ 8,731,697	\$ 7,942,357	\$ 7,612,324	\$ 7,647,125	\$ 7,333,874	\$ 7,139,612
Net OPEB liability as a % of covered payroll	-33.80%	-23.75%	-42.71%	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, 2024**

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%
2023	2,389,737	2,389,737	-	8,731,697	27.4%
2024	1,937,882	1,937,882	-	9,418,798	20.6%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Valuation Date December 31, 2024

Actuarial Cost Method Entry Age Normal

Discount Rate 4.28%

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, 2024

	Measurement Year 2023	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
<b>Total OPEB liability</b>							
Service Cost	\$ 11,603	\$ 22,410	\$ 18,960	\$ 16,376	\$ 11,174	\$ 15,401	\$ 13,821
Interest	22,151	15,497	15,202	17,386	20,183	18,588	19,431
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(12,439)	17,334	4,864	(3,479)	4,690	(8,199)	(14,610)
Change of assumptions and other inputs	43,393	(181,208)	14,402	71,264	120,637	(52,453)	22,356
Benefit payments	(18,852)	(21,349)	(21,968)	(21,138)	(18,100)	(16,313)	(16,231)
Net Change in Total OPEB Liability	45,856	(147,316)	31,460	80,409	138,584	(42,976)	24,767
Total OPEB Liability - Beginning	593,183	740,499	709,039	628,630	490,046	533,022	508,255
Total OPEB Liability - Ending (a)	<u>\$ 639,039</u>	<u>\$ 593,183</u>	<u>\$ 740,499</u>	<u>\$ 709,039</u>	<u>\$ 628,630</u>	<u>\$ 490,046</u>	<u>\$ 533,022</u>
Covered Employee Payroll	\$ 8,569,306	\$ 8,211,031	\$ 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	7.46%	7.22%	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 level percent of salary
Amortization Method	Straight-Line amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	3.26% 20 Year Bond GO Index published by bondbuyer.com as of December 28, 2023.
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 123<sup>rd</sup> 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.

**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.

**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.

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

OPIOID SETTLEMENT FUND – This fund is used to account for funds received in the legal settlement related to opioids.

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.

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, 2024

	SPECIAL REVENUE FUNDS						
	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY
<b>ASSETS:</b>							
Cash and Cash Equivalents	73,001	179	163,794	27,792	9,078	17,057	26,143
Investments	36,000	-	117,000	4,000	-	-	-
Receivables	-	-	-	-	-	-	-
Current Taxes	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-
Miscellaneous	474	-	1,093	24	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	<u>\$ 109,475</u>	<u>\$ 179</u>	<u>\$ 281,887</u>	<u>\$ 31,816</u>	<u>\$ 9,078</u>	<u>\$ 17,057</u>	<u>\$ 26,143</u>
<b>LIABILITIES:</b>							
Accounts Payable-Trade	1,224	-	-	-	-	-	-
Unearned Revenue - Grants	-	-	-	-	-	-	-
Total Liabilities	<u>1,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
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>
<b>FUND BALANCES:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	108,251	179	281,887	31,816	9,078	17,057	26,143
Committed	-	-	-	-	-	-	-
Total Fund Balances	<u>108,251</u>	<u>179</u>	<u>281,887</u>	<u>31,816</u>	<u>9,078</u>	<u>17,057</u>	<u>26,143</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 109,475</u>	<u>\$ 179</u>	<u>\$ 281,887</u>	<u>\$ 31,816</u>	<u>\$ 9,078</u>	<u>\$ 17,057</u>	<u>\$ 26,143</u>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS						
	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION	RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL
<b>ASSETS:</b>							
Cash and Cash Equivalents	41,786	440,679	605,675	88,745	4,185	38,442	1,417,034
Investments	-	298,000	33,000	41,000	-	-	1,967,132
Receivables	-	-	-	-	-	-	-
Current Taxes	-	-	-	-	-	-	165,848
Delinquent Taxes	-	-	-	-	-	-	34,701
Allowance for Uncollectible Taxes	-	-	-	-	-	-	(24,039)
Miscellaneous	60	3,104	1,063	352	2,733	-	74,825
Inventory	-	-	-	-	-	-	-
Total Assets	<u>\$ 41,846</u>	<u>\$ 741,783</u>	<u>\$ 639,738</u>	<u>\$ 130,097</u>	<u>\$ 6,918</u>	<u>\$ 38,442</u>	<u>\$ 3,635,501</u>
<b>LIABILITIES:</b>							
Accounts Payable-Trade	-	-	-	-	-	-	154,085
Unearned Revenue - Grants	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,085</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable Revenue	-	-	-	-	-	-	568,275
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	195,385
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>763,660</u>
<b>FUND BALANCES:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	41,846	741,783	639,738	130,097	6,918	38,442	2,717,756
Committed	-	-	-	-	-	-	-
Total Fund Balances	<u>41,846</u>	<u>741,783</u>	<u>639,738</u>	<u>130,097</u>	<u>6,918</u>	<u>38,442</u>	<u>2,717,756</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 41,846</u>	<u>\$ 741,783</u>	<u>\$ 639,738</u>	<u>\$ 130,097</u>	<u>\$ 6,918</u>	<u>\$ 38,442</u>	<u>\$ 3,635,501</u>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS						
	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT	JUVENILE PROBATION	HOT CHECK FEE	PRE-TRIAL INTERVENTION PROGRAM	CDA SB-22 GRANT FUND	SHERIFF'S STATE FORFEITURE
<b>ASSETS:</b>							
Cash and Cash Equivalents	57,244	29,847	675,157	17,984	39,518	175,349	7,822
Investments	-	-	-	16,000	-	-	12,000
Receivables	-	-	-	-	-	-	-
Current Taxes	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-
Miscellaneous	13,996	-	16,435	75	-	-	115
Inventory	-	-	-	-	-	-	-
Total Assets	<u>\$ 71,240</u>	<u>\$ 29,847</u>	<u>\$ 691,592</u>	<u>\$ 34,059</u>	<u>\$ 39,518</u>	<u>\$ 175,349</u>	<u>\$ 19,937</u>
<b>LIABILITIES:</b>							
Accounts Payable-Trade	868	725	22,009	-	-	-	-
Unearned Revenue - Grants	-	-	-	-	-	175,000	-
Total Liabilities	<u>868</u>	<u>725</u>	<u>22,009</u>	<u>-</u>	<u>-</u>	<u>175,000</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
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>
<b>FUND BALANCES:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	70,372	29,122	669,583	34,059	39,518	349	19,937
Committed	-	-	-	-	-	-	-
Total Fund Balances	<u>70,372</u>	<u>29,122</u>	<u>669,583</u>	<u>34,059</u>	<u>39,518</u>	<u>349</u>	<u>19,937</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 71,240</u>	<u>\$ 29,847</u>	<u>\$ 691,592</u>	<u>\$ 34,059</u>	<u>\$ 39,518</u>	<u>\$ 175,349</u>	<u>\$ 19,937</u>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS						
	JAIL COMMISSARY	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE	SHERIFF SB-22 GRANT FUND	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES
<b>ASSETS:</b>							
Cash and Cash Equivalents	74,367	-	45,137	350,697	2,268	215	1,153
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Current Taxes	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-
Miscellaneous	736	125	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	<u>\$ 75,103</u>	<u>\$ 125</u>	<u>\$ 45,137</u>	<u>\$ 350,697</u>	<u>\$ 2,268</u>	<u>\$ 215</u>	<u>\$ 1,153</u>
<b>LIABILITIES:</b>							
Accounts Payable-Trade	-	125	-	-	-	-	-
Unearned Revenue - Grants	-	-	-	350,000	-	-	-
Total Liabilities	<u>-</u>	<u>125</u>	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
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>
<b>FUND BALANCES:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	75,103	-	45,137	697	2,268	215	1,153
Committed	-	-	-	-	-	-	-
Total Fund Balances	<u>75,103</u>	<u>-</u>	<u>45,137</u>	<u>697</u>	<u>2,268</u>	<u>215</u>	<u>1,153</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 75,103</u>	<u>\$ 125</u>	<u>\$ 45,137</u>	<u>\$ 350,697</u>	<u>\$ 2,268</u>	<u>\$ 215</u>	<u>\$ 1,153</u>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS						
	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	ROCK HILL WSC	CHILD PROTECTIVE SERVICES	OPIOID SETTLEMENT	HEALTH FUND
<b>ASSETS:</b>							
Cash and Cash Equivalents	8,717	65,235	352	5,316	74,942	32,029	1,954,225
Investments	-	-	-	-	85,000		2,343,000
Receivables	-	-	-	-	-		-
Current Taxes	-	-	-	-	-		-
Delinquent Taxes	-	-	-	-	-		-
Allowance for Uncollectible Taxes	-	-	-	-	-		-
Miscellaneous	-	-	-	-	503		19,034
Inventory	-	-	-	-	-		-
Total Assets	<u>\$ 8,717</u>	<u>\$ 65,235</u>	<u>\$ 352</u>	<u>\$ 5,316</u>	<u>\$ 160,445</u>	<u>\$ 32,029</u>	<u>\$ 4,316,259</u>
<b>LIABILITIES:</b>							
Accounts Payable-Trade	-	-	-	475	-	-	473
Unearned Revenue - Grants	-	-	-	4,775	-	30,261	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,250</u>	<u>-</u>	<u>30,261</u>	<u>473</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
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>
<b>FUND BALANCES:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	8,717	65,235	352	66	160,445	1,768	4,315,786
Committed	-	-	-	-	-	-	-
Total Fund Balances	<u>8,717</u>	<u>65,235</u>	<u>352</u>	<u>66</u>	<u>160,445</u>	<u>1,768</u>	<u>4,315,786</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,717</u>	<u>\$ 65,235</u>	<u>\$ 352</u>	<u>\$ 5,316</u>	<u>\$ 160,445</u>	<u>\$ 32,029</u>	<u>\$ 4,316,259</u>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS				
	NON-MAJOR SPECIAL REVENUE FUNDS		NON-MAJOR CAPITAL PROJECTS FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	AIRPORT	TOTAL	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT	TOTAL	
<b>ASSETS:</b>							
Cash and Cash Equivalents	190,568	6,761,732	172,413	127,972	512	300,897	7,062,629
Investments	78,000	5,030,132	158,000	132,000	-	290,000	5,320,132
Receivables	-	-	-	-	-	-	-
Current Taxes	-	165,848	-	-	-	-	165,848
Delinquent Taxes	-	34,701	-	-	-	-	34,701
Allowance for Uncollectible Taxes	-	(24,039)	-	-	-	-	(24,039)
Miscellaneous	14,689	149,436	1,366	1,109	-	2,475	151,911
Inventory	19,744	19,744	-	-	-	-	19,744
Total Assets	<u>\$ 303,001</u>	<u>\$ 12,137,554</u>	<u>\$ 331,779</u>	<u>\$ 261,081</u>	<u>\$ 512</u>	<u>\$ 593,372</u>	<u>\$ 12,730,926</u>
<b>LIABILITIES:</b>							
Accounts Payable-Trade	48,650	228,634	-	-	-	-	228,634
Unearned Revenue - Grants	-	560,036	-	-	-	-	560,036
Total Liabilities	<u>48,650</u>	<u>788,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>788,670</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable Revenue	-	568,275	-	-	-	-	568,275
Deferred Revenue - Advance Tax Collections	-	195,385	-	-	-	-	195,385
Total Deferred Inflows of Resources	<u>-</u>	<u>763,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>763,660</u>
<b>FUND BALANCES:</b>							
Nonspendable	19,744	19,744	-	-	-	-	19,744
Restricted	234,607	10,565,480	-	-	-	-	10,565,480
Committed	-	-	331,779	261,081	512	593,372	593,372
Total Fund Balances	<u>254,351</u>	<u>10,585,224</u>	<u>331,779</u>	<u>261,081</u>	<u>512</u>	<u>593,372</u>	<u>11,178,596</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 303,001</u>	<u>\$ 12,137,554</u>	<u>\$ 331,779</u>	<u>\$ 261,081</u>	<u>\$ 512</u>	<u>\$ 593,372</u>	<u>\$ 12,730,926</u>

