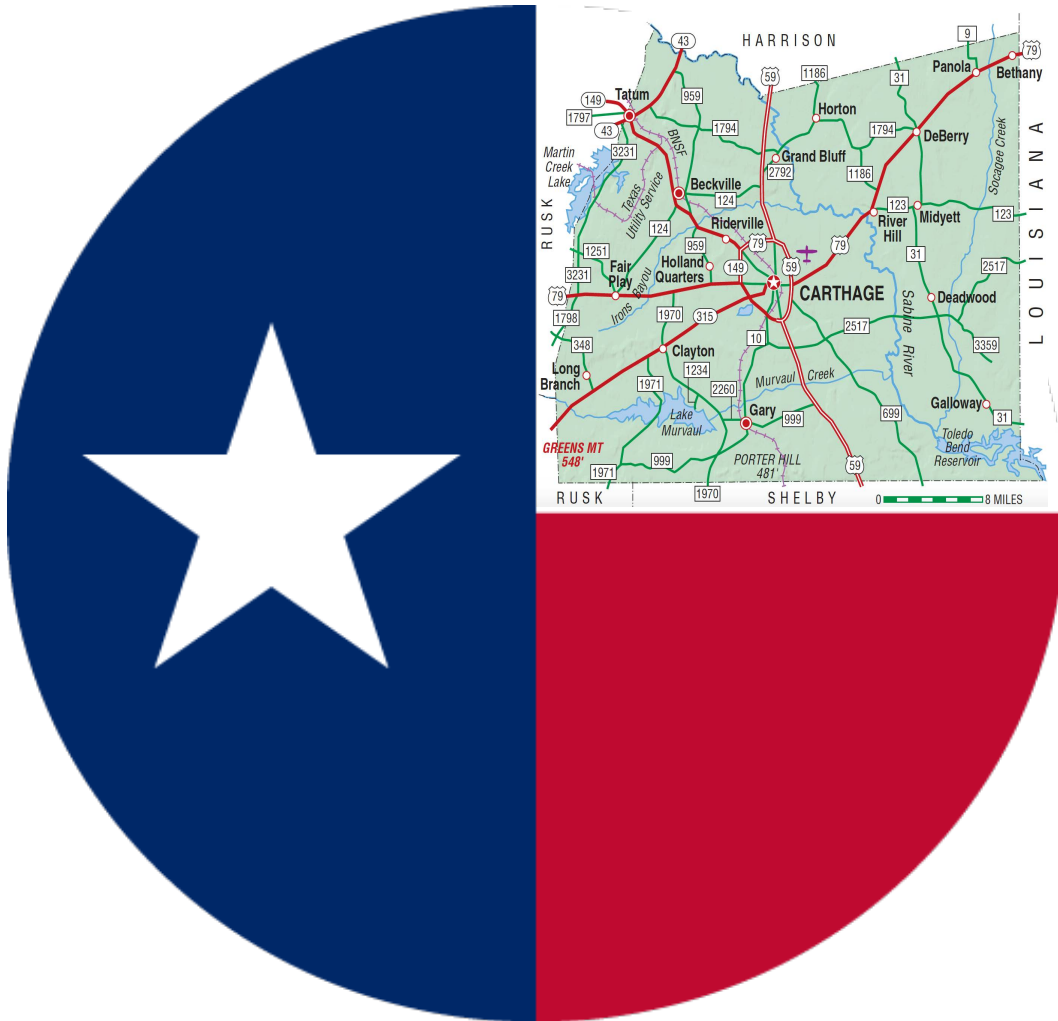


PANOLA COUNTY, TEXAS
AUDITOR'S 2023
ANNUAL COMPREHENSIVE
FINANCIAL REPORT



FISCAL YEAR ENDED
DECEMBER 31, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

PANOLA COUNTY, TEXAS

FOR THE YEAR ENDED DECEMBER 31, 2023

Prepared by:

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

**PANOLA COUNTY, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INTRODUCTORY SECTION





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

June 18, 2024

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, 2023. 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, 2023 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, 2023, 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 22,675.

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 2023 Panola County was able to reduce the tax rate by \$.11 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 2023.
5. American Rescue Plan Act contributed to new projects in 2023.

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 2023 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 2023. 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

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, 2022.

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

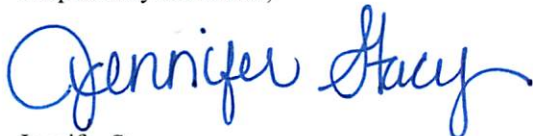
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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, 2022

Christopher P. Morill

Executive Director/CEO

**PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2023**

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
Kassi Cuff, Court Reporter

COUNTY AUDITOR:

Jennifer Stacy

ASSISTANT COUNTY AUDITORS:

Robyn Klysen, 1st Assistant Auditor
Christina Chatman, Grant Auditor
Janet Barnett, Accounts Payable Auditor

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, 2023**

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

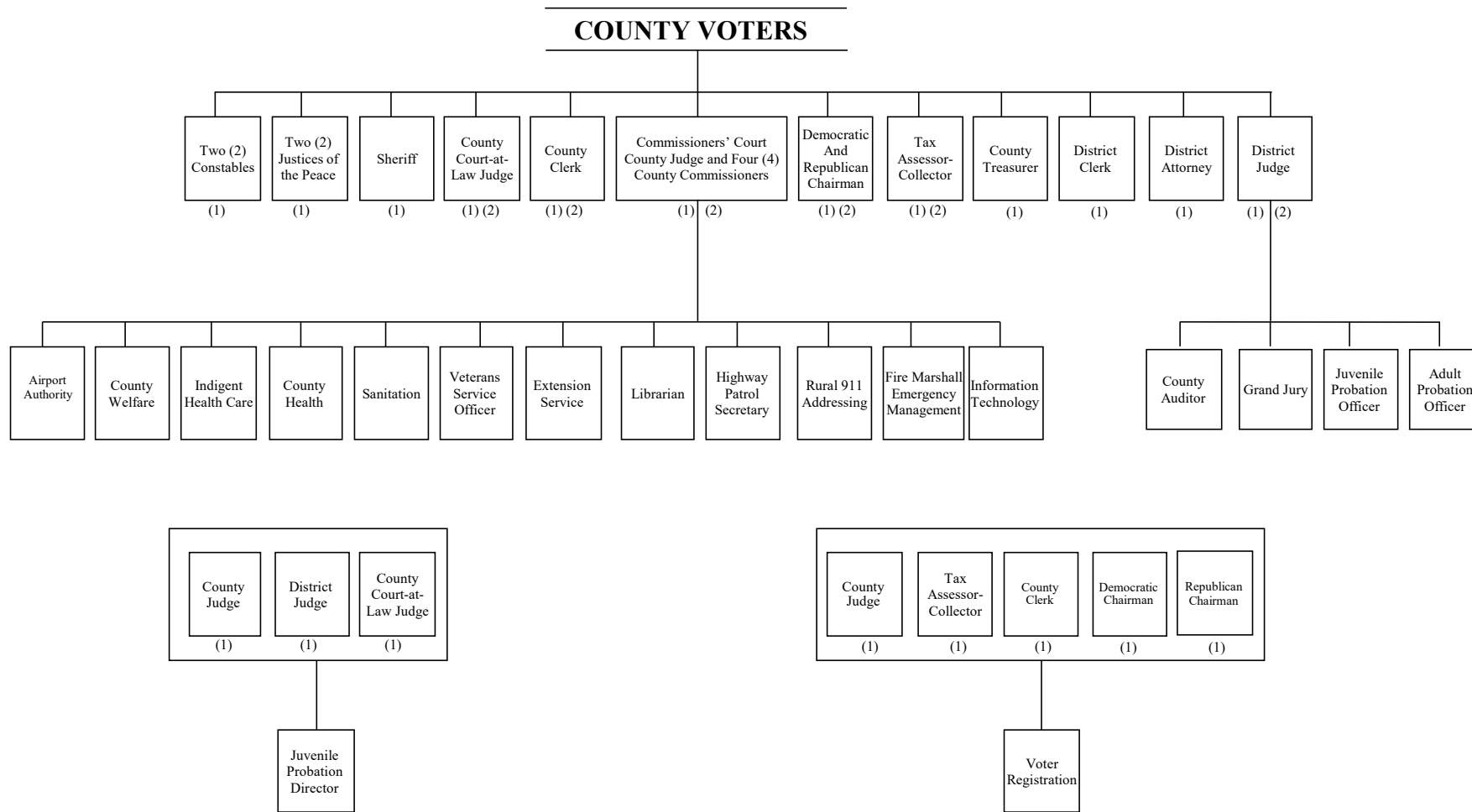
ELECTIONS ADMINISTRATOR:

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, 2023, 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, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2024, 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 7, 2024



**PANOLA COUNTY, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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, 2023. 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

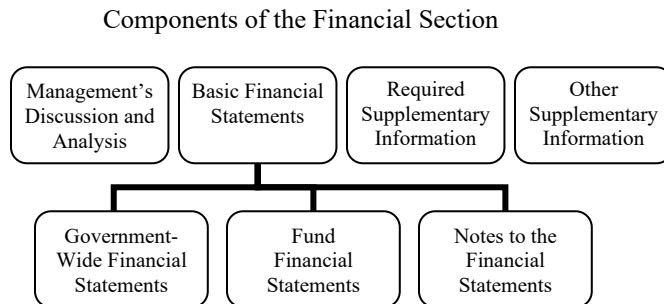
- The assets and deferred outflows of resources of Panola County, Texas exceeded its liabilities and deferred inflows of resources at December 31, 2023 by \$68,327,870 (net position). Of this amount, \$21,177,389 (unrestricted net position) may be used to meet the County’s ongoing obligations to citizens and creditors.
- The County’s change in net position was an increase of \$9,849,181.
- At December 31, 2023, the County’s governmental funds reported combined ending fund balances of \$45,405,932, an increase of \$4,815,991 over the prior year. Of this amount, \$12,694 is nonspendable, \$19,792,034 is restricted, \$569,355 is committed, and \$25,031,849 is unassigned. Unassigned fund balance is available for spending at the County’s discretion.
- At December 31, 2023, unassigned fund balance for the general fund was \$25,031,849, or 131.1% of total general fund expenditures.
- The County issued no new debt during the year ended December 31, 2023.

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, 2023

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, 2023

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 25 – 52 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 \$181,150 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 \$1,526,112 of Federal funds, primarily related to the Coronavirus State and Local Recovery Funds, in excess of \$750,000 during the year ended December 31, 2023. 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, 2023 and December 31, 2022 are summarized and analyzed on the following page.

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$68,327,870 as of December 31, 2023, and by \$58,478,689 as of December 31, 2022, an overall increase in net position of \$9,849,181. The increase in net position was primarily the result of the decrease in Deferred Inflows of Resources. As of December 31, 2023, the County's total assets were \$108,445,752. 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 40.02% of total net position.

An amount of \$21,177,389 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, 2023**

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

	2023	2022
Current and Other Assets	\$ 78,133,515	\$ 72,913,870
Net Pension Asset	-	6,324,317
Net OPEB Asset	2,074,105	3,388,958
Capital Assets	28,238,132	26,314,179
Total Assets	<u>108,445,752</u>	<u>108,941,324</u>
 Total Deferred Outflows of Resources	 <u>11,299,019</u>	 <u>7,611,562</u>
 Net Pension Liability	 5,536,996	 -
Net OPEB Liabilities	593,183	740,499
Long-Term Liabilities Outstanding	1,159,355	1,461,364
Unearned Revenue	1,567,876	3,185,738
Other Liabilities	1,511,626	801,168
Total Liabilities	<u>10,369,036</u>	<u>6,188,769</u>
 Total Deferred Inflows of Resources	 <u>41,047,865</u>	 <u>51,885,428</u>
 Net Position:		
Net Position, Investment in Capital Assets	27,345,754	25,094,155
Restricted	19,804,727	18,079,339
Unrestricted	21,177,389	15,305,195
Total Net Position	<u>\$ 68,327,870</u>	<u>\$ 58,478,689</u>

The change in net position for the County's activities for the year was an increase of \$9,849,181. Total revenues for Panola County were \$35,375,466 and \$30,977,263 in 2023 and 2022, respectively. Total expenses were \$25,526,285 and \$22,975,552 in 2023 and 2022, 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 decrease of 2% or \$111,456. Charges for services increased by \$34,077. Operating grants and contributions decreased by \$474,705. Capital grants and contributions increased \$329,172.
- 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 \$3,007,212, primarily due to an increase in new construction, and an overall increase in assessed values. Other revenues increased by \$1,502,477 principally due to an increase in interest income.

**PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

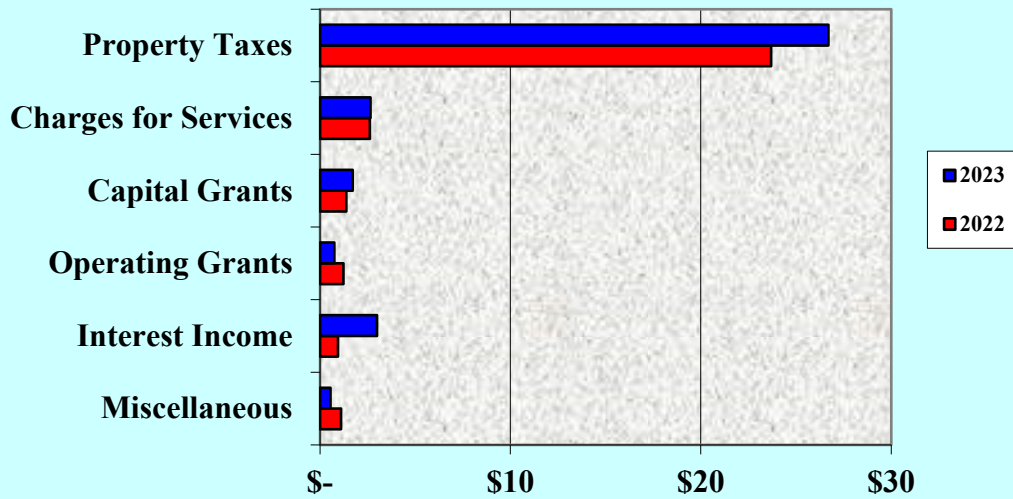
- Public safety, public transportation, and general administration are the three largest programs, in terms of expenses. These three activities accounted for 79.18% of total expenses.
- Public transportation expenses increased \$1,224,880, due to the road maintenance that is required to maintain the County road system.

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

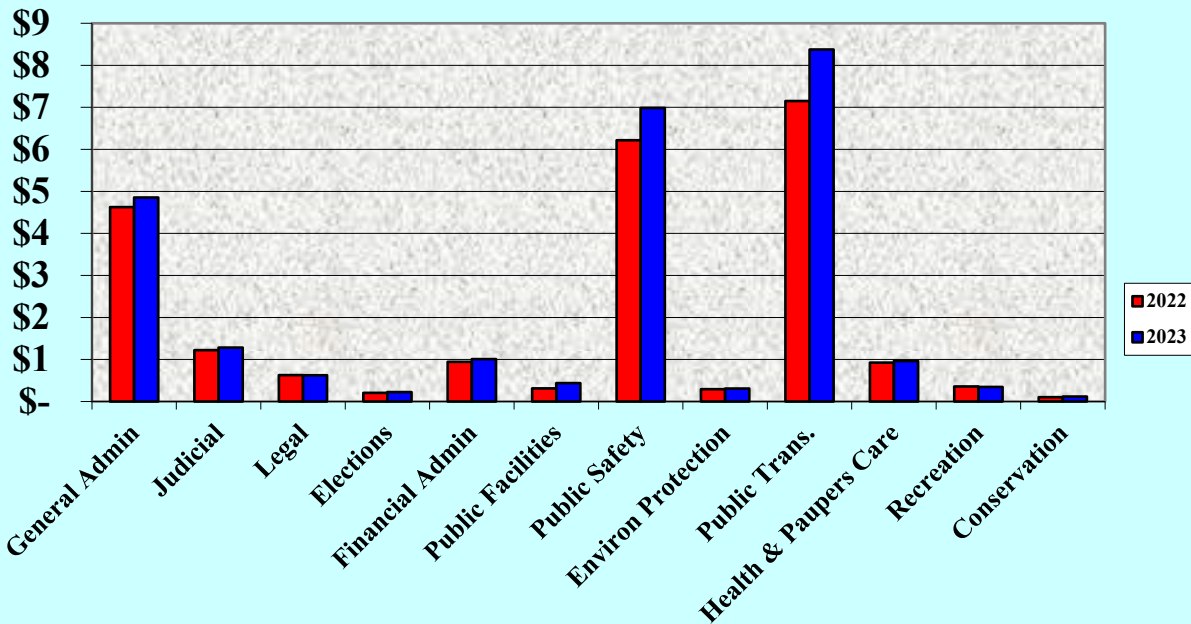
	2023	2022
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,652,562	\$ 2,618,485
Operating Grants and Contributions	755,621	1,230,326
Capital Grants and Contributions	1,715,142	1,385,970
General Revenues:		
Property Taxes	26,699,981	23,692,769
Other	3,552,160	2,049,713
Total Revenues	35,375,466	30,977,263
Expenses:		
General administration	\$ 4,853,353	\$ 4,624,122
Judicial	1,284,368	1,221,702
Legal	622,350	628,235
Elections	226,175	203,709
Financial administration	1,008,021	943,309
Public facilities	436,392	313,614
Public safety	6,983,898	6,216,686
Environmental protection	309,957	291,329
Public transportation	8,373,894	7,149,014
Health & paupers care	963,865	924,692
Recreation	345,421	358,270
Conservation	118,591	100,870
	25,526,285	22,975,552
Increase in Net Position	9,849,181	8,001,711
Net Position - Beginning	58,478,689	46,843,012
Prior Period Adjustment	-	3,633,966
Net Position - Beginning, as restated	58,478,689	50,476,978
Net Position - Ending	\$ 68,327,870	\$ 58,478,689

PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

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, 2023**

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.