**PANOLA COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	SPECIAL REVENUE FUNDS						
	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY
<b><u>REVENUES</u></b>							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-	-	-	-
Fees of Office	15,303	-	18,775	434	241	16	204
Fines and Forfeits	-	-	-	-	-	-	-
Miscellaneous	3,974	5	10,809	1,096	276	524	801
<b>TOTAL REVENUES</b>	<b>19,277</b>	<b>5</b>	<b>29,584</b>	<b>1,530</b>	<b>517</b>	<b>540</b>	<b>1,005</b>
<b><u>EXPENDITURES</u></b>							
General Administration	-	-	13,651	3,017	-	-	-
Legal	13,450	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>13,450</b>	<b>-</b>	<b>13,651</b>	<b>3,017</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,827	5	15,933	(1,487)	517	540	1,005
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,827</b>	<b>5</b>	<b>15,933</b>	<b>(1,487)</b>	<b>517</b>	<b>540</b>	<b>1,005</b>
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>102,424</b>	<b>174</b>	<b>265,954</b>	<b>33,303</b>	<b>8,561</b>	<b>16,517</b>	<b>25,138</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 108,251</b>	<b>\$ 179</b>	<b>\$ 281,887</b>	<b>\$ 31,816</b>	<b>\$ 9,078</b>	<b>\$ 17,057</b>	<b>\$ 26,143</b>

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS						
	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION	COUNTY CLERK RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL ROAD
<b>REVENUES</b>							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 725,394
Intergovernmental Receipts	-	-	-	-	-	-	-
Fees of Office	11,155	67,662	62,221	7,459	-	37,559	-
Fines and Forfeits	-	-	-	-	-	-	-
Miscellaneous	1,115	26,596	19,684	4,630	2,868	1,356	131,782
TOTAL REVENUES	12,270	94,258	81,905	12,089	2,868	38,915	857,176
<b>EXPENDITURES</b>							
General Administration	-	-	9,296	-	1,011	-	-
Legal	-	-	-	-	-	-	-
Elections	-	-	-	-	-	8,600	-
Public Safety	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	528,083
Health & Paupers Care	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	211,642
TOTAL EXPENDITURES	-	-	9,296	-	1,011	8,600	739,725
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,270	94,258	72,609	12,089	1,857	30,315	117,451
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(24,909)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(24,909)	-
NET CHANGE IN FUND BALANCES	12,270	94,258	72,609	12,089	1,857	5,406	117,451
FUND BALANCE-BEGINNING OF YEAR	29,576	647,525	567,129	118,008	5,061	33,036	2,600,305
FUND BALANCE-END OF YEAR	\$ 41,846	\$ 741,783	\$ 639,738	\$ 130,097	\$ 6,918	\$ 38,442	\$ 2,717,756

(Continued)



PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS						
	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT	JUVENILE PROBATION	HOT CHECK FEE	PRETRIAL INTERVENTION PROGRAM	CDA SB-22 GRANT FUND	SHERIFF'S STATE FORFEITURE
<b>REVENUES</b>							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	229,224	-	107,967	-	8,300	-	-
Fees of Office	189,402	-	-	1,192	-	-	-
Fines and Forfeits	-	2,138	-	-	-	-	-
Miscellaneous	2,574	1,088	28,741	-	1,095	349	775
TOTAL REVENUES	421,200	3,226	136,708	1,192	9,395	349	775
<b>EXPENDITURES</b>							
General Administration	-	-	-	-	-	-	-
Legal	-	-	-	2,830	-	-	-
Elections	-	-	-	-	-	-	-
Public Safety	384,765	8,871	288,945	-	-	-	4,000
Public Transportation	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-
Capital Outlay	-	-	49,301	-	-	-	-
TOTAL EXPENDITURES	384,765	8,871	338,246	2,830	-	-	4,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,435	(5,645)	(201,538)	(1,638)	9,395	349	(3,225)
OTHER FINANCING SOURCES (USES)							
Transfers in	17,695	-	225,000	-	-	-	-
Transfers out	(17,695)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	225,000	-	-	-	-
NET CHANGE IN FUND BALANCES	36,435	(5,645)	23,462	(1,638)	9,395	349	(3,225)
FUND BALANCE-BEGINNING OF YEAR	33,937	34,767	646,121	35,697	30,123	-	23,162
FUND BALANCE-END OF YEAR	\$ 70,372	\$ 29,122	\$ 669,583	\$ 34,059	\$ 39,518	\$ 349	\$ 19,937

(Continued)

**PANOLA COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	SPECIAL REVENUE FUNDS						
	JAIL COMMISSARY	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE	SHERIFF SB-22 GRANT FUND	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES
<b>REVENUES</b>							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	3,359	-	-	27,498	-	-
Fees of Office	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Miscellaneous	18,426	1	9,078	697	255	6	36
<b>TOTAL REVENUES</b>	<b>18,426</b>	<b>3,360</b>	<b>9,078</b>	<b>697</b>	<b>27,753</b>	<b>6</b>	<b>36</b>
<b>EXPENDITURES</b>							
General Administration	-	-	-	-	-	-	-
Legal	-	3,360	6,901	-	27,497	-	-
Elections	-	-	-	-	-	-	-
Public Safety	1,433	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,433</b>	<b>3,360</b>	<b>6,901</b>	<b>-</b>	<b>27,497</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,993	-	2,177	697	256	6	36
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>16,993</b>	<b>-</b>	<b>2,177</b>	<b>697</b>	<b>256</b>	<b>6</b>	<b>36</b>
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>58,110</b>	<b>-</b>	<b>42,960</b>	<b>-</b>	<b>2,012</b>	<b>209</b>	<b>1,117</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 75,103</b>	<b>\$ -</b>	<b>\$ 45,137</b>	<b>\$ 697</b>	<b>\$ 2,268</b>	<b>\$ 215</b>	<b>\$ 1,153</b>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS						
	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	ROCK HILL WSC	CHILD PROTECTIVE SERVICES	OPIOID SETTLEMENT	HEALTH FUND
<b>REVENUES</b>							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	13,250	4,131	-	29,373
Fees of Office	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Miscellaneous	268	2,005	10	5,291	7,517	947	174,579
<b>TOTAL REVENUES</b>	<b>268</b>	<b>2,005</b>	<b>10</b>	<b>18,541</b>	<b>11,648</b>	<b>947</b>	<b>203,952</b>
<b>EXPENDITURES</b>							
General Administration	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	18,475	29,824	-	16,995
Capital Outlay	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,475</b>	<b>29,824</b>	<b>-</b>	<b>16,995</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	268	2,005	10	66	(18,176)	947	186,957
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	30,000	-	-
Transfers out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>268</b>	<b>2,005</b>	<b>10</b>	<b>66</b>	<b>11,824</b>	<b>947</b>	<b>186,957</b>
<b>FUND BALANCE-BEGINNING OF YEAR</b>	<b>8,449</b>	<b>63,230</b>	<b>342</b>	<b>-</b>	<b>148,621</b>	<b>821</b>	<b>4,128,829</b>
<b>FUND BALANCE-END OF YEAR</b>	<b>\$ 8,717</b>	<b>\$ 65,235</b>	<b>\$ 352</b>	<b>\$ 66</b>	<b>\$ 160,445</b>	<b>\$ 1,768</b>	<b>\$ 4,315,786</b>

(Continued)

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS				
	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT	NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES</b>							
Property Taxes	\$ -	\$ 725,394	\$ -	\$ -	\$ -	\$ -	\$ 725,394
Intergovernmental Receipts	112,335	535,437	-	-	-	-	535,437
Fees of Office	-	411,623	-	-	-	-	411,623
Fines and Forfeits	-	2,138	-	-	-	-	2,138
Miscellaneous	150,756	610,010	13,241	10,761	15	24,017	634,027
TOTAL REVENUES	263,091	2,284,602	13,241	10,761	15	24,017	2,308,619
<b>EXPENDITURES</b>							
General Administration	-	26,975	-	-	-	-	26,975
Legal	-	54,038	-	-	-	-	54,038
Elections	-	8,600	-	-	-	-	8,600
Public Safety	-	688,014	-	-	-	-	688,014
Public Transportation	211,012	739,095	-	-	-	-	739,095
Health & Paupers Care	-	65,294	-	-	-	-	65,294
Capital Outlay	258,229	519,172	-	-	-	-	519,172
TOTAL EXPENDITURES	469,241	2,101,188	-	-	-	-	2,101,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	(206,150)	183,414	13,241	10,761	15	24,017	207,431
OTHER FINANCING SOURCES (USES)							
Transfers in	-	272,695	-	-	-	-	272,695
Transfers out	-	(42,604)	-	-	-	-	(42,604)
TOTAL OTHER FINANCING SOURCES (USES)	-	230,091	-	-	-	-	230,091
NET CHANGE IN FUND BALANCES	(206,150)	413,505	13,241	10,761	15	24,017	437,522
FUND BALANCE-BEGINNING OF YEAR	460,501	10,171,719	318,538	250,320	497	569,355	10,741,074
FUND BALANCE-END OF YEAR	\$ 254,351	\$ 10,585,224	\$ 331,779	\$ 261,081	\$ 512	\$ 593,372	\$ 11,178,596