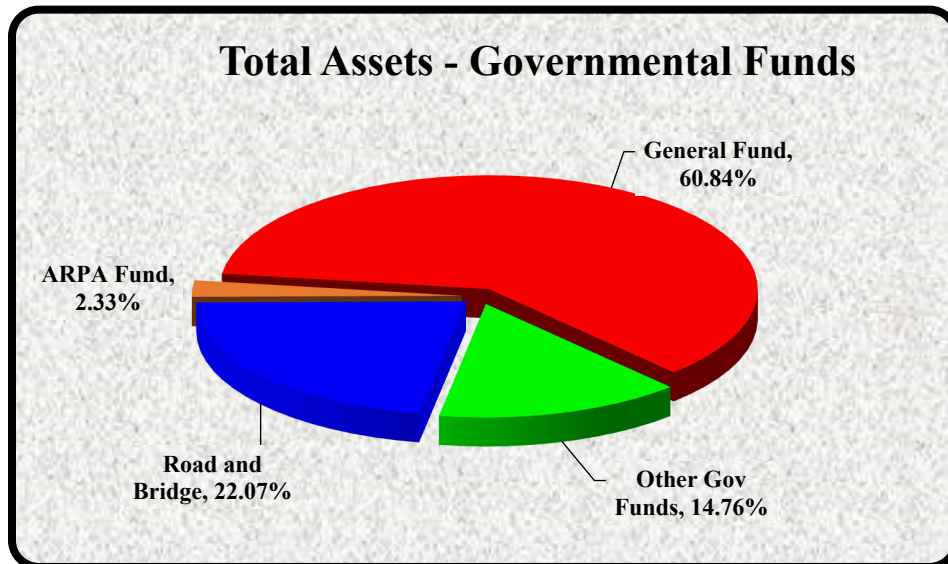
As of December 31, 2023, the County's governmental funds reported combined ending fund balances of \$45,405,932, an increase of \$4,815,988 over the prior year, due primarily to property tax revenues being higher than anticipated. Approximately 55.13% of this amount, \$25,031,849 constitutes unassigned 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, 2023, 100% of the General Fund's total fund balance, or \$25,031,849 is unassigned. Total fund balance for the General Fund increased by \$3,236,753, or 14.87% 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 \$3,428,869. 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 131.47% of total General Fund expenditures.

General Fund revenues exceeded budgeted amounts by approximately \$2,634,376, and actual expenditures were \$794,493 below budgeted expenditures.

Fund balance in the Road and Bridge Fund increased by \$809,547, due mainly to property tax collections in excess of the amounts anticipated.

As shown below, as of December 31, 2023 total assets in the General Fund amounted to \$47,539,241, accounting for 60.84% of total governmental fund assets. The Road and Bridge and American Rescue Plan special revenue funds, the County's other major funds' total asset amount is \$19,059,269. Together, these major funds account for 85.24% of total governmental fund assets.



PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to a net increase in appropriations of \$1,123,279. Significant among the amendments were:

- Judicial – Increased appropriations of \$150,198 for equipment upgrade in both District Court and County Court at Law Courtrooms.
- Public Facilities –Increased appropriations for new annex building, to provide security doors, security cameras, and ADA ramp and rail, for \$144,400
- Public Safety – Increased appropriations of \$41,198 as a result insurance proceeds from Sheriff department units.
- Health & Paupers Care – Increased appropriations of \$331,100 due to an increase in autopsies and an increase in attorney fees for a capital murder trial and CPS cases.
- Capital Outlay– Increased appropriations for additional capital outlay of \$215,587.
- General Administration – Increased appropriations for County Clerk Conversion to new recorder software, \$50,050.

General Fund revenues exceeded the final budget by \$2,634,376. The majority of this increase was attributable to property taxes exceeding the final budget by \$1,462,106 and interest earnings exceeding the budget by \$966,379.

General Fund final budgeted expenditures were \$19,833,761 actual expenditures were \$19,039,268. The remaining budget was \$794,493. Only 4% of the General Fund budget was unused. Below are the categories that had remaining budgets greater than \$100,000.

- Expenditures for General Administration were \$215,837 less than final budgeted amounts due to a position vacancy, new recorder software that began but was not implemented, and lower cost of indexing in the County Clerk's office.
- Expenditures for Public Safety activities were \$205,209 less than final budgeted amounts partially due to anticipated cost in the Jail that did not materialize.
- Expenditures for Health and Paupers Care were \$145,343 below budgeted amounts due to lower expenditures needed for indigent health care.
- Expenditures for Legal expenditures were \$150,647 less than final budgeted amounts due to lower than expected expenditures for professional services, and witness expense.
- Expenditures for Judicial were \$139,021 less than final budget amounts due to less juror expense, less law books purchased and less professional service expense for the Justice of the Peace offices.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2023, amounts to \$28,238,132 (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 \$2,324,001, for the current year was \$1,923,950.

This year's additions totaled \$4,467,216. Included in the additions were various purchases of buildings, construction, infrastructure, machinery and equipment.

Capital assets as of December 31, 2023 and 2022 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, 2023**

**Capital Assets
As of December 31**

	2023	2022
Land	\$ 2,104,362	\$ 2,032,362
Construction in Progress	21,274	30,000
Buildings	22,537,487	21,537,680
Improvements other than buildings	328,503	328,503
Machinery and equipment	15,718,602	14,111,227
Infrastructure	16,673,850	16,099,649
Right-of-use asset - leases	99,617	65,329
Right-of-use asset - SBITAs	1,397,790	1,173,720
Total Capital Assets	58,881,485	55,378,470
Less: Accumulated Depreciation	<u>(30,643,272)</u>	<u>(29,064,291)</u>
Total Capital Assets	<u>\$ 28,238,213</u>	<u>\$ 26,314,179</u>

Long-Term Debt

As of December 31, 2023, 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, J 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 2023

- FY2023 total property assessed value increased 37.86% from the prior year. FY2022 had an increase in assessed value of 13.36%.
- Property tax receipts for FY2023 increased to \$26.67 million compared to \$23.56 million for FY2022.
- The County has consistently maintained an ad valorem tax collection rate over 94% for the last several years. In the current year the collection rate was 98.75%.
- The percentage increase in medical insurance premiums for employees was 2.79% for FY 2023 (FY 2022 was a 1.9% increase).

PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

- Fluctuating energy costs have affected the price of fuel and road surfacing materials.
- Property and liability insurance costs decreased 40% for FY 2023 compared to an increase of 6.7% for FY 2022. Panola County is now insured by Texas Association of Counties Risk Management Pool.

Original budgeted revenues for FY 2023 are \$27.7 million, an increase of 6% over original budgeted revenues of \$26.10 million for FY 2022. Property taxes account for the bulk of the revenues, as approximately 75% of the total budgeted revenues for the General Fund are related to property taxes.

The tax rate for the new fiscal year was set at \$0.39335/\$100. The continued natural gas production value allows the County to maintain a relatively low tax rate for the maintenance and operations budget.

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

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

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS



**PANOLA COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

EXHIBIT 1

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 26,811,638
Investments	36,967,227
Receivables (net of allowance for doubtful accounts)	
Property taxes	12,189,276
Miscellaneous	2,142,230
Inventory	12,694
Net OPEB asset	2,074,105
Other Assets	10,450
Capital assets (net of accumulated depreciation):	
Land	2,104,362
Construction in progress	21,274
Buildings	13,823,195
Improvements	226,999
Machinery and equipment	5,350,177
Infrastructure	5,743,614
Right of use assets - leases	56,222
Right of use assets - SBITAs	912,289
Total Assets	108,445,752
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	7,939,710
Deferred charge on OPEB Health Plan	3,249,889
Deferred charge on OPEB Supplemental Death Benefit	109,420
Total Deferred Outflows of Resources	11,299,019
LIABILITIES	
Accounts Payable	1,511,626
Unearned revenue - grants	1,567,876
Long-term debt:	
Portion due or payable within one year:	
Compensated absences	16,019
Lease liabilities	22,078
SBITA liabilities	253,263
Portion due or payable after one year:	
Compensated absences	250,958
Other post employment benefit liability	593,183
Net pension liability	5,536,996
Lease liabilities	35,567
SBITA liabilities	581,470
Total Liabilities	10,369,036
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue - Advance Tax Collections	12,900,205
Unavailable Revenue	15,535,583
Deferred charge on TCDRS pension	525,451
Deferred charge on OPEB Health Plan	11,939,921
Deferred charge on OPEB Supplemental Death Benefit	146,705
Total Deferred Inflows of Resources	41,047,865
NET POSITION	
Net investment in capital assets	27,345,754
Restricted for:	
Road & Bridge maintenance	12,075,711
Law Library	102,424
Juvenile Delinquency Prevention	174
Courthouse Security	265,954
Records Management & Preservation	1,294,050
Court Technology	151,707
VIT Interest	5,061
Elections	33,036
Adult Probation	68,703
Juvenile Probation	646,121
Law Enforcement	91,389
District Attorney	174,022
American Rescue Plan	157,603
Child Protective Services	148,621
Health	4,129,650
Airport	460,501
Unrestricted	21,177,389
Total Net Position	\$ 68,327,870

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, 2023**

Functions/Programs	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
Primary Government:					
Governmental activities:					
General administration	\$ 4,853,353	\$ 446,766	\$ -	\$ -	\$ (4,406,587)
Judicial	1,284,368	572,276	109,200	-	(602,892)
Legal	622,350	17,150	34,964	29,782	(540,454)
Elections	226,175	5,903	4,662	-	(215,610)
Financial administration	1,008,021	981,024	-	-	(26,997)
Public facilities	436,392	-	-	-	(436,392)
Public safety	6,983,898	249,870	490,815	36,066	(6,207,147)
Environmental protection	309,957	-	-	-	(309,957)
Public transportation	8,373,894	202,497	73,302	1,649,294	(6,448,801)
Health & paupers care	963,865	120	42,678	-	(921,067)
Recreation	345,421	176,956	-	-	(168,465)
Conservation	118,591	-	-	-	(118,591)
Total primary government	<u>\$ 25,526,285</u>	<u>\$ 2,652,562</u>	<u>\$ 755,621</u>	<u>\$ 1,715,142</u>	<u>\$ (20,402,960)</u>
General revenues:					
Property taxes					\$ 26,699,981
Miscellaneous					553,672
Interest earned					2,998,488
Total general revenues					<u>30,252,141</u>
Change in net position					9,849,181
Net position - beginning of year					<u>58,478,689</u>
Net position - end of year					<u>\$ 68,327,870</u>

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

**PANOLA COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	AMERICAN RESCUE PLAN SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 12,702,657	\$ 6,166,059	\$ 1,817,550	6,125,372	\$ 26,811,638
Investments	24,565,221	7,413,122	-	4,988,884	36,967,227
Receivables :					
Current taxes	8,532,287	3,011,006	-	300,177	11,843,470
Delinquent taxes	849,805	344,535	-	33,265	1,227,605
Allowance for uncollectible taxes	(661,170)	(197,632)	-	(22,997)	(881,799)
Miscellaneous	1,539,991	504,629	-	97,610	2,142,230
Inventory	-	-	-	12,694	12,694
Other assets	10,450	-	-	-	10,450
Total Assets	<u>\$ 47,539,241</u>	<u>\$ 17,241,719</u>	<u>\$ 1,817,550</u>	<u>\$ 11,535,005</u>	<u>\$ 78,133,515</u>
LIABILITIES					
Accounts payable and accrued liabilities	1,144,209	209,683	123,502	34,232	1,511,626
Unearned revenue - grants	6,098	-	1,536,445	25,333	1,567,876
Total Liabilities	<u>\$ 1,150,307</u>	<u>\$ 209,683</u>	<u>\$ 1,659,947</u>	<u>\$ 59,565</u>	<u>\$ 3,079,502</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	12,093,401	4,231,985	-	422,490	16,747,876
Deferred revenue - advanced tax collections	9,263,684	3,324,645	-	311,876	12,900,205
Total Deferred Inflows of Resources	<u>21,357,085</u>	<u>7,556,630</u>	<u>-</u>	<u>734,366</u>	<u>29,648,081</u>
FUND BALANCES					
Nonspendable	-	-	-	12,694	12,694
Restricted	-	9,475,406	157,603	10,159,025	19,792,034
Committed	-	-	-	569,355	569,355
Unassigned	25,031,849	-	-	-	25,031,849
Total Fund Balances	<u>25,031,849</u>	<u>9,475,406</u>	<u>157,603</u>	<u>10,741,074</u>	<u>45,405,932</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 47,539,241</u>	<u>\$ 17,241,719</u>	<u>\$ 1,817,550</u>	<u>\$ 11,535,005</u>	<u>\$ 78,133,515</u>

EXHIBIT 4

PANOLA COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION (EXHIBIT 1)
 DECEMBER 31, 2023

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

Total fund balances governmental funds (Exhibit 3)	\$ 45,405,932
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	28,238,132
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.	(6,615,927)
Net OPEB Liability - Supplemental death benefits and related deferred out flows and inflows of resources are not reported in the funds.	(630,468)
Net Delinquent Property Taxes Receivable is a "long-term asset" and not available to pay for current period expenditures and therefore is deferred in the funds.	1,212,293
The Net Pension Liability and related deferred outflows and deferred inflows of resources are not reported in the funds.	1,877,263
Long-term liabilities (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds.	(266,977)
Long-term liabilities (Lease liabilities) are not due and payable in the current period and therefore are not reported in the funds	(57,645)
Long-term liabilities (SBITA liabilities) are not due and payable in the current period and therefore are not reported in the funds	<u>(834,733)</u>
Net position of governmental activities	<u><u>68,327,870</u></u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	AMERICAN RESCUE PLAN SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 18,456,945	\$ 7,536,283	\$ -	\$ 676,631	\$ 26,669,859
Licenses	-	360,025	-	-	360,025
Intergovernmental Receipts	665,650	85,704	1,649,294	434,851	2,835,499
Fees of Office	978,499	-	-	418,132	1,396,631
Fines	-	310,263	-	2,169	312,432
Miscellaneous	2,226,529	1,116,456	102,125	668,324	4,113,434
Total revenues	22,327,623	9,408,731	1,751,419	2,200,107	35,687,880
EXPENDITURES					
Current:					
General Administration	4,795,653	-	-	121,775	4,917,428
Judicial	1,629,454	-	-	-	1,629,454
Legal	578,512	-	-	43,838	622,350
Elections	216,425	-	-	-	216,425
Financial Administration	1,227,045	-	-	-	1,227,045
Public Facilities	443,433	-	-	-	443,433
Public Safety	7,515,819	-	-	649,524	8,165,343
Environmental Protection	301,634	-	-	-	301,634
Public Transportation	-	6,779,101	-	643,088	7,422,189
Health and Paupers Care	824,386	-	10,500	61,343	896,229
Recreation	403,445	-	-	-	403,445
Conservation	129,908	-	-	-	129,908
Capital Outlay	1,028,433	1,820,083	1,765,082	141,685	4,755,283
Total expenditures	19,094,147	8,599,184	1,775,582	1,661,253	31,130,166
Excess (deficiency) of revenues over (under) expenditures	3,233,476	809,547	(24,163)	538,854	4,557,714
OTHER FINANCING SOURCES (USES)					
Issuance of leases	34,288	-	-	-	34,288
Issuance of SBITAs	223,989	-	-	-	223,989
Transfers in	-	-	-	255,000	255,000
Transfers (out)	(255,000)	-	-	-	(255,000)
Total other financing sources (uses)	3,277	-	-	255,000	258,277
Net change in fund balances	3,236,753	809,547	(24,163)	793,854	4,815,991
Fund balances - beginning of year	21,795,096	8,665,859	181,766	9,947,220	40,589,941
Fund balances - end of year	\$ 25,031,849	\$ 9,475,406	\$ 157,603	\$ 10,741,074	\$ 45,405,932

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, 2023**

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

Net change in fund balances - total governmental funds	\$	4,815,991
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)		1,923,950
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		(25,637)
Delinquent property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.		30,122
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		(11,340)
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		338,987
OPEB expense relating to GASB 75 is recorded in the statement of activities but not in the funds.		441,354
Pension expense relating to GASB 68 is recorded in the statement of activities but not in the funds.		<u>2,335,754</u>
Change in net position of governmental activities		<u><u>9,849,181</u></u>

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

PANOLA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Pension (and Other Employee Benefit) Trust Fund	Custodial Funds
	<hr/>	<hr/>
ASSETS		
Cash and cash equivalents	16,665,566	\$ 9,616,860
Certificates of deposit	23,000,000	351,596
Interest receivable	140,167	-
Total Assets	<hr/>	<hr/>
	\$ 39,805,733	\$ 9,968,456
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Accounts payable	7,323	\$ -
Due to other governments	-	7,064,107
Due to others	-	2,720,445
Total Liabilities	<hr/>	<hr/>
	7,323	9,784,552
	<hr/> <hr/>	<hr/> <hr/>
NET POSITION		
Restricted for:		
Post employment benefits other than pensions	39,798,410	-
Individuals and organizations	-	183,904
Total net position	<hr/>	<hr/>
	\$ 39,798,410	\$ 183,904
	<hr/> <hr/>	<hr/> <hr/>

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

**PANOLA COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Pension (and Other Employee Benefit) Trust Fund	Custodial Funds
	<hr/>	<hr/>
ADDITIONS		
Contributions:		
Reimbursements- Medicare Part D	\$ 30,641	\$ -
Employer contributions	2,389,737	-
Tax collected for other governments	-	104,381,706
Held for others	-	2,350,734
	<hr/> 2,420,378 <hr/>	<hr/> 106,732,440 <hr/>
Investment earnings:		
Interest	1,733,311	198,312
Total investment earnings	<hr/> 1,733,311 <hr/>	<hr/> 198,312 <hr/>
Total additions	<hr/> 4,153,689 <hr/>	<hr/> 106,930,752 <hr/>
DEDUCTIONS		
Retiree mdical insurance premiums	1,674,639	-
Payments to other governments	-	104,572,357
Payments to others	-	2,305,979
Administrative expenses	-	551
Total deductions	<hr/> 1,674,639 <hr/>	<hr/> 106,878,887 <hr/>
Net increase in fiduciary net position	2,479,050	51,865
Net position - beginning of the year	37,319,360	132,039
Total net position	<hr/> \$ 39,798,410 <hr/>	<hr/> \$ 183,904 <hr/>

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

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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, 2023**

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, 2023, there were no funds in which expenditures exceeded appropriations.