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

**SCHEDULE 10**

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Fees of Office:				
Law library fees	\$ 12,000	\$ 12,000	\$ 15,303	\$ 3,303
Total Fees of Office	12,000	12,000	15,303	3,303
Other Revenues and Fees:				
Interest	575	1,451	3,974	2,523
Total Other Revenues and Fees	575	1,451	3,974	2,523
Total Revenues	12,575	13,451	19,277	5,826
<b>EXPENDITURES</b>				
Legal:				
Miscellaneous - Law books	12,575	13,451	13,450	1
Total Legal	12,575	13,451	13,450	1
Total Expenditures	12,575	13,451	13,450	1
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	5,827	\$ 5,827
FUND BALANCE DECEMBER 31, 2023			102,424	
FUND BALANCE DECEMBER 31, 2024			\$ 108,251	

**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, 2024**

	<b>BUDGET</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES</b>				
Miscellaneous:				
Interest Earnings	\$ 1	\$ 1	\$ 5	\$ 4
Total Fees of Office	1	1	5	4
Total Revenues	1	1	5	4
<b>EXPENDITURES</b>				
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>	5	<u>\$ 5</u>
FUND BALANCE DECEMBER 31, 2023			<u>174</u>	
FUND BALANCE DECEMBER 31, 2024			<u>\$ 179</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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Fees of Office:				
District Clerk Fees	\$ 5,112	\$ 5,112	\$ 5,489	\$ 377
County Clerk Fees	9,081	9,081	4,237	(4,844)
JP Offices	10,591	10,591	9,049	(1,542)
Total Fees of Office	24,784	24,784	18,775	(6,009)
Other Revenues and Fees:				
Interest Earnings	1,942	1,942	10,809	8,867
Total Other Revenues and Fees	1,942	1,942	10,809	8,867
Total Revenues	26,726	26,726	29,584	2,858
<b>EXPENDITURES</b>				
General Administration:				
Bailiff and Security	20,046	20,046	10,126	9,920
Social Security Taxes	1,534	1,534	775	759
Retirement and Death Benefits	4,785	4,785	2,417	2,368
Workers Compensation	320	320	320	-
Unemployment Insurance	41	41	13	28
Total General Government	26,726	26,726	13,651	13,075
Total Expenditures	26,726	26,726	13,651	13,075
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	15,933	\$ 15,933
FUND BALANCE DECEMBER 31, 2023			265,954	
FUND BALANCE DECEMBER 31, 2024			\$ 281,887	



**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>	<b>ORIGINAL</b>	<b>FINAL</b>		
Fees of Office:				
District Clerk Fees	\$ 3,000	\$ 3,000	\$ 375	\$ (2,625)
County Clerk Fees	3,800	3,800	59	(3,741)
Total Fees of Office	6,800	6,800	434	(6,366)
Miscellaneous				
Interest	60	60	1,096	1,036
Total Miscellaneous	60	60	1,096	1,036
Total Revenues	6,860	6,860	1,530	(5,330)
<b>EXPENDITURES</b>				
General Administration:				
Seasonal help	4,118	4,118	2,795	1,323
Social security taxes	689	689	215	474
Workers compensation	35	35	7	28
Unemployment insurance	18	18	-	18
Preservation and Restoration	2,000	2,000	-	2,000
Total Expenditures	6,860	6,860	3,017	3,843
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	(1,487)	\$ (1,487)
FUND BALANCE DECEMBER 31, 2023			33,303	
FUND BALANCE DECEMBER 31, 2024			\$ 31,816	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>	<b>ORIGINAL</b>	<b>FINAL</b>		
Fees of Office:				
District Clerk	\$ 50	\$ 50	\$ 54	\$ 4
County Clerk	100	100	187	87
Total Fees of Office	150	150	241	91
Other Revenues and Fees:				
Interest	1	1	276	275
Total Other Revenues and Fees	1	1	276	275
Total Revenues	151	151	517	366
<b>EXPENDITURES</b>				
Capital Outlay:				
Equipment and software	151	151	-	151
Total Capital Outlay	151	151	-	151
Total Expenditures	151	151	-	151
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	517	\$ 517
FUND BALANCE DECEMBER 31, 2023			8,561	
FUND BALANCE DECEMBER 31, 2024			\$ 9,078	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Fees of Office:				
District Clerk Fees	\$ 1,790	\$ 1,790	\$ 16	\$ (1,774)
Total Fees of Office	1,790	1,790	16	(1,774)
Other Revenues and Fees:				
Interest	10	10	524	514
Total Other Revenues and Fees	10	10	524	514
Total Revenues	1,800	1,800	540	(1,260)
<b>EXPENDITURES</b>				
Justice System:				
Digitizing	1,800	1,800	-	1,800
Total Justice System	1,800	1,800	-	1,800
Total Expenditures	1,800	1,800	-	1,800
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	540	\$ 540
FUND BALANCE DECEMBER 31, 2023			16,517	
FUND BALANCE DECEMBER 31, 2024			\$ 17,057	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Fees of Office				
District Clerk Fees	\$ 600	\$ 600	\$ 204	\$ (396)
Total Fees of Office	600	600	204	(396)
Other Revenues and Fees				
Interest Earnings	-	-	801	801
Total Other Revenues and Fees	-	-	801	801
Total Revenues	600	600	1,005	405
<b>EXPENDITURES</b>				
Capital Outlay:				
Furniture and equipment	600	600	-	600
Total Capital Outlay	600	600	-	600
Total Expenditures	600	600	-	600
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	1,005	\$ 1,005
FUND BALANCE DECEMBER 31, 2023			25,138	
FUND BALANCE DECEMBER 31, 2024			\$ 26,143	

**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, 2024**

	<b>BUDGET</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES</b>				
Fees of Office				
District Clerk Fees	\$ 600	\$ 600	\$ 11,155	\$ 10,555
Total Fees of Office	600	600	11,155	10,555
Other Revenues and Fees				
Interest Earnings	-	-	1,115	1,115
Total Other Revenues and Fees	-	-	1,115	1,115
Total Revenues	600	600	12,270	11,670
<b>EXPENDITURES</b>				
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	\$ -	\$ -	12,270	\$ 12,270
FUND BALANCE DECEMBER 31, 2023			29,576	
FUND BALANCE DECEMBER 31, 2024			\$ 41,846	

**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, 2024**

	<b>BUDGET</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES</b>				
Fees of Office:				
County clerks fees	\$ 121,350	\$ 67,662	\$ 67,662	\$ -
Total Fees of Office	121,350	67,662	67,662	-
Other Revenues and Fees:				
Interest earnings	4,050	4,050	26,596	22,546
Total Other Revenues and Fees	4,050	4,050	26,596	22,546
Total Revenues	125,400	71,712	94,258	22,546
<b>EXPENDITURES</b>				
General Administration:				
Digitizing real property instruments	1,000	1,000	-	1,000
Rentals microfilming and indexing	24,400	24,400	-	24,400
Records management and preservation	100,000	46,312	-	46,312
Total General Government	125,400	71,712	-	71,712
Total Expenditures	125,400	71,712	-	71,712
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	94,258	\$ 94,258
FUND BALANCE DECEMBER 31, 2023			647,525	
FUND BALANCE DECEMBER 31, 2024			\$ 741,783	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Fees of Office:				
County Clerks Fees	\$ 35,000	\$ 35,000	\$ 62,221	\$ 27,221
Total Fees of Office	35,000	35,000	62,221	27,221
Other Revenues and Fees:				
Interest Earnings	554	554	19,684	19,130
Total Other Revenues and Fees	554	554	19,684	19,130
Total Revenues	35,554	35,554	81,905	46,351
<b>EXPENDITURES</b>				
General Administration:				
Preservation and Restoration	21,277	21,277	9,296	11,981
Digitizing	14,277	14,277	-	14,277
Total General Government	35,554	35,554	9,296	26,258
Total Expenditures	35,554	35,554	9,296	26,258
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	72,609	\$ 72,609
FUND BALANCE DECEMBER 31, 2023			567,129	
FUND BALANCE DECEMBER 31, 2024			\$ 639,738	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Fees of Office:				
JP Offices	\$ 4,488	\$ 4,488	\$ 7,459	\$ 2,971
Total Fees of Office	4,488	4,488	7,459	2,971
Other Revenues and Fees:				
Interest Earnings	694	694	4,630	3,936
Total Other Revenues and Fees	694	694	4,630	3,936
Total Revenues	5,182	5,182	12,089	6,907
<b>EXPENDITURES</b>				
Capital Outlay:				
Furniture and Equipment	5,182	5,182	-	5,182
Total Capital Outlay	5,182	5,182	-	5,182
Total Expenditures	5,182	5,182	-	5,182
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	12,089	\$ 12,089
FUND BALANCE DECEMBER 31, 2023			118,008	
FUND BALANCE DECEMBER 31, 2024			\$ 130,097	