3. Receivables and Payables

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

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

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

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

4. Inventories

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

The inventory amount of \$12,694 in the Airport Special Revenue Fund consists of jet fuel held for consumption stated at cost on a first-in, first-out basis. Reported inventories are offset by non-spendable fund balance, which indicates that they are "not in spendable form" even though they are a component of net current assets. The costs of jet fuel inventories are reported as expenditures/expenses when consumed rather than when purchased.

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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, 2023, long-term debt outstanding consists of compensatory time payable, net pension liability, and net OPEB liability.

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

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

9. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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, 2023

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. 96, Subscription Based Information Technology Arrangements (“GASB 96”), provides guidance for subscription-based information technology arrangements (“SBITAs”). SBITAs are contracts that convey control of the right to use a SBITA vendor’s IT software as specified in the contract for a period of time in exchange transactions. The statement requires the reporting of liabilities related to information technology arrangements that were previously not reported, and for subscribers to report liabilities under a single model. In addition, the statement requires enhanced disclosures related to the timing, significance, and purpose of a government’s information technology arrangements. The County adopted this guidance as of January 1, 2023.

There were no material cumulative effect adjustments recorded to net position upon adoption. For information technology subscriptions, right-of-use assets and liabilities were recognized on the commencement date of the subscription based on the present value of subscription payments over the subscription term. At inception of the year of adoption, the County recognized right-of-use assets of \$1,173,720 with a corresponding SBITA liability of \$1,173,720. As of December 31, 2023, the following amounts are reported: SBITA liabilities in the amount of \$253,263 and \$581,470 included in current and long-term liabilities, respectively.

G. Future Implementation of 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 will be effective for the County for the fiscal year ending December 31, 2024.

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 will be effective for the County for the fiscal year ending December 31, 2024.

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, 2023**

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 \$1,923,950 difference are as follows:

Capital outlay	\$ 4,590,490
Disposal of capital assets	(342,539)
Depreciation expense	<u>(2,324,001)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,923,950</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 2023 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, 2023, 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, 2023**

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, 2023 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	\$ 8,532,287	\$ 3,011,006	\$ 300,177	\$ 11,843,470
Delinquent Property Taxes	849,805	344,535	33,265	1,227,605
Miscellaneous	<u>1,539,991</u>	<u>504,629</u>	<u>97,610</u>	<u>2,142,230</u>
Total Gross Receivables	\$ 10,922,083	\$ 3,860,170	\$ 431,052	\$ 15,213,305
Less: Allowance for Uncollectible Taxes	<u>(661,170)</u>	<u>(197,632)</u>	<u>(22,997)</u>	<u>(881,799)</u>
Net Total Receivables	<u>\$ 10,260,913</u>	<u>\$ 3,662,538</u>	<u>\$ 408,055</u>	<u>\$ 14,331,506</u>

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

D. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023
Capital Assets Not Being Depreciated:				
Land	\$ 2,032,362	\$ 72,000	\$ -	\$ 2,104,362
Construction in Progress	30,000	21,274	30,000	21,274
Total Capital Assets Not Being Depreciated	\$ 2,062,362	\$ 93,274	\$ 30,000	\$ 2,125,636
Capital Assets Being Depreciated:				
Buildings	\$ 21,537,680	\$ 1,138,239	\$ 138,432	\$ 22,537,487
Improvements other than Buildings	328,503	-	-	328,503
Machinery & Equipment	14,111,227	2,496,499	889,124	15,718,602
Infrastructure	16,099,649	574,201	-	16,673,850
Right-of-use asset - leases	65,329	34,288	-	99,617
Right-of-use asset - SBITAs	1,173,720	223,989	-	1,397,709
Total Capital Assets Being Depreciated and Amortized	\$ 53,316,108	\$ 4,467,216	\$ 1,027,556	\$ 56,755,768
Less Accumulated Depreciation and Amortization for:				
Buildings	\$ 8,358,086	\$ 423,731	\$ 67,525	\$ 8,714,292
Improvements other than Buildings	95,542	5,962	-	101,504
Machinery & Equipment	9,965,974	1,079,946	677,495	10,368,425
Infrastructure	10,624,881	305,355	-	10,930,236
Right-of-use asset - leases	19,808	23,587	-	43,395
Right-of-use asset - SBITAs	-	485,420	-	485,420
Total Accumulated Depreciation and Amortization	\$ 29,064,291	\$ 2,324,001	\$ 745,020	\$ 30,643,272
Total Capital Assets Being Depreciated and Amortized, Net	\$ 24,251,817	\$ 2,143,215	\$ 282,536	\$ 26,112,496
Governmental Activities Capital Assets, Net	\$ 26,314,179	\$ 2,236,489	\$ 312,536	\$ 28,238,132

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, 2023**

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	\$ 65,329	\$ 34,288	\$ -	\$ 99,617
Total Lease Assets	65,329	34,288	-	99,617
Less accumulated amortization for:				
Copy machines	(19,808)	(23,587)	-	(43,395)
Total accumulated amortization	(19,808)	(23,587)	-	(43,395)
Net Total Lease Assets	\$ 45,521	\$ 10,701	\$ -	\$ 56,222

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

General Administration	\$ 561,573
Judicial	73,551
Public Facilities	8,441
Public Safety	525,904
Environmental Protection	8,323
Public Transportation	995,596
Health & Paupers Care	67,636
Elections	36,964
Recreation	46,013
 Total Depreciation Expense	 \$ 2,324,001

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	\$ 12,093,401	\$ 4,231,985	\$ 422,490	\$ 16,747,876
Advanced Tax Collections	9,263,684	3,324,645	311,876	12,900,205
Total Deferred Revenue	\$ 21,357,085	\$ 7,556,630	\$ 734,366	\$ 29,648,081

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

F. Pension Plan

PLAN DESCRIPTION

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

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

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

PLAN MEMBERSHIP

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2022
Inactive employees or beneficiaries currently receiving benefits	182
Inactive employees entitled to but not yet receiving benefits	110
Active employees	179
	471

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 2022 and 2023. 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, 2023

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

ACTUARIAL ASSUMPTIONS

The Total Pension Liability in the December 31, 2022 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, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2021, except where required to be different by GASB 68.

LONG TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS’ investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10-year time horizon.

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 2023. The geometric real rate of return is net of inflation, assumed at 2.0%.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities - Developed	MSCI World Ex USA (net)	5.00%	4.95%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	S&P/LSTA Leverage Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLP)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%
		<u>100.00%</u>	

⁽¹⁾ Target asset allocation adopted at the March 2023 TCDRS Board meeting

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed 2.3% per Cliffwater's 2023 capital market assumptions

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

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

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

DISCOUNT RATE

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

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

The long-term rate of return on pension plan investments is 7.50%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on January 2023 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, 2023**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

CHANGES IN THE NET PENSION LIABILITY/ASSET

At December 31, 2022, the County reported a net pension liability of \$5,536,996. 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 12/31/21	\$ 82,705,014	\$ 89,029,331	\$ (6,324,317)
Changes for the year:			
Service cost	1,618,323	-	1,618,323
Interest	6,261,030	-	6,261,030
Change in benefit terms	-	-	-
Diff between expected/actual experience	1,956,796	-	1,956,796
Changes of assumptions	-	-	-
Contributions - employer	-	2,634,758	(2,634,758)
Contributions - employee	-	574,772	(574,772)
Net investment income	-	(5,155,450)	5,155,450
Benefit payments, including refunds of employee contributions	(3,955,142)	(3,955,142)	-
Administrative expenses	-	(48,668)	48,668
Other charges	-	(30,576)	30,576
Net changes	5,881,007	(5,980,306)	11,861,313
Balance at 12/31/22	<u>\$ 88,586,021</u>	<u>\$ 83,049,025</u>	<u>\$ 5,536,996</u>

The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and for the year then ended.

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

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

DISCOUNT RATE SENSITIVITY ANALYSIS

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

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Net pension liability/(asset)	<u>\$ 17,619,784</u>	<u>\$ 5,536,996</u>	<u>\$ (4,462,259)</u>

(Continued)

PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023 the County recognized pension expense of \$2,498,760.

At December 31, 2023, 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	\$ 2,438,149	\$ 72,012
Changes in actuarial assumptions	1,167,850	453,439
Difference between projected and actual investment earnings	1,614,736	-
Contributions made subsequent to measurement date	2,718,975	-
Total	\$ 7,939,710	\$ 525,451

County contributions subsequent to the measurement date of \$2,634,758 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, 2024. 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	
2023	\$ 841,222
2024	715,531
2025	760,350
2026	2,378,181
2027	-
Thereafter	-
	\$ 4,695,284

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, 2023, 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	\$ (2,074,105)	\$ 3,249,889	\$ 11,939,921	\$ 2,035,946
Supplemental Death Benefit	593,183	N/A	109,420	146,705	103,157
	\$ 593,183	\$ (2,074,105)	\$ 3,359,309	\$ 12,086,626	\$ 2,139,103

Detailed disclosures for each plan follow.

(Continued)

**PANOLA COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023**

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, 2023 the following employees were covered by the benefit terms:

	<u>12/31/2023</u>
Inactive employees currently receiving benefits	118
Active employees	174
	<u>292</u>

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023 actuarial valuation:

Valuation Date	December 31, 2023
Measurement Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Inflation	2.30%
Salary Increases Including Inflation	3.00%
Discount rate	4.00%
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, 2023

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

CHANGES IN THE NET OPEB LIABILITY

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a)-(b)
Balance at 12/31/20	\$ 33,927,432	\$ 37,319,360	\$ (3,391,928)
Changes for the year:			
Service cost	1,583,802	-	1,583,802
Interest	1,530,534	1,733,311	(202,777)
Change in benefit terms	-	-	-
Diff between expected/actual experience	-	-	-
Changes of assumptions	682,538	-	682,538
Contributions - employer	-	2,389,737	(2,389,737)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	(1,643,997)	1,643,997
Administrative expenses	-	-	-
Other charges	-	-	-
Net changes	3,796,874	2,479,051	1,317,823
Balance at 12/31/21	<u>\$ 37,724,306</u>	<u>\$ 39,798,411</u>	<u>\$ (2,074,105)</u>

The fiduciary net position of the Plan as a percent of total OPEB liability for the year ended December 31, 2023 is 94.8%.

SENSITIVITY ANALYSIS

The following presents the net OPEB liability of the County, calculated using the discount rate of 4.00%, 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 (3.00) or one percentage point higher (5.00) than the current rate.

	1% Decrease in Discount Rate (3.00%)	Discount Rate (4.00%)	1% Increase in Discount Rate (5.00%)
Net OPEB Liability (Asset)	<u>\$ (7,025,049)</u>	<u>\$ (2,074,105)</u>	<u>\$ 4,094,314</u>

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)	<u>\$ (7,641,979)</u>	<u>\$ (2,074,105)</u>	<u>\$ 5,811,756</u>

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, the County recognized OPEB expense of \$2,035,946.

The County’s Net OPEB Liability reported for the year ended December 31, 2023 was measured as of December 31, 2023, 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, 2023 were as follows:

Total OPEB Liability (Asset)	\$	37,724,306
Plan Fiduciary Net Position		39,798,411
Net OPEB Liability (Asset)	\$	(2,074,105)

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	3,249,889	11,939,921
Difference between projected and actual investment earnings	-	-
Total	\$ 3,249,889	\$ 11,939,921

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

	Year Ended September 30
2024	(1,078,393)
2025	(1,078,393)
2026	(1,078,393)
2027	(938,319)
2028	(986,612)
Thereafter	(3,529,921)
	\$ (8,690,032)

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, 2023**

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>		
	2022	2023
Employee	0.00%	0.00%
Employer	.50%	.50%
Fiscal year 2023 employer contributions		\$ 32,562
Fiscal year 2023 employee contributions		\$0

The County’s contributions to TCDRS for the year ended December 31, 2022 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, 2023**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

The total OPEB liability in the December 31, 2022 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	3.72%
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 3.72%. The current discount rate is an increase from the previous year's discount rate of 2.06%.

CHANGES IN THE TOTAL OPEB LIABILITY

At December 31, 2022, the County reported a total OPEB liability of \$593,183, the changes in the total OPEB liability were as follows:

	<u>Increase/(Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at 12/31/2021	\$ 740,499
Changes for the year:	
Service cost	22,410
Interest	15,497
Change of benefit terms	-
Difference between expected and actual experience	17,334
Changes of assumptions or other inputs	(181,208)
Benefit payments	(21,349)
Net changes	<u>(147,316)</u>
Balance at 12/31/2022	<u>\$ 593,183</u>

The total OPEB liability was measured as of December 31, 2022 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, 2023

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 3.72%, 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 (2.72%) or one percentage point higher (4.72%) than the current rate.

	1% Decrease in Discount Rate (2.72%)		1% Increase in Discount Rate (4.72%)	
	Discount Rate (3.72%)	Discount Rate (3.72%)	Discount Rate (3.72%)	Discount Rate (4.72%)
Total OPEB Liability	\$ 693,450	\$ 593,183	\$ 593,183	\$ 513,763

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

For the year ended December 31, 2023, the County recognized OPEB expense of \$34,510.