**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, 2024**

	<b>BUDGET</b>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES</b>				
Property Taxes:				
Taxes - current	\$ 678,615	\$ 678,615	712,068	\$ 33,453
Taxes - delinquent	21,207	21,207	13,326	(7,881)
Total Property Taxes	699,822	699,822	725,394	25,572
Other Revenues and Fees:				
Interest	21,674	21,674	130,162	108,488
Miscellaneous	-	950	1,620	670
Total Other Revenues and Fees	21,674	22,624	131,782	109,158
Total Revenues	721,496	722,446	857,176	134,730
<b>EXPENDITURES</b>				
Public Transportation:				
Salaries - Road and Bridge Department	94,970	95,444	95,172	272
Benefits Termination	1,600	1,600	-	1,600
Social Security Taxes	7,266	7,404	7,259	145
Group Insurance	29,200	29,296	29,296	-
Retirement and Death Benefits	22,671	23,052	22,868	184
Other Post Employment	9,498	9,581	9,580	1
Retiree Medical Insurance Trust	17,000	17,000	17,000	-
Workers Compensation	950	950	537	413
Optional Retirement	40,000	40,000	40,000	-
Unemployment Insurance	191	128	125	3
Signs and Posts	30,000	30,000	29,989	11
Repair and Maintenance	31,000	56,000	44,977	11,023
Parts and Repairs	20,000	20,000	15,774	4,226
Contingency	220,000	45,685	-	45,685
Utilities	30,000	30,926	30,926	-
Contractor Service	6,000	41,000	3,851	37,149
Physicals and Drug	3,500	3,500	2,430	1,070
Rentals and Leases	5,000	7,000	6,264	736
Beaver Control	38,400	38,400	38,400	-
Liability and Other Insurance	250,000	250,000	102,084	147,916
Miscellaneous	1,250	2,767	19,679	(16,912)
Total Public Transportation	858,496	749,733	516,211	233,522
Capital Outlay:				
Furniture and Equipment	1,000	27,781	11,872	15,909
Road Oil	2,000	2,000	-	2,000
Bridge Construction	80,000	163,204	211,642	(48,438)
Total Capital Outlay	83,000	192,985	223,514	(30,529)
Total Expenditures	941,496	942,718	739,725	202,993
Excess of Revenues Over (Under) Expenditures	\$ (220,000)	\$ (220,272)	117,451	\$ 337,723
FUND BALANCE DECEMBER 31, 2023			2,600,305	
FUND BALANCE DECEMBER 31, 2024			\$ 2,717,756	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Intergovernmental Receipts				
Federal Receipts	\$ -	\$ -	\$ 4,131	\$ 4,131
Total Intergovernmental Receipts	-	-	4,131	4,131
Other Revenues and Fees:				
Donations	-	-	1,856	1,856
Interest	-	-	5,661	5,661
Total Other Revenues and Fees	-	-	7,517	7,517
Total Revenues	-	-	11,648	11,648
<b>EXPENDITURES</b>				
Health and Paupers Care				
Miscellaneous	58,000	58,000	29,824	28,176
Total General Government	58,000	58,000	29,824	28,176
Total Expenditures	58,000	58,000	29,824	28,176
Excess of Revenues Over (Under) Expenditures	(58,000)	(58,000)	(18,176)	39,824
<b>OTHER FINANCING SOURCES (USES)</b>				
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	<u>\$ (28,000)</u>	<u>\$ (28,000)</u>	11,824	<u>\$ 39,824</u>
FUND BALANCE DECEMBER 31, 2023			<u>148,621</u>	
FUND BALANCE DECEMBER 31, 2024			<u>\$ 160,445</u>	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Intergovernmental Receipts				
Tobacco Settlement	\$ 25,000	\$ 25,000	\$ 29,373	\$ 4,373
Total Intergovernmental Receipts	25,000	25,000	29,373	4,373
Miscellaneous				
Interest	25,000	25,000	174,579	149,579
Total Miscellaneous	25,000	25,000	174,579	149,579
Total Revenues	50,000	50,000	203,952	153,952
<b>EXPENDITURES</b>				
Health & Paupers Care				
Indigent Health Care	50,000	50,000	16,995	33,005
Total Expenditures	50,000	50,000	16,995	33,005
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	186,957	\$ 186,957
FUND BALANCE DECEMBER 31, 2023			4,128,829	
FUND BALANCE DECEMBER 31, 2024			\$ 4,315,786	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Intergovernmental Receipts				
Federal Receipts	\$ -	\$ 113,540	\$ 112,335	\$ (1,205)
Total Intergovernmental Receipts	-	113,540	112,335	(1,205)
Miscellaneous				
Miscellaneous Revenue	80,000	121,309	121,719	410
Hangar Rental & Ground Lease Agreements	14,310	14,310	15,540	1,230
Interest	1,500	4,032	13,497	9,465
Total Miscellaneous	95,810	139,651	150,756	11,105
Total Revenues	95,810	253,191	263,091	9,900
<b>EXPENDITURES</b>				
Public Transportation				
Insurance - liability and property	5,000	5,056	5,056	-
Professional services	10,000	78,517	72,661	5,856
Repairs and renovations	20,000	30,801	12,777	18,024
Furniture and Equipment	50	12,050	-	12,050
Fuel and repairs	80,000	113,081	91,555	21,526
Runway repairs and improvements	-	37,187	28,963	8,224
Total Public Transportation	115,050	276,692	211,012	65,680
Capital Outlay:				
Construction	-	-	258,229	(258,229)
Total Capital Outlay	-	-	258,229	(258,229)
Total Expenditures	115,050	276,692	469,241	(192,549)
Excess of Revenues Over (Under) Expenditures	\$ (19,240)	\$ (23,501)	(206,150)	\$ (182,649)
FUND BALANCE DECEMBER 31, 2023			460,501	
FUND BALANCE DECEMBER 31, 2024			\$ 254,351	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Other Revenues and Fees:				
Interest	\$ 1,250	\$ 1,250	\$ 13,241	\$ 11,991
Total Other Revenues and Fees	1,250	1,250	13,241	11,991
Total Revenues	1,250	1,250	13,241	11,991
<b>EXPENDITURES</b>				
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	\$ -	\$ -	13,241	\$ 13,241
FUND BALANCE DECEMBER 31, 2023			318,538	
FUND BALANCE DECEMBER 31, 2024			\$ 331,779	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>	<b>ORIGINAL</b>	<b>FINAL</b>		
Other Revenues and Fees:				
Interest	\$ 1,000	\$ 1,000	\$ 10,761	\$ 9,761
Total Other Revenues and Fees	1,000	1,000	10,761	9,761
Total Revenues	1,000	1,000	10,761	9,761
<b>EXPENDITURES</b>				
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	\$ -	\$ -	10,761	\$ 10,761
FUND BALANCE DECEMBER 31, 2023			250,320	
FUND BALANCE DECEMBER 31, 2024			\$ 261,081	

**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, 2024**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Other Revenues and Fees:				
Interest	\$ 1	\$ 1	\$ 15	14
Total Other Revenues and Fees	1	1	15	14
Total Revenues	1	1	15	14
<b>EXPENDITURES</b>				
Capital Outlay				
Jail Equipment	1	1	-	1
Total Capital Outlay	1	1	-	1
Total Expenditures	1	1	-	1
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	15	\$ 15
FUND BALANCE DECEMBER 31, 2023			497	
FUND BALANCE DECEMBER 31, 2024			\$ 512	

## **FIDUCIARY FUNDS**



PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2024

	<b>Automobile Registration Fund</b>	<b>Tax Assessor- Collector Ad Valorem Tax Fund</b>	<b>County Clerk Registry Fund</b>	<b>District Clerk Registry Fund</b>	<b>Community Supervision and Corrections Department Fund</b>
Assets					
Cash	\$ 140,014	\$ 7,641,225	\$ 654,015	\$ 1,881,097	\$ 2,250
Investments	-	-	-	359,410	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 140,014</u>	<u>\$ 7,641,225</u>	<u>\$ 654,015</u>	<u>\$ 2,240,507</u>	<u>\$ 2,250</u>
Liabilities					
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	140,014	7,641,225	-	-	-
Due to others	-	-	654,015	2,240,507	-
Total liabilities	<u>140,014</u>	<u>7,641,225</u>	<u>654,015</u>	<u>2,240,507</u>	<u>-</u>
Net Position					
Individuals, organizations, and other governments	-	-	-	-	2,250
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,250</u>

PANOLA COUNTY, TEXAS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2024

	<b>Criminal District Attorney Restitution Fund</b>	<b>Criminal District Attorney Seizure Fund</b>	<b>Sheriff Collections Fund</b>	<b>Jail Inmate Fund</b>	<b>Total Custodial Funds</b>
Assets					
Cash	\$ 100	\$ 159,308	\$ 735	\$ 20,468	\$ 10,499,212
Investments	-	-	-	-	359,410
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 100</u>	<u>\$ 159,308</u>	<u>\$ 735</u>	<u>\$ 20,468</u>	<u>\$ 10,858,622</u>
Liabilities					
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	7,781,239
Due to others	-	-	-	-	2,894,522
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,675,761</u>
Net Position					
Individuals, organizations, and other governments	100	159,308	735	20,468	182,861
Total net position	<u>\$ 100</u>	<u>\$ 159,308</u>	<u>\$ 735</u>	<u>\$ 20,468</u>	<u>\$ 182,861</u>

**PANOLA COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Automobile Registration Fund</b>	<b>Tax Assessor - Collector Ad Valorem Tax Fund</b>	<b>County Clerk Registry Fund</b>	<b>District Clerk Registry Fund</b>	<b>Community Supervision and Corrections Department Fund</b>
<b>Additions</b>					
Tax collections for other governments	\$ 6,375,575	\$ 113,347,903	\$ -	\$ -	\$ -
Held for others	-	-	4,400	389,990	323,944
Interest on investments	7,168	174,795	48	-	1,480
	<u>6,382,743</u>	<u>113,522,698</u>	<u>4,448</u>	<u>389,990</u>	<u>325,424</u>
<b>Deductions</b>					
Payments to other governments	6,382,743	113,522,698	-	-	-
Payments to others	-	-	4,448	388,964	325,352
Administrative expenses	-	-	-	1,026	-
	<u>6,382,743</u>	<u>113,522,698</u>	<u>4,448</u>	<u>389,990</u>	<u>325,352</u>
 Net increase (decrease) in fiduciary position	-	-	-	-	72
 Net position - beginning	-	-	-	-	2,178
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,250</u>

**PANOLA COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Criminal District Attorney Restitution Fund</b>	<b>Criminal District Attorney Seizure Fund</b>	<b>Sheriff Collection Fund</b>	<b>Jail Inmate Fund</b>	<b>Total Custodial Funds</b>
<b>Additions</b>					
Tax collections for other governments	\$ -	\$ -	\$ -	\$ -	\$ 119,723,478
Held for others	69,125	20,905	2,960	152,907	964,231
Interest on investments		5,023	-	-	188,514
	<u>69,125</u>	<u>25,928</u>	<u>2,960</u>	<u>152,907</u>	<u>120,876,223</u>
<b>Deductions</b>					
Payments to other governments	-	-	-	-	119,905,441
Payments to others	69,125	29,064	2,960	150,886	970,799
Administrative expenses	-	-	-	-	1,026
	<u>69,125</u>	<u>29,064</u>	<u>2,960</u>	<u>150,886</u>	<u>120,877,266</u>
Net increase (decrease) in fiduciary position	-	(3,136)	-	2,021	(1,043)
Net position - beginning	100	162,444	735	18,447	183,904
Net position - ending	<u>\$ 100</u>	<u>\$ 159,308</u>	<u>\$ 735</u>	<u>\$ 20,468</u>	<u>\$ 182,861</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.

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### **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

TABLE 1

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

Governmental activities:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net Investment in Capital Assets	\$ 31,438,853	\$ 27,345,754	\$ 25,094,155	\$ 19,407,639	\$ 20,026,533	\$ 20,411,373	\$ 20,983,396	\$ 21,809,860	\$ 22,458,568	\$ 23,279,430
Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	-	-	-	-	-
Restricted for Other Purposes	24,092,220	19,804,727	18,079,336	16,688,338	15,988,312	-	-	-	-	-
Unrestricted	29,653,230	21,177,389	15,305,198	10,747,035	9,378,770	24,880,434	23,196,286	45,184,264	43,671,917	40,913,998
Total governmental activities net position	<u>\$ 85,184,303</u>	<u>\$ 68,327,870</u>	<u>\$ 58,478,689</u>	<u>\$ 46,843,012</u>	<u>\$ 45,393,615</u>	<u>\$ 45,291,807</u>	<u>\$ 44,179,682</u>	<u>\$ 66,994,124</u>	<u>\$ 66,130,485</u>	<u>\$ 64,193,428</u>



TABLE 2

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
General administration	\$ 5,069,900	\$ 4,853,353	\$ 4,624,122	\$ 4,012,436	\$ 4,091,292	\$ 5,813,060	\$ 5,342,138	\$ 4,998,429	\$ 3,628,899	\$ 3,188,949
Judicial	1,821,414	1,284,368	1,221,702	1,756,897	1,824,413	1,501,830	1,463,707	1,504,247	1,440,455	1,313,677
Legal	657,470	622,350	628,235	796,328	919,988	844,493	621,159	614,417	646,121	618,330
Elections	299,875	226,175	203,709	240,177	234,316	190,348	192,420	189,184	216,421	213,282
Financial administration	1,228,739	1,008,021	943,309	1,178,392	1,255,840	1,076,875	1,084,669	1,071,598	1,003,659	900,619
Public facilities	439,225	436,392	313,614	321,607	330,773	559,976	881,056	469,972	420,136	493,979
Public safety	8,291,497	6,983,898	6,216,686	8,431,577	8,743,780	7,118,774	7,035,569	7,040,400	6,866,996	6,892,775
Environmental protection	285,007	309,957	291,329	342,370	424,727	424,322	449,386	405,004	405,004	417,769
Public transportation	8,751,321	8,373,894	7,149,014	9,962,334	7,120,378	6,464,256	6,444,767	6,800,101	6,523,876	6,450,555
Health and Paupers care	1,562,476	963,865	924,692	789,163	1,465,366	794,101	710,734	1,729,386	1,995,250	2,640,645
Recreation	449,246	345,421	358,270	445,773	481,366	435,797	423,521	464,777	445,229	428,808
Conservation	128,963	118,591	100,870	88,374	103,044	99,340	118,746	119,229	112,210	108,927
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>\$ 28,985,133</b>	<b>\$ 25,526,285</b>	<b>\$ 22,975,552</b>	<b>\$ 28,365,428</b>	<b>\$ 26,995,283</b>	<b>\$ 25,323,171</b>	<b>\$ 24,767,871</b>	<b>\$ 25,406,745</b>	<b>\$ 23,704,257</b>	<b>\$ 23,668,315</b>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services</b>										
General administration	\$ 359,851	\$ 446,766	\$ 495,129	\$ 450,259	\$ 430,163	\$ 404,371	\$ 393,927	\$ 332,744	\$ 325,813	\$ 358,984
Judicial	599,930	572,276	566,158	510,986	472,783	623,356	637,963	607,479	487,141	435,198
Legal	20,436	17,150	19,243	16,739	18,658	19,764	19,174	19,039	19,934	28,229
Elections	12,650	5,903	3,664	3,157	9,100	5,714	3,006	-	5,435	-
Financial administration	1,011,470	981,024	950,425	890,708	908,753	904,371	908,990	823,788	832,349	854,162
Public facilities	-	-	-	-	-	-	-	-	-	-
Public safety	261,770	249,870	274,479	275,147	228,049	287,566	292,881	253,340	298,428	374,660
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	181,709	202,497	132,491	110,227	91,880	147,046	60,912	226,139	141,950	130,661
Health and Paupers care	-	120	210	140	80	478	-	815	-	1,110
Recreation	186,333	176,956	176,686	171,571	171,625	174,381	170,099	186,593	182,318	187,112
Conservation	-	-	-	-	-	2,757	-	750	-	850
<b>Total Charges for Services</b>	<b>\$ 2,634,149</b>	<b>\$ 2,652,562</b>	<b>\$ 2,618,485</b>	<b>\$ 2,428,934</b>	<b>\$ 2,331,091</b>	<b>\$ 2,569,805</b>	<b>\$ 2,486,953</b>	<b>\$ 2,450,686</b>	<b>\$ 2,293,368</b>	<b>\$ 2,370,966</b>

TABLE 2 (cont.)

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Operating Grants and Contributions</b>										
General administration	\$ -	\$ -	\$ -	\$ -	\$ 776,086	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	105,800	109,200	63,000	84,000	84,000	87,204	88,806	88,806	88,806	85,500
Legal	39,157	34,964	34,698	32,898	27,498	29,365	29,418	29,954	30,871	30,343
Elections	4,444	4,662	69,949	16,350	41,339	3,758	8,298	-	2,390	4,656
Financial administration	-	-	-	-	-	-	-	-	-	-
Public facilities	-	-	-	-	-	-	-	-	3,000	-
Public safety	541,430	490,815	367,755	349,223	364,381	380,306	436,612	474,948	546,400	686,415
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	329,305	73,302	647,337	3,540,360	32,451	32,522	29,538	29,575	29,575	29,575
Health and Paupers care	33,504	42,678	47,587	57,168	57,094	53,000	53,387	1,005,804	1,251,495	2,010,776
Recreation	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Grants and Contributions</b>	<b>\$ 1,053,640</b>	<b>\$ 755,621</b>	<b>\$ 1,230,326</b>	<b>\$ 4,079,999</b>	<b>\$ 1,382,849</b>	<b>\$ 586,155</b>	<b>\$ 646,059</b>	<b>\$ 1,629,087</b>	<b>\$ 1,952,537</b>	<b>\$ 2,847,265</b>
<b>Program Revenues, Continued:</b>										
<b>Capital Grants and Contributions</b>										
Judicial	\$ -	\$ -	\$ -	\$ -	\$ 32,485	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	28,785	29,782	28,983	32,782	-	23,009	24,888	37,957	27,232	24,735
General Administration	-	-	-	-	-	-	-	404,353	-	-
Public Facilities	-	-	-	-	-	42,299	388,715	161,269	18,580	97,636
Public Safety	36,931	36,066	37,561	43,019	30,000	-	30,000	30,000	30,000	73,023
Public Transportation	1,536,445	1,649,294	1,319,426	-	-	-	117,854	-	-	-
Recreation	-	-	-	-	-	-	29,255	-	-	-
<b>Total Capital Grants and Contributions</b>	<b>\$ 1,602,161</b>	<b>\$ 1,715,142</b>	<b>\$ 1,385,970</b>	<b>\$ 75,801</b>	<b>\$ 62,485</b>	<b>\$ 65,308</b>	<b>\$ 590,712</b>	<b>\$ 633,579</b>	<b>\$ 75,812</b>	<b>\$ 195,394</b>
<b>Total Governmental Activities</b>										
Program Revenues	\$ 5,289,950	\$ 5,123,325	\$ 5,234,781	\$ 6,584,734	\$ 3,776,425	\$ 3,221,268	\$ 3,723,724	\$ 4,713,352	\$ 4,321,717	\$ 5,413,625
<b>Net (Expense) Revenue</b>										
Governmental Activities:	\$ (23,695,183)	\$ (20,402,960)	\$ (17,740,771)	\$ (21,780,694)	\$ (23,218,858)	\$ (22,101,903)	\$ (21,044,147)	\$ (20,693,393)	\$ (19,382,540)	\$ (18,254,690)

TABLE 2 (cont.)

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes	\$ 36,235,471	\$ 26,699,981	\$ 23,692,769	\$ 22,384,183	\$ 22,389,891	\$ 21,641,100	\$ 20,061,420	\$ 20,874,829	\$ 20,760,794	\$ 21,094,822
Interest Income	2,937,178	2,998,488	941,061	338,131	457,500	893,082	650,507	275,252	196,890	199,770
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,378,967	553,672	1,108,652	507,775	1,159,280	679,308	556,548	406,690	362,167	731,188
<b>Total Governmental Activities</b>	<u>\$ 40,551,616</u>	<u>\$ 30,252,141</u>	<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>
<b>Increase in Net Position Before Transfers</b>	16,856,433	9,849,181	8,001,711	1,449,395	787,813	1,111,587	224,328	863,379	1,937,311	3,771,090
<b>Transfers</b>	-	-	-	-	-	-	-	-	-	-
<b>Prior Period Adjustment</b>	-	-	3,633,966	-	(686,005)	-	-	-	-	-
<b>Change in Net Position</b>										
<b>Governmental Activities</b>	<u>\$ 16,856,433</u>	<u>\$ 9,849,181</u>	<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>
<b>Total Primary Government</b>	<u>\$ 16,856,433</u>	<u>\$ 9,849,181</u>	<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>
<b>% Change from Prior Year</b>	71.15%	(15.35%)	702.80%	1323.66%	(90.84%)	395.52%	(74.02%)	(55.43%)	(48.63%)	37.77%

TABLE 3

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>General Fund:</b>										
Nondisposable	\$ 23,927	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	27,855,799	25,031,849	21,795,097	19,873,867	17,530,662	15,304,714	12,516,976	10,605,091	11,431,684	12,628,900
<b>Total General Fund</b>	<b>27,879,726</b>	<b>25,031,849</b>	<b>21,795,097</b>	<b>19,873,867</b>	<b>17,530,662</b>	<b>15,304,714</b>	<b>12,516,976</b>	<b>10,605,091</b>	<b>11,431,684</b>	<b>12,628,900</b>
<b>All Other Governmental Funds:</b>										
Nondisposable, Reported in:										
Special Revenue Funds	39,111	12,694	171,048	33,963	21,054	6,121	24,305	25,968	68,066	6,740
Restricted, Reported in:										
Special Revenue Funds	20,932,441	19,792,034	18,079,339	16,688,338	15,988,313	15,998,539	15,385,545	14,801,460	14,260,464	13,524,120
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Committed, Reported in:										
Capital Projects Funds	593,372	569,355	544,460	536,112	532,677	527,667	736,616	724,419	718,821	715,382
<b>Total All Other Governmental Funds</b>	<b>21,564,924</b>	<b>20,374,083</b>	<b>18,794,847</b>	<b>17,258,413</b>	<b>16,542,044</b>	<b>16,532,327</b>	<b>16,146,466</b>	<b>15,551,847</b>	<b>15,047,351</b>	<b>14,246,242</b>
<b>Total Governmental Funds</b>	<b>\$ 49,444,650</b>	<b>\$ 45,405,932</b>	<b>\$ 40,589,944</b>	<b>\$ 37,132,280</b>	<b>\$ 34,072,706</b>	<b>\$ 31,837,041</b>	<b>\$ 28,663,442</b>	<b>\$ 26,156,938</b>	<b>\$ 26,479,035</b>	<b>\$ 26,875,142</b>
<b>% Change from Prior Year</b>	<b>8.89%</b>	<b>11.86%</b>	<b>9.31%</b>	<b>8.98%</b>	<b>7.02%</b>	<b>11.07%</b>	<b>9.58%</b>	<b>(1.22%)</b>	<b>(1.47%)</b>	<b>(1.66%)</b>