At December 31, 2023, 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	\$ 17,723	\$ 1,739
Changes in actuarial assumptions	68,404	144,966
Contributions made subsequent to the measurement date	23,293	-
Total	\$ 109,420	\$ 146,705

The County had \$40,237 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, 2024. 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	
2023	\$ 7,442
2024	(17,625)
2025	(17,621)
2026	(32,774)
2027	-
Thereafter	-
	\$ (60,578)

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, 2023

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

I. Leases

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

Lessee Leases payable

The County has entered into multiple leases for office equipment. Lease payables at the beginning of the year were \$65,329. No new leases were entered into during the year ended December 31, 2023. Payments reduced lease liabilities by \$19,025 during the year. Annual payments range from \$669 to \$2,341. Interest rates were 4.22%. Future annual lease payables as of December 31, 2023 are as follows:

Year Ending December 31	Principal	Interest	Total Payments
2024	22,078	3,088	25,166
2025	17,917	1,935	19,852
2026	10,062	958	11,020
2027	6,702	362	7,064
2028	886	12	898
Total future payments	\$ 57,645	\$ 6,355	\$ 64,000

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 \$1,173,720 and new arrangements of \$223,989 were entered into. Payments reduced SBITA liabilities by \$562,976 during the year. Annual payments range from \$24,900 to \$221,667. Interest rates were 7.50% to 8.00%. Future annual SBITA payables as of September 30, 2023, are as follows:

Year Ending December 31	Principal	Interest	Total Payments
2024	253,263	57,005	310,268
2025	266,314	37,748	304,062
2026	279,848	16,861	296,709
2027	35,307	2,931	38,238
Total future payments	\$ 834,732	\$ 114,545	\$ 949,277

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023 was as follows:

	January 1, 2023	Additions	Reductions	December 31, 2023	Due Within One Year
Compensated Absences	\$ 241,340	\$ 96,133	\$ 70,496	\$ 266,977	\$ 16,019
Lease Liability	46,304	34,288	22,947	57,645	22,078
SBITA Liability	1,173,720	223,989	562,976	834,733	253,263
Net OPEB Liability - Death	740,499	-	147,316	593,183	-
Net Pension Liability	-	5,536,996	-	5,536,996	-
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 2,201,863</u>	<u>\$ 5,891,406</u>	<u>\$ 803,735</u>	<u>\$ 7,289,534</u>	<u>\$ 291,360</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, 2023 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, 2023

N. Governmental Fund Balances

Components of non-spendable fund balance and specific purposes for restricted and committed fund balances as of December 31, 2023 are as follows:

	General Fund	Major Special Revenue Fund ARPA Fund	Major Special Revenue Fund Road & Bridge Fund	Other Funds	Total
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 12,694	\$ 12,694
Deposit	-	-	-	-	-
Restricted:					
Road & Bridge maintenance	-	-	9,475,406	2,600,304	12,075,710
Law Library	-	-	-	102,423	102,423
Juvenile Delinquency Prevention	-	-	-	174	174
Courthouse Security	-	-	-	265,954	265,954
Records Management & Preservation	-	-	-	1,294,049	1,294,049
Court Technology	-	-	-	151,707	151,707
VIT Interest	-	-	-	5,061	5,061
Elections	-	-	-	33,036	33,036
Adult Probation	-	-	-	68,708	68,708
Juvenile Probation	-	-	-	646,121	646,121
Law Enforcement	-	-	-	91,389	91,389
District Attorney	-	-	-	174,022	174,022
American Rescue Plan	-	157,603	-	-	157,603
Child Protective Services	-	-	-	148,621	148,621
Health	-	-	-	4,129,649	4,129,649
Airport	-	-	-	447,807	447,807
Committed:					
Right-of-Way Purchases	-	-	-	318,538	318,538
Airport Improvements	-	-	-	250,320	250,320
Jail Improvement	-	-	-	497	497
Unassigned	25,031,849	-	-	-	25,031,849
Total Fund Balances	\$25,031,849	\$ 157,603	\$ 9,475,406	\$ 10,741,074	\$ 45,405,932

(Continued)

**PANOLA COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

O. Interfund Balances and Transfers

There were no interfund balances as of December 31, 2023. Interfund transfers for the year ended December 31, 2023 were as follows:

	Transfers In Nonmajor Governmental Funds		
	Juvenile Services Fund	Child Protective Services Fund	Totals
<u>Transfers Out</u>			
General Fund	\$ 225,000	\$ 30,000	\$ 255,000
Total	\$ 225,000	\$ 30,000	\$ 255,000

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 7, 2024, the date the financial statements were available to be issued.

(Continued)



REQUIRED SUPPLEMENTARY INFORMATION

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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, 2023, 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, 2023

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
PROPERTY TAXES				
Current	\$ 16,560,247	\$ 16,560,247	\$ 18,022,353	\$ 1,462,106
Delinquent	534,202	534,202	434,592	(99,610)
Total Property Taxes	<u>17,094,449</u>	<u>17,094,449</u>	<u>18,456,945</u>	<u>1,362,496</u>
INTERGOVERNMENTAL RECEIPTS				
Total Intergovernmental Receipts	<u>468,502</u>	<u>625,813</u>	<u>665,650</u>	<u>39,837</u>
FEEES OF OFFICE				
County Judge	6,000	6,000	160	(5,840)
Sheriff	20,000	20,000	27,498	7,498
District Attorney	1,000	1,000	1,244	244
County Clerk	176,000	176,000	252,512	76,512
Tax Assessor-Collector	400,000	400,000	471,316	71,316
District Clerk	35,000	67,000	111,837	44,837
County Treasurer	18,000	18,000	16,982	(1,018)
Justices of the Peace	133,100	133,100	96,950	(36,150)
Total Fees of Office	<u>789,100</u>	<u>821,100</u>	<u>978,499</u>	<u>157,399</u>
MISCELLANEOUS				
Interest Earned	247,831	821,503	1,787,882	966,379
Hospital Collections	-	-	120	120
Time Payment EFTIC	500	500	552	52
Vital Archive - County Clerk	500	500	1,818	1,318
Judiciary Support Fee	1,000	1,000	88	(912)
Jury donations to Veteran's Service Office	-	-	1,076	1,076
Miscellaneous	123,882	277,474	364,403	86,929
Exposition Building	-	-	1,000	1,000
County Clerk Civil	1,000	1,000	-	(1,000)
Family Protection Fee	2,000	2,000	-	(2,000)
Child Safety Fee	34,000	34,908	34,908	-
Child Abuse Prevention	-	-	247	247
CLC Justice of the Peace Fees	7,000	7,000	8,458	1,458
Court Facility Fee	-	3,000	8,669	5,669
Language Access Fund	-	-	2,306	2,306
County Jury Fund	-	-	3,255	3,255
Court Initiated Gaurdianship	-	-	2,760	2,760
Justice Court Support Fee	-	3,000	8,388	5,388
Miscellaneous Unclaimed Funds	-	-	592	592
Panola County Auction Interest Earnings	-	-	7	7
Total Miscellaneous	<u>417,713</u>	<u>1,151,885</u>	<u>2,226,529</u>	<u>1,074,644</u>
Total Revenues	<u>\$ 18,769,764</u>	<u>\$ 19,693,247</u>	<u>\$ 22,327,623</u>	<u>\$ 2,634,376</u>

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, 2023

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
GENERAL ADMINISTRATION				
County Judge	\$ 233,629	\$ 287,442	\$ 269,350	\$ 18,092
Commissioners	420,685	420,885	416,843	4,042
County Clerk	477,931	477,931	434,143	43,788
Veteran's Service Officer	151,966	150,766	146,351	4,415
Airport	108,928	123,955	115,552	8,403
IT Department	94,709	95,243	94,688	555
Miscellaneous and Non-Departmental	3,549,729	3,426,466	3,289,924	136,542
Total General Administration	5,037,577	4,982,688	4,766,851	215,837
JUDICIAL				
District Court	181,331	181,331	168,470	12,861
County Court at Law	477,968	482,838	465,219	17,619
District Clerk	436,893	436,893	399,380	37,513
Justices of the Peace Pct. 1 and 4	253,571	253,571	238,091	15,480
Justices of the Peace Pct. 2 and 3	253,573	253,573	229,432	24,141
Bailiffs, Jurors and Law Books	96,203	146,862	115,455	31,407
Total Judicial	1,699,539	1,755,068	1,616,047	139,021
LEGAL				
District Attorney	712,812	717,463	577,816	139,647
Lawsuits	11,000	11,000	-	11,000
Total Legal	723,812	728,463	577,816	150,647
ELECTIONS				
Total Election Judges, Clerks, and Supplies	61,958	64,653	59,854	4,799
Total Voter Registration	155,748	157,957	156,044	1,913
Total Elections	217,706	222,610	215,898	6,712
FINANCIAL ADMINISTRATION				
Auditor	370,909	369,877	364,740	5,137
Treasurer	253,836	253,836	248,796	5,040
Tax Assessor-Collector	636,742	635,266	606,060	29,206
Total Financial Administration	1,261,487	1,258,979	1,219,596	39,383
PUBLIC FACILITIES				
Building Maintenance	380,734	433,397	403,741	29,656
Total Public Facilities	380,734	433,397	403,741	29,656

(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, 2023

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
PUBLIC SAFETY				
Sheriff	4,021,232	4,217,156	4,176,289	40,867
Constable Pct. 1 & 4	271,405	179,455	160,080	19,375
Constable Pct. 2 & 3	222,607	226,172	210,005	16,167
Corrections	2,563,174	2,541,129	2,426,871	114,258
Rural Addressing	232,556	203,507	190,590	12,917
Highway Patrol	70,670	70,670	69,045	1,625
Fire Safety	18,000	18,000	18,000	-
Total Public Safety	7,399,644	7,456,089	7,250,880	205,209
ENVIRONMENTAL PROTECTION				
Trash Disposal	280,000	301,634	301,634	-
Total Environmental Protection	280,000	301,634	301,634	-
HEALTH AND PAUPERS CARE				
Total Health and Paupers Care	695,700	969,729	824,386	145,343
Library	408,541	413,646	389,445	24,201
Youth Programs	17,000	17,000	14,000	3,000
Total Recreation	425,541	430,646	403,445	27,201
CONSERVATION				
Extension Service	136,566	136,566	128,777	7,789
Total Conservation	136,566	136,566	128,777	7,789

(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, 2023

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES (cont'd.)				
CAPITAL OUTLAY				
Total Capital Outlay	452,206	1,157,892	1,330,197	(172,305)
Total Expenditures	18,710,512	19,833,761	19,039,268	794,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	59,252	(140,514)	3,288,355	3,428,869
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	34,288	34,288
Proceeds from SBITAs	-	-	223,989	223,989
Transfers Out	(255,000)	(255,000)	(255,000)	-
Interest expense	-	-	(54,879)	(54,879)
Total Other Financing Sources (Uses)	(255,000)	(255,000)	(51,602)	203,398
Net Change in Fund Balance	(195,748)	(395,514)	3,236,753	3,632,267
FUND BALANCE, BEGINNING	21,795,096	21,795,096	21,795,096	-
FUND BALANCE, ENDING	<u>\$ 21,599,348</u>	<u>\$ 21,399,582</u>	<u>\$ 25,031,849</u>	<u>\$ 3,632,267</u>

(Continued)

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - ROAD AND BRIDGE
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Property Taxes:				
Taxes - current	6,713,992	6,713,992	7,377,197	\$ 663,205
Taxes - delinquent	216,580	216,580	159,086	(57,494)
Total Property Taxes	<u>6,930,572</u>	<u>6,930,572</u>	<u>7,536,283</u>	<u>605,711</u>
Licenses				
Motor Vehicle Registration	350,000	350,000	360,025	10,025
Total Licenses	<u>350,000</u>	<u>350,000</u>	<u>360,025</u>	<u>10,025</u>
Intergovernmental Receipts				
TXDOT CTIF Grant	-	-	-	-
State Lateral Road Fund	29,000	29,000	26,150	(2,850)
Weight and Axle Fees	45,000	45,000	57,402	12,402
Grant funds	-	-	2,152	2,152
Total Intergovernmental Receipts	<u>74,000</u>	<u>74,000</u>	<u>85,704</u>	<u>11,704</u>
Fines:				
County and District Court Fees	354,000	354,000	310,263	(43,737)
Total Fines	<u>354,000</u>	<u>354,000</u>	<u>310,263</u>	<u>(43,737)</u>
Other Revenues and Fees:				
Interest	106,163	248,273	623,903	375,630
Miscellaneous	-	272,145	351,499	79,354
Tax Abatement	141,054	141,054	141,054	-
Total Other Revenues and Fees	<u>247,217</u>	<u>661,472</u>	<u>1,116,456</u>	<u>454,984</u>
Total Revenues	<u>7,955,789</u>	<u>8,370,044</u>	<u>9,408,731</u>	<u>1,038,687</u>

**PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - ROAD AND BRIDGE
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>BUDGET ORIGINAL</u>	<u>BUDGET FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES				
PUBLIC TRANSPORTATION				
MAINTENANCE-ROADS AND BRIDGES				
Total Precinct 1	1,524,639	1,314,914	1,136,883	178,031
Total Precinct 2	1,499,196	1,125,696	969,962	155,734
Total Precinct 3	1,250,538	1,284,563	1,148,160	136,403
Total Precinct 4	<u>1,608,694</u>	<u>1,505,640</u>	<u>1,313,443</u>	<u>192,197</u>
Total Maintenance-Roads and Bridges	<u>5,883,067</u>	<u>5,230,813</u>	<u>4,568,448</u>	<u>662,365</u>
CAPITAL OUTLAY-ROAD AND BRIDGES				
Total Precinct 1	937,115	1,418,411	1,399,165	19,246
Total Precinct 2	305,743	691,743	683,483	8,260
Total Precinct 3	877,450	1,039,638	1,008,616	31,022
Total Precinct 4	<u>915,015</u>	<u>952,040</u>	<u>939,472</u>	<u>12,568</u>
Total Capital Outlay	<u>3,035,323</u>	<u>4,101,832</u>	<u>4,030,736</u>	<u>71,096</u>
Total Expenditures	<u>8,918,390</u>	<u>9,332,645</u>	<u>8,599,184</u>	<u>733,461</u>
Net Change in Fund Balance	(962,601)	(962,601)	809,547	1,772,148
FUND BALANCE, BEGINNING	<u>8,665,859</u>	<u>8,665,859</u>	<u>8,665,859</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 7,703,258</u>	<u>\$ 7,703,258</u>	<u>\$ 9,475,406</u>	<u>\$ 1,772,148</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, 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
Total Pension Liability									
Service cost	\$ 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	6,261,030	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	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	(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	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	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>\$ 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>
Fiduciary Net Position									
Employer contributions	\$ 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	574,772	549,208	548,027	506,809	496,481	516,439	544,034	531,525	505,905
Investment income net of investment expenses	(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	(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	(48,668)	(48,166)	(53,960)	(51,242)	(46,663)	(39,408)	(38,018)	(34,088)	(34,814)
Other	(30,576)	(1,088)	(4,787)	(2,272)	5,496	3,372	52,769	26,592	(226,419)
Net change in fiduciary net position	(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	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)	\$ 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
Net pension liability/(asset), ending = (a) - (b)	<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	93.75%	96.01%	96.01%	96.01%	85.32%	92.00%	86.34%	86.79%	92.21%
Pensionable covered payroll	\$ 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	67.43%	-80.61%	53.97%	38.62%	128.60%	59.86%	140.61%	154.11%	105.18%

Notes to the Schedule:

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

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	1,026,264	3,353,570	(2,327,306)	7,227,213	46.40%
2016	636,311	2,489,599	(1,853,288)	7,593,216	32.79%
2017	479,527	2,531,576	(2,052,049)	7,771,911	32.57%
2018	453,728	2,438,959	(1,985,231)	7,377,699	33.06%
2019	392,220	2,371,955	(1,979,735)	7,092,592	33.44%
2020	246,888	2,406,602	(2,159,714)	7,240,126	33.24%
2021	200,421	2,554,980	(2,354,559)	7,828,957	32.63%
2022	69,828	2,548,949	(2,479,121)	7,845,829	32.49%
2023	264,395	2,634,758	(2,370,363)	8,211,031	32.09%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Valuation Timing

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

Actuarial Cost Method

Entry Age

Amortization Method

Level percentage of payroll, closed

Remaining Amortization Period

0.0 years (based on contribution rate calculated in 12/31/2022 valuation)

Asset Valuation Method

5-year smoothed market

Inflation

2.50%

Salary Increases

Varies by age and service. 4.70% average over career, including inflation

Investment Rate of Return

7.50%, net of administrative and investment expenses, including inflation

Retirement Age

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

Mortality

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.