TABLE 4

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>REVENUES</b>										
Property Taxes	\$ 28,593,621	\$ 26,669,859	\$ 23,652,618	\$ 22,807,919	\$ 21,628,160	\$ 20,788,517	\$ 19,970,452	\$ 20,649,393	\$ 20,757,166	\$ 21,028,302
Licenses	359,003	360,025	361,270	361,345	270,300	334,557	360,000	347,114	352,249	335,099
Intergovernmental	3,035,715	2,835,499	2,976,822	2,175,499	1,822,839	1,027,356	1,620,910	1,216,040	1,116,535	1,365,622
Fees of Office	1,319,057	1,396,631	1,353,696	1,276,162	1,260,405	1,334,172	1,268,928	1,146,745	1,196,135	1,346,858
Fines	371,345	312,432	389,271	327,735	321,947	401,396	446,306	417,917	348,600	295,881
Miscellaneous	4,043,876	4,113,434	2,245,029	3,481,649	1,871,973	2,703,676	1,205,378	1,863,127	1,867,254	3,001,123
Total Revenues	<u>37,722,617</u>	<u>35,687,880</u>	<u>30,978,706</u>	<u>30,430,309</u>	<u>27,175,624</u>	<u>26,589,674</u>	<u>24,871,974</u>	<u>25,640,336</u>	<u>25,637,939</u>	<u>27,372,885</u>
<b>EXPENDITURES</b>										
General Administration	4,549,387	4,917,428	4,828,157	3,934,459	3,890,949	4,311,657	3,841,882	7,053,322	6,582,858	6,952,902
Judicial	1,915,996	1,629,454	1,563,894	1,628,886	1,472,938	1,442,898	1,380,305	1,384,658	1,395,577	1,342,386
Legal	657,470	622,350	628,235	796,328	915,549	849,805	615,790	591,967	654,074	649,523
Elections	273,118	216,425	217,158	231,584	206,658	185,516	184,792	168,418	186,710	160,810
Financial Administration	1,315,640	1,227,045	1,148,884	1,134,329	1,103,635	1,078,830	1,067,110	1,027,105	1,017,607	955,794
Public Facilities	436,273	443,433	323,337	314,590	436,738	558,641	878,379	464,822	419,018	476,331
Public Safety	8,386,555	8,165,343	7,233,567	7,691,562	7,168,596	6,653,067	6,454,908	6,215,052	6,466,865	6,626,369
Environmental Protection	277,284	301,634	283,785	335,742	417,254	417,449	443,112	398,730	398,730	411,495
Conservation	133,093	129,908	109,562	87,137	96,014	99,565	117,060	114,292	113,739	112,089
Public Transportation	7,721,703	7,422,189	6,250,106	9,320,511	4,422,485	4,595,182	4,452,625	4,368,238	4,311,552	4,160,966
Health & Paupers Care	1,494,840	896,229	857,057	729,176	1,397,730	726,578	643,007	1,661,289	1,927,757	2,573,604
Culture & Recreation	426,899	403,445	378,802	397,270	396,690	399,028	381,984	411,315	412,922	411,917
Debt Service - Principal	-	-	-	-	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-
Capital Outlay	6,360,832	4,755,283	3,763,827	859,161	3,015,132	2,097,859	1,904,516	2,051,967	2,146,382	2,993,461
Total Expenditures	<u>33,949,090</u>	<u>31,130,166</u>	<u>27,586,371</u>	<u>27,460,735</u>	<u>24,940,368</u>	<u>23,416,075</u>	<u>22,365,470</u>	<u>25,911,175</u>	<u>26,033,791</u>	<u>27,827,647</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,773,527</u>	<u>4,557,714</u>	<u>3,392,335</u>	<u>2,969,574</u>	<u>2,235,256</u>	<u>3,173,599</u>	<u>2,506,504</u>	<u>(270,839)</u>	<u>(395,852)</u>	<u>(454,762)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Relocation of Fund Equity to Shelby County	-	-	-	-	-	-	-	(51,515)	-	-
Issuance of leases	265,191	34,288	65,329	-	-	-	-	-	-	-
Issuance of SBITAs	-	223,989	-	-	-	-	-	-	-	-
Transfers In	488,634	255,000	254,823	326,650	355,051	251,097	236,108	241,108	241,108	203,100
Transfers Out	(488,634)	(255,000)	(254,823)	(326,650)	(355,051)	(251,097)	(236,108)	(241,108)	(241,108)	(203,100)
Total Other Financing Sources (Uses)	<u>265,191</u>	<u>258,277</u>	<u>65,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,515)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 4,038,718</u>	<u>\$ 4,815,991</u>	<u>\$ 3,457,664</u>	<u>\$ 2,969,574</u>	<u>\$ 2,235,256</u>	<u>\$ 3,173,599</u>	<u>\$ 2,506,504</u>	<u>\$ (322,354)</u>	<u>\$ (395,852)</u>	<u>\$ (454,762)</u>
<b>Debt Service as a percentage of Noncapital Expenditures</b>	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		
2024	3,311,247,576	1,660,881,850	211,261,970	4,760,867,456	0.5929
2023	7,472,469,437	1,648,054,257	206,507,690	8,914,016,044	0.3934
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

Source: Panola County Appraisal District

TABLE 6

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Panola County Direct Rates</u></b>										
GENERAL	0.57783	0.38337	0.44791	0.55752	0.59750	0.53620	0.59130	0.58220	0.58220	0.46980
SPECIAL REVENUE	0.01506	0.00998	0.01135	0.01497	0.01600	0.01520	0.01670	0.01610	0.01610	0.01390
DEBT SERVICE	-	-	-	-	-	-	-	-	-	-
TOTAL DIRECT RATE	0.59289	0.39335	0.45926	0.57249	0.61350	0.55140	0.60800	0.59830	0.59830	0.48370
<b><u>Overlapping Rates</u></b>										
<b>City and Town Rates:</b>										
CARTHAGE	0.58000	0.58000	0.58000	0.60140	0.58940	0.58940	0.57440	0.57440	0.57440	0.52000
BECKVILLE	0.35787	0.41127	0.43730	0.48597	0.52065	0.52586	0.58011	0.54693	0.53320	0.45603
<b>School Districts Rates:</b>										
CARTHAGE ISD	0.89920	0.89920	1.08460	1.19610	1.19640	1.21000	1.28000	1.28000	1.14000	1.14000
GARY ISD	1.14920	1.14920	1.33460	1.44340	1.44640	1.43000	1.50000	1.50000	1.37000	1.29000
BECKVILLE ISD	0.96612	0.88453	1.13738	0.88300	0.96640	0.97000	1.04000	1.35339	1.34000	1.25655
ELYSIAN FIELDS ISD	0.95960	0.70290	0.89390	0.93700	0.97470	1.16000	1.35000	1.35000	1.35000	1.32000
TATUM ISD	0.93050	0.94053	1.20700	1.20700	1.20700	1.20700	1.20700	1.20700	1.20000	0.17000
TENAHIA ISD	0.90093	0.85040	1.09221	1.10940	1.09330	1.08210	1.16153	1.15852	1.16300	1.19249
JOAQUIN ISD	1.05500	1.04880	1.31610	1.51850	1.52940	1.54170	1.62140	1.59730	1.59730	1.55970
<b>Other Special District Rates:</b>										
PANOLA JR. COLLEGE	0.28624	0.19554	0.21847	0.27775	0.29079	0.25112	0.27039	0.25700	0.24334	0.20787
PANOLA COUNTY ESD	0.03000	0.01896	0.02098	0.02791	0.02842	0.02359	0.02372	0.02130	0.02130	0.02130
PANOLA GWCD	0.00945	0.00717	0.00816	0.01010	0.01010	0.01011	0.01100	0.01100	0.01100	0.01000

Source: Various taxing entities and Panola County Tax Assessor/Collector

TABLE 7

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

Name of Taxpayer	Fiscal Year 2024		Fiscal Year 2015	
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
ROCKCLIFF ENERGY OP LLC	\$ 452,817	9.51 %	\$ -	-
SABINE OIL & GAS CORP (WI)	212,834	4.47 %	-	-
BTA ETG GATHERING LLC	182,009	3.82 %	-	-
GEMINI CARTHAGE PIPELINE LLC	175,628	3.69 %	-	-
DCP EAST TX GATHERING LP-PLANT	122,849	2.58 %	-	-
R LACY SERVICES LTD	108,129	2.27 %	-	-
COMSTOCK OIL & GAS LLC	105,410	2.21 %	-	-
MARKWEST-CARTHAGE PLANT & EAST	97,436	2.05 %	-	-
SHERIDAN PRODUCTION CO LLC	94,148	1.98 %	-	-
ETC TIGER PIPELINE	81,430	1.71 %	-	-
ANADARKO E&P ONSHORE LLC(MIN)	-	-	459,712	10.62 %
DEVON ENERGY PROD OP LP (MIN #)	-	-	238,005	5.50 %
DCP EAST TX GATHERING LP-PLANT	-	-	205,378	4.75 %
ANADARKO E&P ONSHORE LLC(MI)	-	-	182,003	4.21 %
MARKWEST ENERGY E TX GAS CO LP	-	-	165,739	3.83 %
MARKWEST-CARTHAGE PLANT & EAST	-	-	119,742	2.77 %
SAMSON LONE STAR LLC (WI)	-	-	107,198	2.48 %
XTO ENERGY INC (MIN)	-	-	98,537	2.28 %
LUMINANT MINING CO LLC	-	-	72,950	1.69 %
MEMORIAL PRODUCTION OPER	-	-	65,480	1.51 %
<b>Total</b>	<b>\$ 1,632,690</b>		<b>\$ 1,714,744</b>	
<b>Total Assessed Value and Percentage of Total</b>	<b>\$ 4,760,868</b>	<b>34.29 %</b>	<b>\$ 4,328,122</b>	<b>39.62 %</b>

Source: Panola County Appraisal District



TABLE 8

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

<b>Fiscal Year</b>	<b>Tax Levy</b>	<b>Current Tax Collection</b>	<b>Percent Of Levy Collected</b>	<b>Collections in Subsequent Periods (2)</b>	<b>Total Collections</b>	<b>Percent Of Total Collections To Tax Levy</b>	<b>Outstanding Delinquent Taxes (1)</b>	<b>Percent of Delinquent Taxes to Tax Levy</b>
2024	28,430,558	28,185,221	99.14%	214,397	28,399,618	99.89%	224,337	0.78%
2023	27,684,284	26,924,140	97.25%	490,897	27,415,037	99.02%	349,496	1.26%
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%

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 2023 through September 30th, 2024. 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)**

<b>Fiscal Year</b>	<b>Governmental Activities</b>				<b>Total Primary Government</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>
	<b>General Obligation Bonds</b>	<b>Lease Liability</b>	<b>SBITA Liability</b>	<b>Less: Amounts Available in Debt Service Fund</b>		
2024	-	253,294	581,470	-	834,764	0.018%
2023	-	57,645	834,732	-	892,377	0.010%
2022	-	46,304	-	-	46,304	0.001%
2021	-	-	-	-	-	-
2020	-	-	-	-	-	-
2019	-	-	-	-	-	-
2018	-	-	-	-	-	-
2017	-	-	-	-	-	-
2016	-	-	-	-	-	-
2015	-	-	-	-	-	-

**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, 2024  
(UNAUDITED)**

<b>Jurisdiction</b>	<b>Net Debt Outstanding Amount (1)</b>	<b>Applicable to Panola County Percent</b>	<b>Amount Applicable to Panola County</b>
<b>Cities:</b>			
<b>Carthage</b>	<b>\$ 19,131,144</b>	<b>100.00%</b>	<b>\$ 19,131,144</b>
<b>Total Cities</b>	<b>19,131,144</b>		<b>19,131,144</b>
<b>School Districts:</b>			
<b>Carthage ISD</b>	<b>33,911,000</b>	<b>100.00%</b>	<b>33,911,000</b>
<b>Gary ISD</b>	<b>6,771,450</b>	<b>100.00%</b>	<b>6,771,450</b>
<b>Beckville ISD</b>	<b>22,011,250</b>	<b>100.00%</b>	<b>22,011,250</b>
<b>Elysian Fields ISD</b>	<b>54,545,000</b>	<b>52.55%</b>	<b>28,663,398</b>
<b>Tatum ISD</b>	<b>8,047,774</b>	<b>2.27%</b>	<b>182,684</b>
<b>Tenaha ISD</b>	<b>2,465,000</b>	<b>4.75%</b>	<b>117,088</b>
<b>Joaquin ISD</b>	<b>8,770,000</b>	<b>5.05%</b>	<b>442,885</b>
<b>Total School Districts</b>	<b>136,521,474</b>		<b>92,099,754</b>
<b>Panola Junior College</b>	<b>21,860,000</b>	<b>100.00%</b>	<b>21,860,000</b>
<b>Subtotal, Overlapping Debt</b>	<b>177,512,618</b>		<b>133,090,898</b>
<b>Panola County (Direct Debt*)</b>	<b>834,764</b>		<b>-</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$ 178,347,382</b>		<b>\$ 133,090,898</b>

**Notes:**

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

Direct Debt\* includes lease liability and SBITA liability, see Ratio of Outstanding Debt By Type.

**Sources:**

(1) Respective entities and auditors of respective entities.

TABLE 11

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	1,243,032,357	2,280,130,924	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
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	1,243,032,357	2,280,130,924	1,451,311,835	936,793,792	898,446,172	1,006,540,189	842,390,705	853,237,453	1,129,611,684	1,129,611,684
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 2024

Assessed value	\$ 4,760,867,456
Add back: exempt real property	211,261,970
Total assessed value	\$ 4,972,129,426
Debt limit 25% of assessed value of real property (Article 3, Section 52, Constitution of the State of Texas)	\$ 1,243,032,357
Amount of Debt applicable to debt limit	-
Legal Debt Margin	\$ 1,243,032,357

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)**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>	<b>College &amp; School Enrollment</b>
2024	22,838	\$ 1,380,199	\$ 60,434	4.10%	6,749
2023	22,675	\$ 1,292,263	\$ 56,986	4.30%	6,403
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

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	2024		2015	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Natural Resource and Mining	813	10.83 %	999	11.31 %
Construction	1,097	14.61 %	1,795	20.33 %
Manufacturing	889	11.84 %	908	10.28 %
Trade, Transportation, Utilities	1,425	18.98 %	1,477	16.73 %
Information	49	0.65 %	51	0.58 %
Financial Activities	210	2.80 %	255	2.89 %
Professional Business Services	556	7.40 %	562	6.36 %
Education Health Services	668	8.90 %	898	10.17 %
Leisure Hospitality	403	5.37 %	362	4.10 %
Other Services	195	2.60 %	181	2.05 %
Federal Government	57	0.76 %	70	0.79 %
State Government	32	0.43 %	33	0.37 %
Local Government	1,115	14.85 %	1,240	14.04 %
<b>Total</b>	<b>7,509</b>	<b>100.00 %</b>	<b>8,831</b>	<b>100.00 %</b>

Source: Texas Workforce Commission 2024

Source: Texas Workforce Commission 2015

TABLE 14

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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>General Administration</b>	16	16	16	16	15	14	14	15	16	16
<b>Judicial</b>	20	17	16	16	17	16	16	17	17	17
<b>Elections</b>	2	2	2	2	2	2	2	2	2	2
<b>Financial Administration</b>	15	15	15	14	15	15	14	14	14	13
<b>Legal</b>	7	7	7	7	7	7	7	7	7	6
<b>Public Facilities</b>	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>	72	72	72	70	69	73	74	74	75	85
<b>Public Transportation</b>	43	43	42	38	39	41	41	45	46	47
<b>Culture and Recreation</b>	5	5	5	4	5	5	6	6	6	6
<b>Conservation-Agriculture</b>	3	3	3	3	2	3	3	3	3	3
<b>Totals</b>	<u>184</u>	<u>181</u>	<u>179</u>	<u>171</u>	<u>172</u>	<u>177</u>	<u>178</u>	<u>184</u>	<u>187</u>	<u>196</u>

Source: Panola County Payroll History Report

TABLE 15

**PANOLA COUNTY, TEXAS**  
**CAPITAL ASSETS BY FUNCTION/PROGRAM**  
**December 31, 2024**  
**(UNAUDITED)**

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>General Administration</b>										
Furniture & Equipment	13	13	11	8	8	8	8	8	8	8
Facilities	4	4	4	5	5	5	5	5	5	5
Tracts of Land	10	10	10	10	10	10	10	10	10	10
<b>Judicial</b>										
Furniture & Equipment	4	4	4	4	4	3	3	3	3	3
Facilities	1	1	1	1	1	1	1	1	1	1
<b>Elections</b>										
Equipment	63	63	63	7	3	2	2	2	2	2
<b>Public Facilities</b>										
Facilities	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Vehicles	49	52	56	51	55	47	45	45	45	45
Equipment	13	19	16	14	14	14	14	14	14	14
Facilities	5	5	5	2	2	2	2	2	2	2
<b>Environmental Protection</b>										
Facilities	2	2	2	2	2	2	2	2	2	2
Landfill	1	1	1	1	1	1	1	1	1	1
<b>Public Transportation</b>										
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	15	15
Facilities	6	6	6	6	6	6	5	5	5	5
Equipment & Vehicles	177	155	174	169	143	138	137	137	137	137
Tracts of Land	6	6	6	6	6	6	6	6	6	6
<b>Health/Paupers Care</b>										
Facilities	2	2	2	2	2	2	2	2	2	2
Tracts of Land	1	1	1	1	1	1	1	1	1	1
<b>Recreation</b>										
Facilities	1	1	1	1	1	1	1	1	1	1
<b>Conservation</b>										
Facilities	1	1	1	1	1	1	1	1	1	1
Tracts of Land	1	1	1	1	1	1	0	0	0	0

Source: Panola County Capital Asset Inventory Listing and Insurance Schedule



TABLE 16

**PANOLA COUNTY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**December 31, 2024**  
**(UNAUDITED)**

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>General Administration</b>										
Official Public Records Filed	6,069	8,108	8,763	8,574	8,524	7,939	7,955	6,277	5,701	7,058
Vital Statistics Filed	259	251	278	298	268	103	105	81	71	72
<b>Judicial</b>										
Number of Civil Cases	492	562	634	612	599	677	632	413	501	703
Number of Criminal Cases	599	546	637	701	522	595	709	646	754	813
<b>Legal</b>										
Number of Convictions - Misdemeanors	85	102	120	173	73	243	246	212	248	270
Number of Convictions - Felony	161	203	156	94	38	151	240	109	171	245
<b>Elections</b>										
Number of Registered Voters	17,385	17,355	17,178	16,749	16,838	17,807	15,523	16,248	10,475	15,647
Number of Elections	3	1	5	2	4	1	3	1	3	1
<b>Financial Administration</b>										
Number of mineral tax items	405,214	430,037	400,041	333,892	338,783	370,170	364,688	353,538	365,436	359,573
Number of real estate tax items	38,317	38,377	38,172	38,151	38,151	38,078	26,366	26,396	26,419	26,423
Number of registered vehicles	26,179	26,816	26,644	26,965	25,953	27,106	31,871	27,882	28,593	29,519
<b>Public Facilities</b>										
Number of repair jobs	65	105	51	58	59	70	66	64	85	80
<b>Public Safety</b>										
Number of emergency responses	8,188	7,724	7,091	7,339	6,729	6,213	4,373	4,580	4,223	4,418
Number of book-ins	1,080	1,113	894	806	503	982	1,048	1,128	1,106	1,233
<b>Environmental Protection</b>										
Number of solid waste transfers(tons)	7,174	6,422	6,431	6,485	6,312	6,223	41,652	11,914	12,465	12,235
Number of Diversions (tons)	4,706	3,946	3,246	3,323	4,179	4,219	528	554	428	387
<b>Public Transportation</b>										
Miles of road resurfaced	45	47	55	42	13	20	11	15	19	9
Number of repairs	120	100	90	80	75	111	70	129	340	390
<b>Health and Paupers Care</b>										
Number of autopsies performed	40	33	49	41	22	36	32	32	34	31
Number of indigent admissions	482	482	520	487	435	426	560	549	575	688
<b>Recreation</b>										
Number of patrons to Library	41,742	40,873	37,307	39,245	35,324	9,890	13,163	12,835	11,979	11,113
Number of books in library	36,042	35,559	36,857	36,868	40,229	40,254	41,457	43,983	48,819	45,270
Number of programs	84	63	60	92	75	102	99	78	116	69
<b>Conservation</b>										
Number of programs	132	115	98	45	148	134	115	253	78	275
Number of radio programs	118	116	97	115	84	34	8	12	31	75
County Extension mailouts & emails	8,500	6,800	6,500	8,300	4,822	15,350	14,500	45,550	10,850	23,500