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, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 1,583,802	\$ 2,695,336	\$ 2,425,022	\$ 1,980,177	\$ 1,384,904	\$ 1,666,934
Interest	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	682,538	(13,729,274)	304,553	793,780	4,069,609	(2,711,856)
Benefit payments	-	-	-	-	-	-
Net change in total OPEB liability	3,796,874	(10,072,025)	3,636,676	3,829,233	6,733,112	36,307
Total OPEB liability, beginning	33,927,432	43,999,457	40,362,781	36,533,548	29,800,436	29,764,129
Total OPEB liability, ending (a)	<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>
Fiduciary Net Position						
Employer contributions	\$ 2,389,737	\$ 2,437,165	\$ 2,387,048	\$ 1,835,796	\$ 1,955,842	\$ 1,746,235
Net investment income	1,733,311	676,768	342,715	618,018	759,587	571,536
Benefit payments	(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	2,479,051	1,635,544	1,278,664	1,012,368	1,335,218	1,050,159
Fiduciary net position, beginning	37,319,360	35,683,816	34,405,152	33,392,784	32,057,566	31,007,407
Fiduciary net position, ending (b)	\$ 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>\$ (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	105.50%	110.00%	81.10%	85.24%	91.40%	107.57%
Covered payroll	\$ 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	-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, 2023**

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%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate	4.00%
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, 2023

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB liability						
Service Cost	\$ 22,410	\$ 18,960	\$ 16,376	\$ 11,174	\$ 15,401	\$ 13,821
Interest	15,497	15,202	17,386	20,183	18,588	19,431
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	17,334	4,864	(3,479)	4,690	(8,199)	(14,610)
Change of assumptions and other inputs	(181,208)	14,402	71,264	120,637	(52,453)	22,356
Benefit payments	(21,349)	(21,968)	(21,138)	(18,100)	(16,313)	(16,231)
Net Change in Total OPEB Liability	(147,316)	31,460	80,409	138,584	(42,976)	24,767
Total OPEB Liability - Beginning	740,499	709,039	628,630	490,046	533,022	508,255
Total OPEB Liability - Ending (a)	<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	\$ 8,211,031	\$ 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	7.22%	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 Normal
Amortization Method	Straight-Line amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	3.72% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2022.
Disability	Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a customer table based on TCDRS experience.
Mortality - Depositing Members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Mortality - Service Retirees, Beneficiaries, and Non-Depositing Members	135% of the Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Healthy Retirees Amount-Weighted Mortality table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Mortality - Disables Retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Other Information:

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





ADDITIONAL SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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, 2023

SPECIAL REVENUE FUNDS

	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION
ASSETS:								
Cash and Cash Equivalents	67,142	174	148,218	29,295	8,561	16,517	25,138	29,576
Investments	36,000	-	117,000	4,000	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Current Taxes	-	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-	-
Miscellaneous	287	-	736	8	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	\$ 103,429	\$ 174	\$ 265,954	\$ 33,303	\$ 8,561	\$ 16,517	\$ 25,138	\$ 29,576
LIABILITIES:								
Accounts Payable-Trade	1,005	-	-	-	-	-	-	-
Unearned Revenue - Grants	-	-	-	-	-	-	-	-
Total Liabilities	1,005	-	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue	-	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	102,424	174	265,954	33,303	8,561	16,517	25,138	29,576
Committed	-	-	-	-	-	-	-	-
Total Fund Balances	102,424	174	265,954	33,303	8,561	16,517	25,138	29,576
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 103,429	\$ 174	\$ 265,954	\$ 33,303	\$ 8,561	\$ 16,517	\$ 25,138	\$ 29,576

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

SPECIAL REVENUE FUNDS

	RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT
ASSETS:								
Cash and Cash Equivalents	347,672	533,754	76,757	1,516	33,036	1,337,669	23,284	35,792
Investments	298,000	33,000	41,000	-	-	1,635,884	-	-
Receivables	-	-	-	-	-	-	-	-
Current Taxes	-	-	-	-	-	300,177	-	-
Delinquent Taxes	-	-	-	-	-	33,265	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	(22,997)	-	-
Miscellaneous	1,853	375	251	3,545	-	54,678	11,992	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	\$ 647,525	\$ 567,129	\$ 118,008	\$ 5,061	\$ 33,036	\$ 3,338,676	\$ 35,276	\$ 35,792
LIABILITIES:								
Accounts Payable-Trade	-	-	-	-	-	4,005	1,339	1,025
Unearned Revenue - Grants	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	4,005	1,339	1,025
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue	-	-	-	-	-	422,490	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	311,876	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	734,366	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	647,525	567,129	118,008	5,061	33,036	2,600,305	33,937	34,767
Committed	-	-	-	-	-	-	-	-
Total Fund Balances	647,525	567,129	118,008	5,061	33,036	2,600,305	33,937	34,767
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 647,525	\$ 567,129	\$ 118,008	\$ 5,061	\$ 33,036	\$ 3,338,676	\$ 35,276	\$ 35,792

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS						
	JUVENILE PROBATION	HOT CHECK FEE	PRE-TRIAL INTERVENTION PROGRAM	SHERIFF'S STATE FORFEITURE	JAIL COMMISSARY	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE
ASSETS:							
Cash and Cash Equivalents	671,470	19,697	30,123	11,085	54,033	(126)	42,959
Investments	-	16,000	-	12,000	-	-	-
Receivables	-	-	-	-	-	-	-
Current Taxes	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-
Miscellaneous	85	-	-	77	4,077	126	1
Inventory	-	-	-	-	-	-	-
Total Assets	\$ 671,555	\$ 35,697	\$ 30,123	\$ 23,162	\$ 58,110	\$ -	\$ 42,960
LIABILITIES:							
Accounts Payable-Trade	25,434	-	-	-	-	-	-
Unearned Revenue - Grants	-	-	-	-	-	-	-
Total Liabilities	25,434	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES:							
Nonspendable	-	-	-	-	-	-	-
Restricted	646,121	35,697	30,123	23,162	58,110	-	42,960
Committed	-	-	-	-	-	-	-
Total Fund Balances	646,121	35,697	30,123	23,162	58,110	-	42,960
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 671,555	\$ 35,697	\$ 30,123	\$ 23,162	\$ 58,110	\$ -	\$ 42,960

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

SPECIAL REVENUE FUNDS

	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	CHILD PROTECTIVE SERVICES	OPIOID SETTLEMENT
ASSETS:								
Cash and Cash Equivalents	2,012	209	1,117	8,449	63,230	342	63,204	26,154
Investments	-	-	-	-	-	-	85,000	-
Receivables	-	-	-	-	-	-	-	-
Current Taxes	-	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	417	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	\$ 2,012	\$ 209	\$ 1,117	\$ 8,449	\$ 63,230	\$ 342	\$ 148,621	\$ 26,154
LIABILITIES:								
Accounts Payable-Trade	-	-	-	-	-	-	-	-
Unearned Revenue - Grants	-	-	-	-	-	-	-	25,333
Total Liabilities	-	-	-	-	-	-	-	25,333
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue	-	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	2,012	209	1,117	8,449	63,230	342	148,621	821
Committed	-	-	-	-	-	-	-	-
Total Fund Balances	2,012	209	1,117	8,449	63,230	342	148,621	821
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,012	\$ 209	\$ 1,117	\$ 8,449	\$ 63,230	\$ 342	\$ 148,621	\$ 26,154

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS			NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	HEALTH FUND	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT		
ASSETS:								
Cash and Cash Equivalents	1,773,389	366,342	5,847,790	159,567	117,518	497	277,582	6,125,372
Investments	2,343,000	78,000	4,698,884	158,000	132,000	-	290,000	4,988,884
Receivables	-	-	-	-	-	-	-	-
Current Taxes	-	-	300,177	-	-	-	-	300,177
Delinquent Taxes	-	-	33,265	-	-	-	-	33,265
Allowance for Uncollectible Taxes	-	-	(22,997)	-	-	-	-	(22,997)
Miscellaneous	13,829	3,500	95,837	971	802	-	1,773	97,610
Inventory	-	12,694	12,694	-	-	-	-	12,694
Total Assets	\$ 4,130,218	\$ 460,536	\$ 10,965,650	\$ 318,538	\$ 250,320	\$ 497	\$ 569,355	\$ 11,535,005
LIABILITIES:								
Accounts Payable-Trade	1,389	35	34,232	-	-	-	-	34,232
Unearned Revenue - Grants	-	-	25,333	-	-	-	-	25,333
Total Liabilities	1,389	35	59,565	-	-	-	-	59,565
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue	-	-	422,490	-	-	-	-	422,490
Deferred Revenue - Advance Tax Collections	-	-	311,876	-	-	-	-	311,876
Total Deferred Inflows of Resources	-	-	734,366	-	-	-	-	734,366
FUND BALANCES:								
Nonspendable	-	12,694	12,694	-	-	-	-	12,694
Restricted	4,128,829	447,807	10,159,025	-	-	-	-	10,159,025
Committed	-	-	-	318,538	250,320	497	569,355	569,355
Total Fund Balances	4,128,829	460,501	10,171,719	318,538	250,320	497	569,355	10,741,074
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,130,218	\$ 460,536	\$ 10,965,650	\$ 318,538	\$ 250,320	\$ 497	\$ 569,355	\$ 11,535,005

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS							
	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT- HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION
REVENUES								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-	-	-	-	-
Fees of Office	15,275	-	26,646	624	321	91	226	9,642
Fines and Forfeits	-	-	-	-	-	-	-	-
Miscellaneous	4,367	7	11,657	1,314	327	640	973	974
TOTAL REVENUES	19,642	7	38,303	1,938	648	731	1,199	10,616
EXPENDITURES								
General Administration	-	-	22,381	6	-	-	-	-
Legal	11,680	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	11,680	-	22,381	6	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,962	7	15,922	1,932	648	731	1,199	10,616
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	7,962	7	15,922	1,932	648	731	1,199	10,616
FUND BALANCE-BEGINNING OF YEAR	94,462	167	250,032	31,371	7,913	15,786	23,939	18,960
FUND BALANCE-END OF YEAR	\$ 102,424	\$ 174	\$ 265,954	\$ 33,303	\$ 8,561	\$ 16,517	\$ 25,138	\$ 29,576

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS							
	COUNTY CLERK RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL ROAD	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT
<u>REVENUES</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 676,631	\$ -	\$ -
Intergovernmental Receipts	-	-	-	-	-	-	177,540	-
Fees of Office	85,921	80,349	7,209	-	5,903	-	185,060	-
Fines and Forfeits	-	-	-	-	-	-	-	2,169
Miscellaneous	26,559	20,936	4,868	3,624	1,261	129,940	2,861	1,336
TOTAL REVENUES	112,480	101,285	12,077	3,624	7,164	806,571	365,461	3,505
<u>EXPENDITURES</u>								
General Administration	98,063	-	322	1,003	-	-	-	-
Legal	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	381,923	1,025
Public Transportation	-	-	-	-	-	452,559	-	-
Health & Paupers Care	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	70,336	-	-
TOTAL EXPENDITURES	98,063	-	322	1,003	-	522,895	381,923	1,025
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,417	101,285	11,755	2,621	7,164	283,676	(16,462)	2,480
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	14,417	101,285	11,755	2,621	7,164	283,676	(16,462)	2,480
FUND BALANCE-BEGINNING OF YEAR	633,108	465,844	106,253	2,440	25,872	2,316,629	50,399	32,287
FUND BALANCE-END OF YEAR	\$ 647,525	\$ 567,129	\$ 118,008	\$ 5,061	\$ 33,036	\$ 2,600,305	\$ 33,937	\$ 34,767

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS						
	JUVENILE PROBATION	HOT CHECK FEE	PRETRIAL INTERVENTION PROGRAM	SHERIFF'S STATE FORFEITURE	JAIL COMMISSARY	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE
REVENUES							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	134,669	-	6,500	-	-	966	-
Fees of Office	235	630	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Miscellaneous	30,190	-	1,052	2,598	20,342	9	3,090
TOTAL REVENUES	165,094	630	7,552	2,598	20,342	975	3,090
EXPENDITURES							
General Administration	-	-	-	-	-	-	-
Legal	-	2,559	-	-	-	1,307	813
Public Safety	259,578	-	-	4,900	2,098	-	-
Public Transportation	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-
Capital Outlay	-	-	-	12,000	-	-	-
TOTAL EXPENDITURES	259,578	2,559	-	16,900	2,098	1,307	813
Excess (Deficiency) of Revenues Over (Under) Expenditures	(94,484)	(1,929)	7,552	(14,302)	18,244	(332)	2,277
OTHER FINANCING SOURCES (USES)							
Transfers in	225,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	225,000	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	130,516	(1,929)	7,552	(14,302)	18,244	(332)	2,277
FUND BALANCE-BEGINNING OF YEAR	515,605	37,626	22,571	37,464	39,866	332	40,683
FUND BALANCE-END OF YEAR	\$ 646,121	\$ 35,697	\$ 30,123	\$ 23,162	\$ 58,110	\$ -	\$ 42,960

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

SPECIAL REVENUE FUNDS

	STATE APPORTION- MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES	SHERIFF FEDERAL FORFEITURE	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	CHILD PROTECTIVE SERVICES	OPIOID SETTLEMENT
REVENUES								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receipts	27,498	-	-	-	-	-	7,400	-
Fees of Office	-	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-	-
Miscellaneous	585	8	43	328	2,457	14	9,297	821
TOTAL REVENUES	28,083	8	43	328	2,457	14	16,697	821
EXPENDITURES								
General Administration	-	-	-	-	-	-	-	-
Legal	27,479	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	44,999	-
Capital Outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	27,479	-	-	-	-	-	44,999	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	604	8	43	328	2,457	14	(28,302)	821
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	30,000	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	30,000	-
NET CHANGE IN FUND BALANCES	604	8	43	328	2,457	14	1,698	821
FUND BALANCE-BEGINNING OF YEAR	1,408	201	1,074	8,121	60,773	328	146,923	-
FUND BALANCE-END OF YEAR	\$ 2,012	\$ 209	\$ 1,117	\$ 8,449	\$ 63,230	\$ 342	\$ 148,621	\$ 821

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS			NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	HEALTH FUND	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT		
REVENUES								
Property Taxes	\$ -	\$ -	\$ 676,631	\$ -	\$ -	\$ -	\$ -	\$ 676,631
Intergovernmental Receipts	35,278	45,000	434,851	-	-	-	-	434,851
Fees of Office	-	-	418,132	-	-	-	-	418,132
Fines and Forfeits	-	-	2,169	-	-	-	-	2,169
Miscellaneous	183,999	176,952	643,429	13,925	10,950	20	24,895	668,324
TOTAL REVENUES	219,277	221,952	2,175,212	13,925	10,950	20	24,895	2,200,107
EXPENDITURES								
General Administration	-	-	121,775	-	-	-	-	121,775
Legal	-	-	43,838	-	-	-	-	43,838
Public Safety	-	-	649,524	-	-	-	-	649,524
Public Transportation	-	190,529	643,088	-	-	-	-	643,088
Health & Paupers Care	16,344	-	61,343	-	-	-	-	61,343
Capital Outlay	-	59,349	141,685	-	-	-	-	141,685
TOTAL EXPENDITURES	16,344	249,878	1,661,253	-	-	-	-	1,661,253
Excess (Deficiency) of Revenues Over (Under) Expenditures	202,933	(27,926)	513,959	13,925	10,950	20	24,895	538,854
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	255,000	-	-	-	-	255,000
Transfers out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	255,000	-	-	-	-	255,000
NET CHANGE IN FUND BALANCES	202,933	(27,926)	768,959	13,925	10,950	20	24,895	793,854
FUND BALANCE-BEGINNING OF YEAR	3,925,896	488,427	9,402,760	304,613	239,370	477	544,460	9,947,220
FUND BALANCE-END OF YEAR	\$ 4,128,829	\$ 460,501	\$ 10,171,719	\$ 318,538	\$ 250,320	\$ 497	\$ 569,355	\$ 10,741,074

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

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - LAW LIBRARY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Fees of Office:				
Law library fees	\$ 12,000	\$ 12,000	\$ 15,275	\$ 3,275
Total Fees of Office	<u>12,000</u>	<u>12,000</u>	<u>15,275</u>	<u>3,275</u>
Other Revenues and Fees:				
Interest	<u>575</u>	<u>575</u>	4,367	<u>3,792</u>
Total Other Revenues and Fees	<u>575</u>	<u>575</u>	<u>4,367</u>	<u>3,792</u>
Total Revenues	<u>12,575</u>	<u>12,575</u>	<u>19,642</u>	<u>7,067</u>
EXPENDITURES				
Legal:				
Miscellaneous - Law books	<u>12,575</u>	<u>12,575</u>	<u>11,680</u>	<u>895</u>
Total Legal	<u>12,575</u>	<u>12,575</u>	<u>11,680</u>	<u>895</u>
Total Expenditures	<u>12,575</u>	<u>12,575</u>	<u>11,680</u>	<u>895</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	7,962	<u>\$ 7,962</u>
FUND BALANCE DECEMBER 30, 2022			<u>94,462</u>	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 102,424</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY JUVENILE DELINQUENCY PREVENTION
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Miscellaneous:				
Interest Earnings	\$ 1	\$ 1	\$ 7	\$ 6
Total Fees of Office	1	1	7	6
Total Revenues	1	1	7	6
EXPENDITURES				
Legal				
Contract Agreements	1	1	-	1
Total Legal	1	1	-	1
Total Expenditures	1	1	-	1
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	7	<u>\$ 7</u>
FUND BALANCE DECEMBER 30, 2022			<u>167</u>	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 174</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, 2023

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk Fees	\$ 1,302	\$ 1,302	\$ 5,742	\$ 4,440
County Clerk Fees	9,081	9,081	12,200	3,119
JP Offices	10,591	10,591	8,704	(1,887)
Total Fees of Office	<u>20,974</u>	<u>20,974</u>	<u>26,646</u>	<u>5,672</u>
Other Revenues and Fees:				
Interest Earnings	1,942	1,942	11,657	9,715
Total Other Revenues and Fees	<u>1,942</u>	<u>1,942</u>	<u>11,657</u>	<u>9,715</u>
Total Revenues	<u>22,916</u>	<u>22,916</u>	<u>38,303</u>	<u>15,387</u>
EXPENDITURES				
General Administration:				
Bailiff and Security	15,933	15,933	15,704	229
Social Security Taxes	1,219	1,219	1,201	18
Retirement and Death Benefits	3,824	3,824	3,612	212
Workers Compensation	320	320	250	70
Unemployment Insurance	26	26	22	4
Other Post Employment Benefits	1,594	1,594	1,592	2
Total General Government	<u>22,916</u>	<u>22,916</u>	<u>22,381</u>	<u>535</u>
Total Expenditures	<u>22,916</u>	<u>22,916</u>	<u>22,381</u>	<u>535</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	15,922	<u>\$ 15,922</u>
FUND BALANCE DECEMBER 30, 2022			<u>250,032</u>	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 265,954</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - RECORDS MANAGEMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk Fees	\$ 3,000	\$ 3,000	\$ 587	\$ (2,413)
County Clerk Fees	3,800	3,800	37	(3,763)
Total Fees of Office	6,800	6,800	624	(6,176)
Miscellaneous				
Interest	60	60	1,314	1,254
Total Miscellaneous	60	60	1,314	1,254
Total Revenues	6,860	6,860	1,938	(4,922)
EXPENDITURES				
General Administration:				
Seasonal help	4,118	4,118	-	4,118
Social security taxes	689	689	-	689
Workers compensation	35	35	6	29
Unemployment insurance	18	18	-	18
Preservation and Restoration	2,000	2,000	-	2,000
Total Expenditures	6,860	6,860	6	6,854
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	1,932	\$ 1,932
FUND BALANCE DECEMBER 30, 2022			31,371	
FUND BALANCE DECEMBER 31, 2023			\$ 33,303	