Source: Individual County Departments

TABLE 17

**PANOLA COUNTY, TEXAS  
SCHEDULE OF INSURANCE IN FORCE  
DECEMBER 31, 2024  
(Unaudited)**

Insurer or Name of Company	Number	Policy Period		Building and/or Department & Description	Amount of Coverage	Premiums & Funding
		From	To			
Texas Association of Counties	CAS-1830-20240101-1	1/1/2024	1/1/2025	Auto Liability - 1000 Deduct; Property Damage - Limit, Bodily Injury - Limit, Personal Injury Protect - Limit, Unins Motor.		\$ 38,178
Texas Association of Counties	CAS-1830-20240101-1	1/1/2024	1/1/2025	Auto Physical Damage - 2500 Deduct.		45,025
Texas Association of Counties	CAS-1830-20240101-1	1/1/2024	1/1/2025	General Liability - Various Limits, Various Deduct.		9,714
Texas Association of Counties	CAS-1830-20240101-1	1/1/2024	1/1/2025	Law Enforcement Professional Liability - Per Claim 2,000,000; Aggregate 2,000,000	2,000,000	73,375
Texas Association of Counties	CAS-1830-20240101-1	1/1/2024	1/1/2025	Public Officials and Employees Legal Liability 2,000,000 Limit Each; 2,000,000 Aggregate; 25,000 Deduct.	2,000,000	35,204
Texas Association of Counties	PR-1830-20240101-1	1/1/2024	1/1/2025	Property - Total Covered Value 65,203,800; 10,000 Deduct. Flood Special Hazard Zones - 500000 Deduct Per Building Flood Except Special Hazard Zones - 25000 Deduct Earthquake - 25000 Deduct Equipment Breakdown - 10000 Deduct Law Enforcement Animals - 1000 Deduct Crime - 1000 Deduct Mobile Equipment - As Scheduled - 1000 Deduct	2,500,000 10,000,000 10,000,000 50,000,000 30,000 250,000	228,286      44,990
EBCO	UA00134783-23	12/13/2024	12/13/2025	Property Damage 1,000,000; General Liability- Airport 1,000,000 each occurrence, 2,000,000 aggregate	2,000,000	3,785
Texas Association of Counties	#1830	1/1/2024	12/31/2024	Workers Compensation Self-Funded Insurance through Texas Association of Counties	(2)	137,920
Texas Association of Counties	#1830	1/1/2024	12/31/2024	Unemployment Insurance Self-Funded through Texas Association of Counties	(3)	15,944
Texas Association of Counties - BCBS	62946	1/1/2024	12/31/2024	Employee Group Ins - TAC Health and Employee Benefit Pool 500 deductible - 2,000 co-ins; Emp Life Ins	(4)	4,679,120
The CIMA Companies, Inc.	TXCART6	1/1/2024	12/31/2024	Volunteers Insurance Service Association (VIS) Work Release Volunteer Accident Insurance	25,000	2,676

(1) 2018 Funding

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

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

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

TABLE 17 (cont.)

**PANOLA COUNTY, TEXAS**  
**SCHEDULE OF INSURANCE IN FORCE**  
**DECEMBER 31, 2024**  
**(Unaudited)**

Insurer or Name of Company	Number	Policy Period		Building and/or Department & Description	Amount of Coverage	Premiums & Funding
		From	To			
Safeco Ins.	999220342	12/31/2024	12/31/2025	County Judge - Rodger McLane	1,000	100
Zip Bonds	GM221863	1/31/2024	1/31/2025	County Judge - Rodger McLane	100,000	600
Safeco Ins.	999080132	1/1/2021	12/31/2024	Commissioner Precinct 1	3,000	325
	999080134	1/1/2021	12/31/2024		3,000	325
Safeco Ins.	32S596363	1/1/2023	1/1/2025	Commissioner Precinct 2	3,000	175
	32S596364	1/1/2023	1/1/2025		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	1/1/2023	1/1/2027	Commissioner Precinct 4	3,000	355
	32S161129	12/31/2022	12/31/2025		3,000	270
Safeco Ins.	32S519863	1/1/2023	1/1/2025	County Clerk	150,000	919
Safeco Ins.	32S171102	12/31/2022	12/31/2026	Deputy County Clerks	160,000	1,988
AMWins	MKLCPEO000042	1/14/2024	1/14/2025	County Clerk Errors & Omissions	500,000	1,073
Safeco Ins.	999227946	1/1/2023	1/1/2027	County Court at Law Judge	100,000	729
Safeco Ins.	32S598000	1/1/2023	1/1/2027	District Clerk - Bond	100,000	1,139
AMWins	MKLCPEO000043	1/14/2024	1/14/2025	District Clerk Errors & Omissions	500,000	850
Travelers	6608010A867TCT	8/27/2024	8/27/2025	Crime - Money & Securities - District Clerk	20,000	264
Safeco Ins.	999227925	1/1/2023	1/1/2027	Justice of the Peace Pct. 1&4	5,000	325
Safeco Ins.	32S531960	12/31/2022	12/31/2024	Justice of the Peace Pct. 2&3	5,000	175
Safeco Ins.	999067433	9/11/2024	9/11/2025	Elections Administrator	1,000	100
Safeco Ins.	32S577699	8/31/2024	8/31/2026	Auditor	5,000	175
	999026518	8/31/2024	8/31/2026	Assistant Auditor	5,000	200
	999156179	8/31/2024	8/31/2026	Assistant Auditor	5,000	200
	999151146	8/31/2024	8/31/2026	Assistant Auditor	5,000	200
Safeco Ins.	32S454765	1/1/2023	1/1/2027	County Treasurer	1,000	325
Safeco Ins.	32S429390	3/15/2024	3/15/2025	Assistant Treasurer/Chief Deputy	25,000	125
	32S434402	5/5/2024	5/5/2025	Deputy Treasurer	25,000	125

TABLE 17 (cont.)

PANOLA COUNTY, TEXAS  
SCHEDULE OF INSURANCE IN FORCE  
DECEMBER 31, 2024  
(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	1/1/2024	1/1/2025	Tax Assessor/Collector (Deputies) Crime Bond	35,000	176
Safeco Ins.	999322873	4/12/2024	5/1/2026	Fire Marshall	5,000	179
Safeco Ins.	999220346	11/22/2024	12/31/2028	Sheriff	30,000	411
Safeco Ins.		2/25/2024	12/30/2025	Reserve Deputies - Eight @ 2,000	16,000	800
Safeco Ins.	999176661	5/1/2024	5/1/2025	Constable Precinct 1 & 4	1,500	100
Safeco Ins.	999220259	11/23/2024	11/23/2025	Reserve Constable Deputy Pct. 1 & 4	2,000	100
	32S608840	4/1/2024	4/1/2025	Reserve Constable Deputy Pct. 1 & 4	2,000	100
	32S388262	1/1/2024	1/1/2025	Reserve Constable Deputy Pct. 1 & 4	2,000	100
	999306035	1/30/2024	1/30/2025	Reserve Constable Deputy Pct. 1 & 4	2,000	100
Safeco Ins.	999234590	2/3/2023	12/31/2024	Constable Precinct 2 & 3	1,000	168
Safeco Ins.	999302029	12/21/2024	12/21/2025	Reserve Constable Deputy Pct. 2 & 3	2,000	100
	32S160071	12/31/2024	12/31/2025	Reserve Constable Deputy Pct. 2 & 3	2,000	100
	999276036	7/24/2024	7/24/2025	Reserve Constable Deputy Pct. 2 & 3	2,000	100
The Travelers	I660287X6078TIL24	12/30/2024	12/30/2025	123rd Judicial District Adult Probation	10,000	250
The Travelers	I660226X9543TIL24	12/30/2024	12/30/2025	123rd Judicial District Juvenile Probation	10,000	250
Safeco Ins.	32S171012	1/1/2023	1/1/2027	County Surveyor	1,000	355
Safeco Ins.	32S171038	1/1/2023	1/1/2027	Criminal District Attorney	5,000	355
Safeco Ins.	999227968	1/1/2024	1/1/2025	Asst. District Attorney	5,000	100
Safeco Ins.	32S560840	4/1/2024	4/1/2025	Special Prosecutor	2,500	100
	32S560854	4/1/2024	4/1/2025	Special Prosecutor	2,500	100
	32S560858	4/1/2024	4/1/2025	Special Prosecutor	2,500	100
	32S560867	4/1/2024	4/1/2025	Special Prosecutor	2,500	100
	999033575	12/23/2024	12/23/2025	Special Prosecutor	2,500	100
	999363159	11/12/2024	11/12/2025	Special Prosecutor	2,500	100
	999139517	10/22/2024	10/22/2025	Special Prosecutor	2,500	100
Safeco Ins.	32S171051	12/31/2022	12/31/2026	Public Official Schedule	100,000	1,244
Western Surety		3/9/2020	6/3/2028	Notary Bonds- Seventeen		1,207





**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, 2024, 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 6, 2025.

***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 6, 2025

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

To Honorable Commissioners' Court of Panola County  
Carthage, Texas

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Panola County, Texas' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Panola County, Texas' major federal programs for the year ended December 31, 2024. 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 programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal 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 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 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 6, 2025



**PANOLA COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>Federal Grantor/Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Grantor or Pass-through Grantor's Number</b>	<b>Program Expenditures</b>
<b>U. S. DEPARTMENT OF TREASURY</b>			
Direct Programs:			
Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>\$ 1,536,445</u>
<b>TOTAL U. S. DEPARTMENT OF TREASURY</b>			<u>1,536,445</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
County Debris Removal	97.036	4781PATXP0000001	<u>133,196</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>133,196</u>
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Texas Department of Family and Protective Services:			
Foster Care Title IV-E	93.658	HHS000285000011	<u>4,131</u>
<b>TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>4,131</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 1,673,772</u></u>

See Notes to Schedule on following page.

**PANOLA COUNTY, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**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, 2024 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, 2024**

**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:                      \$1,000,000

Auditee qualified as low-risk auditee:                        X   Yes      \_\_\_\_\_ No



**PANOLA COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2024**

**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, 2024**

No prior year audit findings.