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, 2023

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk	\$ 50	\$ 50	\$ 74	\$ 24
County Clerk	100	100	247	147
Total Fees of Office	<u>150</u>	<u>150</u>	<u>321</u>	<u>171</u>
Other Revenues and Fees:				
Interest	1	1	327	326
Total Other Revenues and Fees	<u>1</u>	<u>1</u>	<u>327</u>	<u>326</u>
Total Revenues	<u>151</u>	<u>151</u>	<u>648</u>	<u>497</u>
EXPENDITURES				
Capital Outlay:				
Equipment and software	151	151	-	151
Total Capital Outlay	<u>151</u>	<u>151</u>	<u>-</u>	<u>151</u>
Total Expenditures	<u>151</u>	<u>151</u>	<u>-</u>	<u>151</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	648	<u>\$ 648</u>
FUND BALANCE DECEMBER 30, 2022			<u>7,913</u>	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 8,561</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - COURT RECORD PRESERVATION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Fees of Office:				
District Clerk Fees	\$ 1,790	\$ 1,790	\$ 91	\$ (1,699)
Total Fees of Office	<u>1,790</u>	<u>1,790</u>	<u>91</u>	<u>(1,699)</u>
Other Revenues and Fees:				
Interest	<u>10</u>	<u>10</u>	<u>640</u>	<u>630</u>
Total Other Revenues and Fees	<u>10</u>	<u>10</u>	<u>640</u>	<u>630</u>
Total Revenues	<u>1,800</u>	<u>1,800</u>	<u>731</u>	<u>(1,069)</u>
EXPENDITURES				
Justice System:				
Digitizing	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Total Justice System	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Total Expenditures	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	731	<u>\$ 731</u>
FUND BALANCE DECEMBER 30, 2022			<u>15,786</u>	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 16,517</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND -DISTRICT CLERK RECORDS TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Fees of Office				
District Clerk Fees	\$ 600	\$ 600	\$ 226	\$ (374)
Total Fees of Office	<u>600</u>	<u>600</u>	<u>226</u>	<u>(374)</u>
Other Revenues and Fees				
Interest Earnings	-	-	973	973
Total Other Revenues and Fees	<u>-</u>	<u>-</u>	<u>973</u>	<u>973</u>
Total Revenues	<u>600</u>	<u>600</u>	<u>1,199</u>	<u>599</u>
EXPENDITURES				
Capital Outlay:				
Furniture and equipment	600	600	-	600
Total Capital Outlay	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Total Expenditures	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	1,199	<u>\$ 1,199</u>
FUND BALANCE DECEMBER 30, 2022			<u>23,939</u>	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 25,138</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Fees of Office				
District Clerk Fees	\$ 600	\$ 600	\$ 9,642	\$ 9,042
Total Fees of Office	600	600	9,642	9,042
Other Revenues and Fees				
Interest Earnings	-	-	974	974
Total Other Revenues and Fees	-	-	974	974
Total Revenues	600	600	10,616	10,016
EXPENDITURES				
General Government				
Preservation and restoration	600	600	-	600
Total General Government	600	600	-	600
Total Expenditures	600	600	-	600
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	10,616	<u>\$ 10,616</u>
FUND BALANCE DECEMBER 30, 2022			18,960	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 29,576</u>	

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, 2023

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Fees of Office:				
County clerks fees	\$ 121,350	\$ 121,350	\$ 85,921	\$ (35,429)
Total Fees of Office	<u>121,350</u>	<u>121,350</u>	<u>85,921</u>	<u>(35,429)</u>
Other Revenues and Fees:				
Interest earnings	4,050	4,050	26,559	22,509
Total Other Revenues and Fees	<u>4,050</u>	<u>4,050</u>	<u>26,559</u>	<u>22,509</u>
Total Revenues	<u>125,400</u>	<u>125,400</u>	<u>112,480</u>	<u>(12,920)</u>
EXPENDITURES				
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	100,000	98,063	1,937
Total General Government	<u>125,400</u>	<u>125,400</u>	<u>98,063</u>	<u>27,337</u>
Total Expenditures	<u>125,400</u>	<u>125,400</u>	<u>98,063</u>	<u>27,337</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	14,417	<u>\$ 14,417</u>
FUND BALANCE DECEMBER 30, 2022			<u>633,108</u>	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 647,525</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - RECORDS ARCHIVE FEES
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Fees of Office:				
County Clerks Fees	\$ 35,000	\$ 35,000	\$ 80,349	\$ 45,349
Total Fees of Office	<u>35,000</u>	<u>35,000</u>	<u>80,349</u>	<u>45,349</u>
Other Revenues and Fees:				
Interest Earnings	554	554	20,936	20,382
Total Other Revenues and Fees	<u>554</u>	<u>554</u>	<u>20,936</u>	<u>20,382</u>
Total Revenues	<u>35,554</u>	<u>35,554</u>	<u>101,285</u>	<u>65,731</u>
EXPENDITURES				
General Administration:				
Preservation and Restoration	21,277	21,277	-	21,277
Digitizing	14,277	14,277	-	14,277
Total General Government	<u>35,554</u>	<u>35,554</u>	<u>-</u>	<u>35,554</u>
Total Expenditures	<u>35,554</u>	<u>35,554</u>	<u>-</u>	<u>35,554</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	101,285	<u>\$ 101,285</u>
FUND BALANCE DECEMBER 30, 2022			<u>465,844</u>	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 567,129</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - JUSTICE COURT TECHNOLOGY
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Fees of Office:				
JP Offices	\$ 4,488	\$ 4,488	\$ 7,209	\$ 2,721
Total Fees of Office	4,488	4,488	7,209	2,721
Other Revenues and Fees:				
Interest Earnings	694	694	4,868	4,174
Total Other Revenues and Fees	694	694	4,868	4,174
Total Revenues	5,182	5,182	12,077	6,895
EXPENDITURES				
Capital Outlay:				
Furniture and Equipment	5,182	5,182	322	4,860
Total Capital Outlay	5,182	5,182	322	4,860
Total Expenditures	5,182	5,182	322	4,860
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	11,755	\$ 11,755
FUND BALANCE DECEMBER 30, 2022			106,253	
FUND BALANCE DECEMBER 31, 2023			\$ 118,008	

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, 2023

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Property Taxes:				
Taxes - current	\$ 588,772	\$ 588,772	\$ 642,791	\$ 54,019
Taxes - delinquent	18,993	18,993	33,840	14,847
Total Property Taxes	<u>607,765</u>	<u>607,765</u>	<u>676,631</u>	<u>68,866</u>
Other Revenues and Fees:				
Interest	15,927	40,927	128,531	87,604
Miscellaneous	-	-	1,409	1,409
Total Other Revenues and Fees	<u>15,927</u>	<u>40,927</u>	<u>129,940</u>	<u>89,013</u>
Total Revenues	<u>623,692</u>	<u>648,692</u>	<u>806,571</u>	<u>157,879</u>
EXPENDITURES				
Public Transportation:				
Salaries - Road and Bridge Department	89,753	89,753	89,752	1
Benefits Termination	1,600	1,600	-	1,600
Social Security Taxes	6,988	6,988	6,795	193
Group Insurance	29,160	29,160	28,479	681
Retirement and Death Benefits	21,925	21,925	21,581	344
Other Post Employment	9,136	9,136	9,038	98
Retiree Medical Insurance Trust	17,000	17,000	17,000	-
Workers Compensation	1,000	1,000	400	600
Optional Retirement	29,961	29,961	25,000	4,961
Unemployment Insurance	3,392	3,392	126	3,266
Signs and Posts	20,000	25,000	23,258	1,742
Repair and Maintenance	31,627	54,627	49,377	5,250
Parts and Repairs	20,000	30,000	22,703	7,297
Contingency	95,369	7,569	-	7,569
Utilities	30,000	30,000	29,700	300
Contractor Service	6,000	21,000	630	20,370
Physicals and Drug	3,500	3,500	2,616	884
Rentals and Leases	5,000	7,000	6,171	829
Beaver Control	38,400	38,400	38,400	-
Liability and Other Insurance	250,000	241,770	75,520	166,250
Miscellaneous	1,250	1,250	226	1,024
Total Public Transportation	<u>711,061</u>	<u>670,031</u>	<u>446,772</u>	<u>223,259</u>
Capital Outlay:				
Furniture and Equipment	1,000	67,030	5,787	61,243
Road Oil	2,000	2,000	-	2,000
Bridge Construction	5,000	5,000	70,336	(65,336)
Total Capital Outlay	<u>8,000</u>	<u>74,030</u>	<u>76,123</u>	<u>(2,093)</u>
Total Expenditures	<u>719,061</u>	<u>744,061</u>	<u>522,895</u>	<u>221,166</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (95,369)</u>	<u>\$ (95,369)</u>	283,676	<u>\$ 379,045</u>
FUND BALANCE DECEMBER 30, 2022			<u>2,316,629</u>	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 2,600,305</u>	

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - CHILD PROTECTIVE SERVICES
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Federal Receipts	\$ -	\$ -	\$ 7,400	\$ 7,400
Total Intergovernmental Receipts	-	-	7,400	7,400
Other Revenues and Fees:				
Donations	-	-	2,101	2,101
Interest	-	-	7,196	7,196
Total Other Revenues and Fees	-	-	9,297	9,297
Total Revenues	-	-	16,697	16,697
EXPENDITURES				
Health and Paupers Care				
Miscellaneous	58,000	58,000	44,999	13,001
Total General Government	58,000	58,000	44,999	13,001
Total Expenditures	58,000	58,000	44,999	13,001
Excess of Revenues Over (Under) Expenditures	(58,000)	(58,000)	(28,302)	29,698
OTHER FINANCING SOURCES (USES)				
Transfers in	58,000	30,000	30,000	-
Total Other Financing Sources (Uses)	58,000	30,000	30,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ (28,000)	1,698	\$ 29,698
FUND BALANCE DECEMBER 30, 2022			146,923	
FUND BALANCE DECEMBER 31, 2023			\$ 148,621	

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, 2023

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Tobacco Settlement	\$ 25,000	\$ 25,000	\$ 35,278	\$ 10,278
Total Intergovernmental Receipts	<u>25,000</u>	<u>25,000</u>	<u>35,278</u>	<u>10,278</u>
Miscellaneous				
Interest	25,000	25,000	183,999	158,999
Total Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>183,999</u>	<u>158,999</u>
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>219,277</u>	<u>169,277</u>
EXPENDITURES				
Health & Paupers Care				
Indigent Health Care	50,000	50,000	16,344	33,656
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>16,344</u>	<u>33,656</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	202,933	<u>\$ 202,933</u>
FUND BALANCE DECEMBER 30, 2022			<u>3,925,896</u>	
FUND BALANCE DECEMBER 31, 2023			<u>\$ 4,128,829</u>	

**PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - AIRPORT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Federal Receipts	\$ -	\$ 45,000	\$ 45,000	\$ -
Total Intergovernmental Receipts	-	45,000	45,000	-
Miscellaneous				
Miscellaneous Revenue	80,000	145,095	145,095	-
Hangar Rental & Ground Lease Agreements	14,310	14,310	13,804	(506)
Interest	1,324	10,828	18,053	7,225
Total Miscellaneous	95,634	170,233	176,952	6,719
Total Revenues	95,634	215,233	221,952	6,719
EXPENDITURES				
Public Transportation				
Insurance - liability and property	4,924	1,868	1,868	-
Professional services	50	14,755	14,705	50
Repairs and renovations	50	21,801	35,112	(13,311)
Furniture and Equipment	50	50	40	10
Fuel and repairs	90,560	148,010	138,804	9,206
Runway repairs and improvements	-	10,900	-	10,900
Total Public Transportation	95,634	197,384	190,529	6,855
Capital Outlay:				
Repairs and renovations	-	59,349	59,349	-
Total Capital Outlay	-	59,349	59,349	-
Total Expenditures	95,634	256,733	249,878	6,855
Excess of Revenues Over (Under) Expenditures	\$ -	\$ (41,500)	(27,926)	\$ 13,574
FUND BALANCE DECEMBER 30, 2022			488,427	
FUND BALANCE DECEMBER 31, 2023			\$ 460,501	

**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, 2023**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	\$ 1,250	\$ 1,250	\$ 13,925	\$ 12,675
Total Other Revenues and Fees	1,250	1,250	13,925	12,675
Total Revenues	1,250	1,250	13,925	12,675
EXPENDITURES				
Public Transportation				
Miscellaneous	1,250	1,250	-	1,250
Total Public Transportation	1,250	1,250	-	1,250
Total Expenditures	1,250	1,250	-	1,250
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	13,925	\$ 13,925
FUND BALANCE DECEMBER 30, 2022			304,613	
FUND BALANCE DECEMBER 31, 2023			\$ 318,538	

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, 2023

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	\$ 1,000	\$ 1,000	\$ 10,950	\$ 9,950
Total Other Revenues and Fees	1,000	1,000	10,950	9,950
Total Revenues	1,000	1,000	10,950	9,950
EXPENDITURES				
Capital Outlay:				
Furniture and equipment	1,000	1,000	-	1,000
Total Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	1,000	1,000	-	1,000
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	10,950	\$ 10,950
FUND BALANCE DECEMBER 30, 2022			239,370	
FUND BALANCE DECEMBER 31, 2023			\$ 250,320	

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, 2023

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	\$ 1	\$ 1	\$ 20	19
Total Other Revenues and Fees	1	1	20	19
Total Revenues	1	1	20	19
EXPENDITURES				
Capital Outlay				
Jail Equipment	1	1	-	1
Total Capital Outlay	1	1	-	1
Total Expenditures	1	1	-	1
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	20	\$ 20
FUND BALANCE DECEMBER 30, 2022			477	
FUND BALANCE DECEMBER 31, 2023			\$ 497	

FIDUCIARY FUNDS

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023

	<u>Automobile Registration Fund</u>	<u>Tax Assessor- Collector Ad Valorem Tax Fund</u>	<u>County Clerk Registry Fund</u>	<u>District Clerk Registry Fund</u>	<u>Community Supervision and Corrections Department Fund</u>
Assets					
Cash	\$ 306,369	\$ 6,757,738	\$ 689,196	\$ 1,679,653	\$ 2,178
Investments	-	-	-	351,596	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 306,369</u>	<u>\$ 6,757,738</u>	<u>\$ 689,196</u>	<u>\$ 2,031,249</u>	<u>\$ 2,178</u>
Liabilities					
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	306,369	6,757,738	-	-	-
Due to others	-	-	689,196	2,031,249	-
Total liabilities	<u>306,369</u>	<u>6,757,738</u>	<u>689,196</u>	<u>2,031,249</u>	<u>-</u>
Net Position					
Individuals, organizations, and other governments	-	-	-	-	2,178
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,178</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023

	<u>Criminal District Attorney Restitution Fund</u>	<u>Criminal District Attorney Seizure Fund</u>	<u>Sheriff Collections Fund</u>	<u>Jail Inmate Fund</u>	<u>Total Custodial Funds</u>
Assets					
Cash	\$ 100	\$ 162,444	\$ 735	\$ 18,447	\$ 9,616,860
Investments	-	-	-	-	351,596
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 100</u>	<u>\$ 162,444</u>	<u>\$ 735</u>	<u>\$ 18,447</u>	<u>\$ 9,968,456</u>
Liabilities					
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	7,064,107
Due to others	-	-	-	-	2,720,445
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,784,552</u>
Net Position					
Individuals, organizations, and other governments	100	162,444	735	18,447	183,904
Total net position	<u>\$ 100</u>	<u>\$ 162,444</u>	<u>\$ 735</u>	<u>\$ 18,447</u>	<u>\$ 183,904</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Automobile Registration Fund</u>	<u>Tax Assessor - Collector Ad Valorem Tax Fund</u>	<u>County Clerk Registry Fund</u>	<u>District Clerk Registry Fund</u>	<u>Community Supervision and Corrections Department Fund</u>
Additions					
Tax collections for other governments	\$ 6,653,000	\$ 97,728,706	\$ -	\$ -	\$ -
Held for others	-	-	1,320,131	503,652	314,215
Interest on investments	5,732	184,919	-	-	1,651
	<u>6,658,732</u>	<u>97,913,625</u>	<u>1,320,131</u>	<u>503,652</u>	<u>315,866</u>
Deductions					
Payments to other governments	6,658,732	97,913,625	-	-	-
Payments to others	-	-	1,320,131	503,101	316,758
Administrative expenses	-	-	-	551	-
	<u>6,658,732</u>	<u>97,913,625</u>	<u>1,320,131</u>	<u>503,652</u>	<u>316,758</u>
Net increase (decrease) in fiduciary position	-	-	-	-	(892)
Net position - beginning	-	-	-	-	3,070
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,178</u>

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Criminal District Attorney Restitution Fund</u>	<u>Criminal District Attorney Seizure Fund</u>	<u>Sheriff Collection Fund</u>	<u>Jail Inmate Fund</u>	<u>Total Custodial Funds</u>
Additions					
Tax collections for other governments	\$ -	\$ -	\$ -	\$ -	\$ 104,381,706
Held for others	7,719	55,076	6,343	143,598	2,350,734
Interest on investments		6,010	-	-	198,312
	<u>7,719</u>	<u>61,086</u>	<u>6,343</u>	<u>143,598</u>	<u>106,930,752</u>
Deductions					
Payments to other governments	-	-	-	-	104,572,357
Payments to others	7,719	10,205	6,142	141,923	2,305,979
Administrative expenses	-	-	-	-	551
	<u>7,719</u>	<u>10,205</u>	<u>6,142</u>	<u>141,923</u>	<u>106,878,887</u>
Net increase (decrease) in fiduciary position	-	50,881	201	1,675	51,865
Net position - beginning	<u>100</u>	<u>111,563</u>	<u>534</u>	<u>16,772</u>	<u>132,039</u>
Net position - ending	<u>\$ 100</u>	<u>\$ 162,444</u>	<u>\$ 735</u>	<u>\$ 18,447</u>	<u>\$ 183,904</u>





STATISTICAL SECTION

Panola County, Texas Statistical Section Overview

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

Financial Trends:

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

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

Revenue Capacity Information:

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

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

Debt Capacity Information:

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

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

Demographic and Economic Information:

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

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

Operating Information:

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

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

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

Governmental activities:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net Investment in Capital Assets	\$ 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	\$ 23,542,376
Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	-	-	-	-	-
Restricted for Other Purposes	19,804,727	18,079,336	16,688,338	15,988,312	-	-	-	-	-	-
Unrestricted	<u>21,177,389</u>	<u>15,305,198</u>	<u>10,747,035</u>	<u>9,378,770</u>	<u>24,880,434</u>	<u>23,196,286</u>	<u>45,184,264</u>	<u>43,671,917</u>	<u>40,913,998</u>	<u>42,577,083</u>
Total governmental activities net position	<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>	<u>\$ 66,119,459</u>

TABLE 2

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities:										
General administration	\$ 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	\$ 4,219,943
Judicial	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	1,288,251
Legal	622,350	628,235	796,328	919,988	844,493	621,159	614,417	646,121	618,330	589,841
Elections	226,175	203,709	240,177	234,316	190,348	192,420	189,184	216,421	213,282	206,776
Financial administration	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	913,259
Public facilities	436,392	313,614	321,607	330,773	559,976	881,056	469,972	420,136	493,979	695,814
Public safety	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	6,724,721
Environmental protection	309,957	291,329	342,370	424,727	424,322	449,386	405,004	405,004	417,769	397,717
Public transportation	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	6,713,665
Health and Paupers care	963,865	924,692	789,163	1,465,366	794,101	710,734	1,729,386	1,995,250	2,640,645	1,519,237
Recreation	345,421	358,270	445,773	481,366	435,797	423,521	464,777	445,229	428,808	409,735
Conservation	118,591	100,870	88,374	103,044	99,340	118,746	119,229	112,210	108,927	102,973
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	\$ 25,526,285	\$ 22,975,552	\$ 28,365,428	\$ 26,995,283	\$ 25,323,171	\$ 24,767,871	\$ 25,406,745	\$ 23,704,257	\$ 23,668,315	\$ 23,781,932
Program Revenues:										
Governmental Activities:										
Charges for Services										
General administration	\$ 446,766	\$ 495,129	\$ 450,259	\$ 430,163	\$ 404,371	\$ 393,927	\$ 332,744	\$ 325,813	\$ 358,984	\$ 378,308
Judicial	572,276	566,158	510,986	472,783	623,356	637,963	607,479	487,141	435,198	396,268
Legal	17,150	19,243	16,739	18,658	19,764	19,174	19,039	19,934	28,229	29,702
Elections	5,903	3,664	3,157	9,100	5,714	3,006	-	5,435	-	7,050
Financial administration	981,024	950,425	890,708	908,753	904,371	908,990	823,788	832,349	854,162	854,313
Public facilities	-	-	-	-	-	-	-	-	-	-
Public safety	249,870	274,479	275,147	228,049	287,566	292,881	253,340	298,428	374,660	431,121
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	202,497	132,491	110,227	91,880	147,046	60,912	226,139	141,950	130,661	139,891
Health and Paupers care	120	210	140	80	478	-	815	-	1,110	965
Recreation	176,956	176,686	171,571	171,625	174,381	170,099	186,593	182,318	187,112	162,407
Conservation	-	-	-	-	2,757	-	750	-	850	400
Total Charges for Services	\$ 2,652,562	\$ 2,618,485	\$ 2,428,934	\$ 2,331,091	\$ 2,569,805	\$ 2,486,953	\$ 2,450,686	\$ 2,293,368	\$ 2,370,966	\$ 2,400,425

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Grants and Contributions										
General administration	\$ -	\$ -	\$ -	\$ 776,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	109,200	63,000	84,000	84,000	87,204	88,806	88,806	88,806	85,500	84,102
Legal	34,964	34,698	32,898	27,498	29,365	29,418	29,954	30,871	30,343	33,500
Elections	4,662	69,949	16,350	41,339	3,758	8,298	-	2,390	4,656	362
Financial administration	-	-	-	-	-	-	-	-	-	-
Public facilities	-	-	-	-	-	-	-	3,000	-	-
Public safety	490,815	367,755	349,223	364,381	380,306	436,612	474,948	546,400	686,415	684,681
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	73,302	647,337	3,540,360	32,451	32,522	29,538	29,575	29,575	29,575	29,676
Health and Paupers care	42,678	47,587	57,168	57,094	53,000	53,387	1,005,804	1,251,495	2,010,776	1,011,544
Recreation	-	-	-	-	-	-	-	-	-	-
Total Operating Grants and Contributions	\$ 755,621	\$ 1,230,326	\$ 4,079,999	\$ 1,382,849	\$ 586,155	\$ 646,059	\$ 1,629,087	\$ 1,952,537	\$ 2,847,265	\$ 1,843,865
Program Revenues, Continued:										
Capital Grants and Contributions										
Judicial	\$ -	\$ -	\$ -	\$ 32,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	29,782	28,983	32,782	-	23,009	24,888	37,957	27,232	24,735	37,913
General Administration	-	-	-	-	-	-	404,353	-	-	-
Public Facilities	-	-	-	-	42,299	388,715	161,269	18,580	97,636	149,126
Public Safety	36,066	37,561	43,019	30,000	-	30,000	30,000	30,000	73,023	44,351
Public Transportation	1,649,294	1,319,426	-	-	-	117,854	-	-	-	-
Recreation	-	-	-	-	-	29,255	-	-	-	-
Total Capital Grants and Contributions	\$ 1,715,142	\$ 1,385,970	\$ 75,801	\$ 62,485	\$ 65,308	\$ 590,712	\$ 633,579	\$ 75,812	\$ 195,394	\$ 231,390
Total Governmental Activities										
Program Revenues	\$ 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	\$ 4,475,680
Net (Expense) Revenue										
Governmental Activities:	<u>\$ (20,402,960)</u>	<u>\$ (17,740,771)</u>	<u>\$ (21,780,694)</u>	<u>\$ (23,218,858)</u>	<u>\$ (22,101,903)</u>	<u>\$ (21,044,147)</u>	<u>\$ (20,693,393)</u>	<u>\$ (19,382,540)</u>	<u>\$ (18,254,690)</u>	<u>\$ (19,306,252)</u>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 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	\$ 21,072,209
Interest Income	2,998,488	941,061	338,131	457,500	893,082	650,507	275,252	196,890	199,770	232,059
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	553,672	1,108,652	507,775	1,159,280	679,308	556,548	406,690	362,167	731,188	739,163
Total Governmental Activities	<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>	<u>\$ 22,043,431</u>
Increase in Net Position Before Transfers	9,849,181	8,001,711	1,449,395	787,813	1,111,587	224,328	863,379	1,937,311	3,771,090	2,737,179
Transfers	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	3,633,966	-	(686,005)						
Change in Net Position										
Governmental Activities	<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>	<u>\$ 2,737,179</u>
Total Primary Government	<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>	<u>\$ 2,737,179</u>
% Change from Prior Year	(15.35%)	702.80%	1323.66%	(90.84%)	395.52%	(74.02%)	(55.43%)	(48.63%)	37.77%	85.60%

TABLE 3

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	<u>25,031,849</u>	<u>21,795,097</u>	<u>19,873,867</u>	<u>17,530,662</u>	<u>15,304,714</u>	<u>12,516,976</u>	<u>10,605,091</u>	<u>11,431,684</u>	<u>12,628,900</u>	<u>13,701,192</u>
Total General Fund	<u>25,031,849</u>	<u>21,795,097</u>	<u>19,873,867</u>	<u>17,530,662</u>	<u>15,304,714</u>	<u>12,516,976</u>	<u>10,605,091</u>	<u>11,431,684</u>	<u>12,628,900</u>	<u>13,701,192</u>
All Other Governmental Funds:										
Nonspendable, Reported in:										
Special Revenue Funds	12,694	171,048	33,963	21,054	6,121	24,305	25,968	68,066	6,740	20,014
Restricted, Reported in:										
Special Revenue Funds	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	12,896,767
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Committed, Reported in:										
Capital Projects Funds	<u>569,355</u>	<u>544,460</u>	<u>536,112</u>	<u>532,677</u>	<u>527,667</u>	<u>736,616</u>	<u>724,419</u>	<u>718,821</u>	<u>715,382</u>	<u>711,931</u>
Total All Other Governmental Funds	<u>20,374,083</u>	<u>18,794,847</u>	<u>17,258,413</u>	<u>16,542,044</u>	<u>16,532,327</u>	<u>16,146,466</u>	<u>15,551,847</u>	<u>15,047,351</u>	<u>14,246,242</u>	<u>13,628,712</u>
Total Governmental Funds	<u>\$ 45,405,932</u>	<u>\$ 40,589,944</u>	<u>\$ 37,132,280</u>	<u>\$ 34,072,705</u>	<u>\$ 31,837,041</u>	<u>\$ 28,663,442</u>	<u>\$ 26,156,938</u>	<u>\$ 26,479,035</u>	<u>\$ 26,875,142</u>	<u>\$ 27,329,904</u>
% Change from Prior Year	11.86%	9.31%	8.98%	7.02%	11.07%	9.58%	(1.22%)	(1.47%)	(1.66%)	2.70%

TABLE 4

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Property Taxes	\$ 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	\$ 21,053,992
Licenses	360,025	361,270	361,345	270,300	334,557	360,000	347,114	352,249	335,099	377,382
Intergovernmental	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	1,384,707
Fees of Office	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	1,366,538
Fines	312,432	389,271	327,735	321,947	401,396	446,306	417,917	348,600	295,881	275,040
Miscellaneous	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	2,043,236
Total Revenues	35,687,880	30,978,706	30,430,309	27,175,624	26,589,674	24,871,974	25,640,336	25,637,939	27,372,885	26,500,895
EXPENDITURES										
General Administration	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	6,970,773
Judicial	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	1,244,293
Legal	622,350	628,235	796,328	915,549	849,805	615,790	591,967	654,074	649,523	589,841
Elections	216,425	217,158	231,584	206,658	185,516	184,792	168,418	186,710	160,810	158,049
Financial Administration	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	913,259
Public Facilities	443,433	323,337	314,590	436,738	558,641	878,379	464,822	419,018	476,331	693,744
Public Safety	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	6,242,852
Environmental Protection	301,634	283,785	335,742	417,254	417,449	443,112	398,730	398,730	411,495	391,443
Conservation	129,908	109,562	87,137	96,014	99,565	117,060	114,292	113,739	112,089	102,973
Public Transportation	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	4,298,754
Health & Paupers Care	896,229	857,057	729,176	1,397,730	726,578	643,007	1,661,289	1,927,757	2,573,604	1,451,601
Culture & Recreation	403,445	378,802	397,270	396,690	399,028	381,984	411,315	412,922	411,917	372,336
Debt Service - Principal	-	-	-	-	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-
Capital Outlay	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	2,353,074
Total Expenditures	31,130,166	27,586,371	27,460,735	24,940,368	23,416,075	22,365,470	25,911,175	26,033,791	27,827,647	25,782,992
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,557,714	3,392,335	3,059,574	2,235,256	3,173,599	2,506,504	(270,839)	(395,852)	(454,762)	717,903
OTHER FINANCING SOURCES (USES)										
Relocation of Fund Equity to Shelby County	-	-	-	-	-	-	(51,515)	-	-	-
Issuance of leases	34,288	65,329	-	-	-	-	-	-	-	-
Issuance of SBITAs	223,989	-	-	-	-	-	-	-	-	-
Transfers In	255,000	254,823	326,650	355,051	251,097	236,108	241,108	241,108	203,100	198,000
Transfers Out	(255,000)	(254,823)	(326,650)	(355,051)	(251,097)	(236,108)	(241,108)	(241,108)	(203,100)	(198,000)
Total Other Financing Sources (Uses)	258,277	65,329	-	-	-	-	(51,515)	-	-	-
NET CHANGE IN FUND BALANCES	\$ 4,815,991	\$ 3,457,664	\$ 3,059,574	\$ 2,235,256	\$ 3,173,599	\$ 2,506,504	\$ (322,354)	\$ (395,852)	\$ (454,762)	\$ 717,903
Debt Service as a percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

TABLE 5

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

Fiscal Year	Estimated Market Value			Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property	Less: Tax-Exempt Property		
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
2014	3,154,126,118	1,402,523,190	190,458,950	4,366,190,358	0.4694

Source: Panola County Appraisal District

TABLE 6

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

	<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>	<u>2014</u>
<u>Panola County Direct Rates</u>										
GENERAL	0.38337	0.44791	0.55752	0.59750	0.53620	0.59130	0.58220	0.58220	0.46980	0.45580
SPECIAL REVENUE	0.00998	0.01135	0.01497	0.01600	0.01520	0.01670	0.01610	0.01610	0.01390	0.01360
DEBT SERVICE	-	-	-	-	-	-	-	-	-	-
TOTAL DIRECT RATE	<u>0.39335</u>	<u>0.45926</u>	<u>0.57249</u>	<u>0.61350</u>	<u>0.55140</u>	<u>0.60800</u>	<u>0.59830</u>	<u>0.59830</u>	<u>0.48370</u>	<u>0.46940</u>
<u>Overlapping Rates</u>										
City and Town Rates:										
CARTHAGE	0.58000	0.58000	0.60140	0.58940	0.58940	0.57440	0.57440	0.57440	0.52000	0.52000
BECKVILLE	0.41127	0.43730	0.48597	0.52065	0.52586	0.58011	0.54693	0.53320	0.45603	0.45867
School Districts Rates:										
CARTHAGE ISD	0.89920	1.08460	1.19610	1.19640	1.21000	1.28000	1.28000	1.14000	1.14000	1.14000
GARY ISD	1.14920	1.33460	1.44340	1.44640	1.43000	1.50000	1.50000	1.37000	1.29000	1.29000
BECKVILLE ISD	0.88453	1.13738	0.88300	0.96640	0.97000	1.04000	1.35339	1.34000	1.25655	1.12000
ELYSIAN FIELDS ISD	0.70290	0.89390	0.93700	0.97470	1.16000	1.35000	1.35000	1.35000	1.32000	1.28300
TATUM ISD	0.94053	1.20700	1.20700	1.20700	1.20700	1.20700	1.20700	1.20000	0.17000	1.17000
TENAHA ISD	0.85040	1.09221	1.10940	1.09330	1.08210	1.16153	1.15852	1.16300	1.19249	1.18760
JOAQUIN ISD	1.04880	1.31610	1.51850	1.52940	1.54170	1.62140	1.59730	1.59730	1.55970	1.45550
Other Special District Rates:										
PANOLA JR. COLLEGE	0.19554	0.21847	0.27775	0.29079	0.25112	0.27039	0.25700	0.24334	0.20787	0.21483
PANOLA COUNTY ESD	0.01896	0.02098	0.02791	0.02842	0.02359	0.02372	0.02130	0.02130	0.02130	0.02130
PANOLA GWCD	0.00717	0.00816	0.01010	0.01010	0.01011	0.01100	0.01100	0.01100	0.01000	0.00970

Source: Various taxing entities

TABLE 7

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

Name of Taxpayer	Fiscal Year 2023		Fiscal Year 2014	
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
ROCKCLIFF ENERGY OP LLC	\$ 1,206,904	13.54 %	\$ -	-
SABINE OIL & GAS CORP (WI)	495,983	5.56 %	-	-
R LACY SERVICES LTD	302,722	3.40 %	-	-
TG NR EAST TEXAS LLC (MIN-WI)	233,490	2.62 %	-	-
COMSTOCK OIL & GAS LLC	204,480	2.29 %	-	-
SHERIDAN PRODUCTION CO LLC	191,331	2.15 %	-	-
GEMINI CARTHAGE PIPELINE LLC	165,892	1.86 %	-	-
BTA ETG GATHERING LLC	147,393	1.65 %	-	-
SILVER HILL ENERGY OPR TNG LLC	121,154	1.36 %	-	-
DIVERSIFIED PRODUCTION LLC	117,513	1.32 %	-	-
ANADARKO E&P ONSHORE LLC(MIN)	-	-	504,403	11.30 %
DEVON ENERGY PROD OP LP (MIN #)	-	-	315,366	7.06 %
DCP EAST TX GATHERING LP-PLANT	-	-	193,597	4.34 %
MARKWEST ENERGY E TX GAS CO LP	-	-	152,650	3.42 %
XTO ENERGY INC (MIN)	-	-	101,024	2.26 %
SAMSON LONE STAR LLC (WI)	-	-	97,163	2.18 %
MARKWEST-CARTHAGE PLANT & EAST	-	-	80,245	1.80 %
XTO ENERGY INC (HUNT PET)	-	-	78,896	1.77 %
MEMORIAL PRODUCTION OPER	-	-	77,401	1.73 %
LUMINANT MINING CO LLC	-	-	74,085	1.66 %
Total	\$ 3,186,862		\$ 1,674,830	
Total Assessed Value and Percentage of Total	\$ 8,914,016	35.75 %	\$ 4,463,863	37.52 %

Source: Panola County Appraisal District

TABLE 8

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

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Current Tax Collection</u>	<u>Percent Of Levy Collected</u>	<u>Collections in Subsequent Periods (2)</u>	<u>Total Collections</u>	<u>Percent Of Total Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
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%
2014	21,378,495	20,839,267	97.48%	306,048	21,145,315	98.91%	232,880	1.09%

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 2022 through June 30th, 2023. The column "Collections in Subsequent Periods", represents the amount of delinquent taxes that have been collected.

TABLE 9

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Lease Liability	SBITA Liability	Less: Amounts Available in Debt Service Fund				
2023	-	57,645	834,732	-	892,377	0.010%	0.069%	39.36
2022	-	46,304	-	-	46,304	0.001%	0.004%	2.04
2021	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-

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, 2023
(UNAUDITED)**

<u>Jurisdiction</u>	<u>Net Debt Outstanding Amount (1)</u>	<u>Applicable to Panola County Percent</u>	<u>Amount Applicable to Panola County</u>
Cities:			
Carthage	<u>\$ 14,160,636</u>	100.00%	<u>\$ 14,160,636</u>
Total Cities	<u>14,160,636</u>		<u>14,160,636</u>
School Districts:			
Carthage ISD	20,461,000	100.00%	20,461,000
Gary ISD	7,239,600	100.00%	7,239,600
Beckville ISD	23,406,916	100.00%	23,406,916
Elysian Fields ISD	3,465,000	52.55%	1,820,858
Tatum ISD	10,150,000	2.27%	230,405
Tenaha ISD	2,595,000	4.75%	123,263
Joaquin ISD	9,405,000	5.05%	474,953
Total School Districts	<u>76,722,516</u>		<u>53,756,994</u>
Panola Junior College	<u>22,995,000</u>	100.00%	<u>22,995,000</u>
Subtotal, Overlapping Debt	113,878,152		90,912,630
Panola County (Direct Debt)	<u>892,377</u>	100.00%	<u>892,377</u>
Total Direct and Overlapping Debt	<u>\$ 114,770,529</u>		<u>\$ 91,805,007</u>

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

Sources:

(1) Respective entities and auditors of respective entities.

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	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	1,163,580,582
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>2,280,130,924</u>	<u>1,451,311,835</u>	<u>936,793,792</u>	<u>898,446,172</u>	<u>1,006,540,189</u>	<u>842,390,705</u>	<u>853,237,453</u>	<u>1,129,611,684</u>	<u>1,129,611,684</u>	<u>724,256,955</u>
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 2023

Assessed value	\$ 8,914,016,004
Add back: exempt real property	<u>206,507,690</u>
Total assessed value	\$ 9,120,523,694
Debt limit 25% of assessed value of real property (Article 3, Section 52, Constitution of the State of Texas)	\$ 2,280,130,924
Amount of Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 2,280,130,924</u>

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

TABLE 12

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>College & School Enrollment</u>
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
2014	23,769	\$ 1,091,774	\$ 45,738	4.90%	6,574

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	2023		2014	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Natural Resource and Mining	898	11.52 %	1,315	12.49 %
Construction	1,182	15.17 %	2,553	24.25 %
Manufacturing	852	10.93 %	921	8.75 %
Trade, Transportation, Utilities	1,466	18.81 %	1,821	17.30 %
Information	55	0.71 %	56	0.53 %
Financial Activities	220	2.82 %	276	2.62 %
Professional Business Services	683	8.76 %	696	6.61 %
Education Health Services	632	8.11 %	888	8.44 %
Leisure Hospitality	413	5.30 %	417	3.96 %
Other Services	211	2.71 %	176	1.67 %
Federal Government	61	0.78 %	71	0.67 %
State Government	30	0.38 %	58	0.55 %
Local Government	1,091	14.00 %	1,279	12.15 %
Total	7,794	100.00 %	10,527	100.00 %

Source: Texas Workforce Commission 2023

Source: Texas Workforce Commission 2014

TABLE 14

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

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Administration	16	16	16	15	14	14	15	16	16	17
Judicial	17	16	16	17	16	16	17	17	17	17
Elections	2	2	2	2	2	2	2	2	2	2
Financial Administration	15	15	14	15	15	14	14	14	13	13
Legal	7	7	7	7	7	7	7	7	6	6
Public Facilities	1	1	1	1	1	1	1	1	1	1
Public Safety	72	72	70	69	73	74	74	75	85	84
Public Transportation	43	42	38	39	41	41	45	46	47	47
Culture and Recreation	5	5	4	5	5	6	6	6	6	6
Conservation-Agriculture	3	3	3	2	3	3	3	3	3	3
Totals	181	179	171	172	177	178	184	187	196	196

Source: Panola County Payroll History Report

PANOLA COUNTY, TEXAS
CAPITAL ASSETS BY FUNCTION/PROGRAM
December 31, 2023
(UNAUDITED)

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Administration										
Furniture & Equipment	13	11	8	8	8	8	8	8	8	8
Facilities	4	4	5	5	5	5	5	5	5	5
Tracts of Land	10	10	10	10	10	10	10	10	10	10
Judicial										
Furniture & Equipment	4	4	4	4	3	3	3	3	3	3
Facilities	1	1	1	1	1	1	1	1	1	1
Elections										
Equipment	63	63	7	3	2	2	2	2	2	2
Public Facilities										
Facilities	1	1	1	1	1	1	1	1	1	1
Public Safety										
Vehicles	52	56	51	55	47	45	45	45	45	45
Equipment	19	16	14	14	14	14	14	14	14	14
Facilities	5	5	2	2	2	2	2	2	2	2
Environmental Protection										
Facilities	2	2	2	2	2	2	2	2	2	2
Landfill	1	1	1	1	1	1	1	1	1	1
Public Transportation										
Miles of County Roads	610	610	610	610	610	610	610	610	610	610
Number of Bridges	15	15	15	15	15	15	15	15	15	12
Facilities	6	6	6	6	6	5	5	5	5	5
Equipment & Vehicles	155	174	169	143	138	137	137	137	137	137
Tracts of Land	6	6	6	6	6	6	6	6	6	5
Health/Paupers Care										
Facilities	2	2	2	2	2	2	2	2	2	2
Tracts of Land	1	1	1	1	1	1	1	1	1	1
Recreation										
Facilities	1	1	1	1	1	1	1	1	1	1
Conservation										
Facilities	1	1	1	1	1	1	1	1	1	1
Tracts of Land	1	1	1	1	1	0	0	0	0	0

Source: Panola County Capital Asset Inventory Listing

TABLE 16

PANOLA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
December 31, 2023
(UNAUDITED)

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Administration										
Official Public Records Filed	8,108	8,763	8,574	8,524	7,939	7,955	6,277	5,701	7,058	7,639
Vital Statistics Filed	251	278	298	268	103	105	81	71	72	68
Judicial										
Number of Civil Cases	562	634	612	599	677	632	413	501	703	525
Number of Criminal Cases	546	637	701	522	595	709	646	754	813	849
Legal										
Number of Convictions - Misdemeanors	102	120	173	73	243	246	212	248	270	181
Number of Convictions - Felony	203	156	94	38	151	240	109	171	245	120
Elections										
Number of Registered Voters	17,355	17,178	16,749	16,838	17,807	15,523	16,248	10,475	15,647	15,775
Number of Elections	1	5	2	4	1	3	1	3	1	4
Financial Administration										
Number of mineral tax items	430,037	400,041	333,892	338,783	370,170	364,688	353,538	365,436	359,573	386,945
Number of real estate tax items	38,377	38,172	38,151	38,151	38,078	26,366	26,396	26,419	26,423	26,281
Number of registered vehicles	26,816	26,644	26,965	25,953	27,106	31,871	27,882	28,593	29,519	30,460
Public Facilities										
Number of repair jobs	105	51	58	59	70	66	64	85	80	71
Public Safety										
Number of emergency responses	7,724	7,091	7,339	6,729	6,213	4,373	4,580	4,223	4,418	4,013
Number of book-ins	1,113	894	806	503	982	1,048	1,128	1,106	1,233	1,410
Environmental Protection										
Number of solid waste transfers(tons)	6,422	6,431	6,485	6,312	6,223	41,652	11,914	12,465	12,235	13,026
Number of Diversions (tons)	3,946	3,246	3,323	4,179	4,219	528	554	428	387	308
Public Transportation										
Miles of road resurfaced	47	55	42	13	20	11	15	19	9	7
Number of repairs	100	90	80	75	111	70	129	340	390	350
Health and Paupers Care										
Number of autopsies performed	33	49	41	22	36	32	32	34	31	40
Number of indigent admissions	482	520	487	435	426	560	549	575	688	322
Recreation										
Number of patrons to Library	40,873	37,307	39,245	35,324	9,890	13,163	12,835	11,979	11,113	8,921
Number of books in library	35,559	36,857	36,868	40,229	40,254	41,457	43,983	48,819	45,270	50,727
Number of programs	63	60	92	75	102	99	78	116	69	83
Conservation										
Number of programs	115	98	45	148	134	115	253	78	275	149
Number of radio programs	116	97	115	84	34	8	12	31	75	100
County Extension mailouts & emails	6,800	6,500	8,300	4,822	15,350	14,500	45,550	10,850	23,500	18,906

Source: Individual County Departments

PANOLA COUNTY, TEXAS
 SCHEDULE OF INSURANCE IN FORCE
 DECEMBER 31, 2023
 (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-1830-20230101-1	1/1/2023	1/1/2024	Auto Liability - 1000 Deduct; Property Damage - Limit, Bodily Injury - Limit, Personal Injury Protect - Limit, Unins Motor.		\$ 35,128
Texas Association of Counties	CAS-1830-20230101-1	1/1/2023	1/1/2024	Auto Physical Damage - 2500 Deduct.		37,794
Texas Association of Counties	CAS-1830-20230101-1	1/1/2023	1/1/2024	General Liability - Various Limits, Various Deduct.		9,129
Texas Association of Counties	CAS-1830-20230101-1	1/1/2023	1/1/2024	Law Enforcement Professional Liability - Per Claim 2,000,000; Aggregate 2,000,000	2,000,000	58,974
Texas Association of Counties	CAS-1830-20230101-1	1/1/2023	1/1/2024	Public Officials and Employees Legal Liability 2,000,000 Limit Each; 2,000,000 Aggregate; 25,000 Deduct.	2,000,000	33,401
Texas Association of Counties	PR-1830-20230101-1	1/1/2023	1/1/2024	Property - Total Covered Value 26,313,540; 10000 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	205,431
EBCO	UA00134783-22	12/13/2023	12/13/2024	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	1/1/2023	12/31/2023	Workers Compensation Self-Funded Insurance through Texas Association of Counties	(2)	100,306
Texas Association of Counties	#1830	1/1/2023	12/31/2023	Unemployment Insurance Self-Funded through Texas Association of Counties	(3)	10,542
Texas Association of Counties - BCBS	62946	12/1/2022	11/30/2023	Employee Group Ins - TAC Health and Employee Benefit Pool 500 deductible - 2,000 co-ins; Emp Life Ins	(4)	4,488,899
The CIMA Companies, Inc.	TXCART6	7/1/2023	7/1/2024	Volunteers Insurance Service Association (VIS) Work Release Volunteer Accident Insurance	25,000	2,676

(1) 2018 Funding

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

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

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

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2023
(Unaudited)

Insurer or Name of Company	Number	Policy Period		Building and/or Department & Description	Amount of Coverage	Premiums & Funding
		From	To			
Safeco Ins.	999220342	12/31/2023	12/31/2024	County Judge - Rodger McLane	1,000	100
Zip Bonds	GM221863	1/31/2023	1/31/2024	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	1/14/2023	1/14/2024	County Clerk Errors & Omissions	500,000	1,036
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	1/14/2023	1/14/2024	District Clerk Errors & Omissions	500,000	659
Travelers	6608010A867TCT	8/27/2023	8/27/2024	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.	32S171038	1/1/2023	1/1/2027	Criminal District Attorney	5,000	355
Safeco Ins.	999067433	9/11/2023	9/11/2024	Elections Administrator	1,000	100
Safeco Ins.	32S577699	8/31/2022	8/31/2024	Auditor	5,000	175
	999026518	8/31/2022	8/31/2024	Assistant Auditor	5,000	200
	999156179	8/31/2022	8/31/2024	Assistant Auditor	5,000	200
	999151146	8/31/2022	8/31/2024	Assistant Auditor	5,000	200
Safeco Ins.	32S454765	1/1/2023	1/1/2027	County Treasurer	1,000	325
Safeco Ins.	32S429390	3/15/2023	3/15/2024	Assistant Treasurer/Chief Deputy	25,000	125
	32S434402	5/5/2023	5/5/2024	Deputy Treasurer	25,000	125

TABLE 17 (cont.)

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2023
(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	1/1/2023	1/1/2024	Tax Assessor/Collector (Deputies) Crime Bond	35,000	176
Safeco Ins.	999220346	11/22/2023	11/22/2024	Sheriff	30,000	100
Safeco Ins.		2/25/2023	12/30/2024	Reserve Deputies - Ten @ 2,000	20,000	1,000
Safeco Ins.	999176661	5/1/2023	5/1/2024	Constable Precinct 1	1,500	100
Safeco Ins.	999220259	11/23/2023	11/23/2024	Reserve Constable Deputy Pct. 1	2,000	100
	32S608840	4/1/2023	4/1/2024	Reserve Constable Deputy Pct. 1	2,000	100
	32S388262	1/1/2023	1/1/2024	Reserve Constable Deputy Pct. 1	2,000	100
Safeco Ins.	999080128	12/31/2020	12/31/2024	Constable Precinct 2	1,000	400
	999234590	2/3/2023	12/31/2024	Constable Precinct 2	1,000	168
Safeco Ins.	999302029	12/21/2023	12/21/2024	Reserve Constable Deputy Pct. 2	2,000	100
	32S160071	12/31/2023	12/31/2024	Reserve Constable Deputy Pct. 2	2,000	100
	999276036	7/24/2023	7/24/2024	Reserve Constable Deputy Pct. 2	2,000	100
The Travelers	I660287X6078TIL22	12/30/2022	12/30/2023	123rd Judicial District Adult Probation	10,000	250
The Travelers	I660226X9543TIL22	12/30/2022	12/30/2023	123rd Judicial District Juvenile Probation	10,000	250
Safeco Ins.	32S171012	1/1/2023	1/1/2027	County Surveyor	1,000	355
Safeco Ins.	32S560840	4/1/2023	4/1/2024	Special Prosecutor	2,500	100
	32S560854	4/1/2023	4/1/2024	Special Prosecutor	2,500	100
	32S560858	4/1/2023	4/1/2024	Special Prosecutor	2,500	100
	32S560867	4/1/2023	4/1/2024	Special Prosecutor	2,500	100
	999033575	12/23/2023	12/23/2024	Special Prosecutor	2,500	100
	999067439	9/8/2023	9/8/2024	Special Prosecutor	2,500	100
Safeco Ins.	999227968	1/1/2024	1/1/2025	Asst. District Attorney	5,000	100
Western Surety	32S171051	12/31/2022	12/31/2026	Public Official Schedule	100,000	1,244
Western Surety		2/11/2019	6/1/2027	Notary Bond- Fifteen		1,065





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, 2023, 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 7, 2024.

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 7, 2024

**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, 2023. 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, 2023.

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 7, 2024



**PANOLA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor or Pass-through Grantor's Number</u>	<u>Program Expenditures</u>
U. S. DEPARTMENT OF TREASURY			
Direct Programs:			
Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>\$ 1,518,712</u>
TOTAL U. S. DEPARTMENT OF TREASURY			<u>1,518,712</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Department of Family and Protective Services:			
Foster Care Title IV-E	93.658	HHS000285000011	<u>7,400</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>7,400</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,526,112</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, 2023

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, 2023 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, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

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

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

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

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

Identification of major programs:

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

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

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

**PANOLA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

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, 2023**

No prior year audit findings.